PRODUCT DISCLOSURE STATEMENT AND PROSPECTUS

28 October 2013

Issued by
APN Funds Management Limited
ABN 60 080 674 479 AFSL 237500
Industria Company No. 1 Pty Ltd
ABN 61 010 794 957

INDUSTRIAREIT
An APN Property Group fund

Industria Trust No. 1 ARSN 125 862 875
Industria Trust No. 2 ARSN 125 862 491
Industria Trust No. 3 ARSN 166 150 938
Industria Trust No. 4 ARSN 166 163 186
Industria Company No. 1 Pty Ltd ACN 010 794 957

MACQUARIE UBS
BOOKRUNNERS AND JOINT LEAD MANAGERS

ANZ Morgans In alliance with CIMB
JOINT LEAD MANAGERS

EVANS & PARTNERS
CO-LEAD MANAGER

a) The Issuers

This Product Disclosure Statement and Prospectus (**Disclosure Document**) contains an offer (**Offer**) to investors to acquire stapled securities in Industria REIT (**Industria**) comprising units in Industria Trust No. 1 (**Trust 1**, currently Australand Wholesale Property Trust No. 6). Industria Trust No. 2 (**Trust 2**, currently Australand Wholesale Property Trust No. 6A), Industria Trust No. 3 (**Trust 3**, formerly APN Wholesale Direct Property Pool), Industria Trust No. 4 (**Trust 4**, formerly BTP Central Trust) and shares in Industria Company No. 1 Pty Limited (**Industria Co**, formerly APN DF1 Developments (Qld) Pty Limited (**APN DF1 Developments** – see paragraph (b) below) (**Securities**).

Provided the conditions to the Transaction (**Transaction Conditions**) are satisfied or waived, Industria will be formed by stapling Trust 1 and Trust 2 which currently comprise the Australand Wholesale Property Fund No. 6 (**AWPF6**) with Trust 3 and Trust 4 which are currently managed by APN Funds Management Limited (**APN FM**) and Industria Co. AWPF6 is currently managed by Australand Funds Management Limited ABN 64 122 477 776 (**AFML** – see paragraph (d) below).

This Disclosure Document has been prepared by APN FM and by Industria Co. APN FM and Industria Co are the issuers of this Disclosure Document and the Securities (**Issuers**). This Disclosure Document has been prepared in relation to the issue of the units in each of Trust 1, Trust 2, Trust 3 and Trust 4 and the shares in Industria Co as well as the issue of the Securities.

APN FM is a wholly owned subsidiary of APN Property Group Limited ACN 109 846 068 (**APN**), a company listed on the ASX (ASX code APD). APN is not the issuer of this Disclosure Document. Neither APN nor any of its directors or officers take any responsibility for the contents, accuracy or completeness of this Disclosure Document or the merits of the investment to which this Disclosure Document relates.

Although Industria Co is one of the Issuers of this Disclosure Document, it will not be responsible for the management of Industria. Industria will be managed by APN FM as Responsible Entity and manager. Industria Co has appointed APN FM as an intermediary pursuant to section 911A(2)(b) of the Corporations Act for the purposes of making the offer of shares in Industria Co pursuant to this Disclosure Document.

b) Industria Co is currently a private company

As at the date of this Disclosure Document, Industria Co, one of the issuers of this Disclosure Document, is a private company. Under the Corporations Act, Industria Co must be a public company at the time the Offer is made. Industria Co has made an application to ASIC to be converted to a public company. Industria Co's conversion to a public company will take effect on or around 16 November 2013. No applications will be accepted under the Offer until the conversion of Industria Co to a public company has been completed.

c) Offer not underwritten

The Offer is not underwritten.

The Issuers and the Joint Lead Managers have entered into an Offer Management Agreement in respect of the management of the Offer. Under the Offer Management Agreement, in addition to the management of the Offer by the Joint Lead Managers, the Bookrunners have agreed to conduct the bookbuild and allocation processes for the Offer, and provide settlement support for the Offer. A summary of the key terms of the Offer Management Agreement is provided in Section 13.2.

d) Australand Funds Management Limited not an issuer

APN FM, Industria Co, AFML and other parties have entered into a Merger Implementation Deed dated 25 September 2013 in relation to the Transaction.

AFML, both in its personal capacity and in its capacity as responsible entity of Trust 1 and Trust 2 prior to implementation of the Transaction, is not the issuer of this Disclosure Document (and nor has it caused the issue of this Disclosure Document) and neither AFML nor any of its related bodies corporate or any of their respective directors, officers, employees, agents and advisers takes any responsibility for the contents, accuracy or completeness of this Disclosure Document or the merits of the investment to which this Disclosure Document relates.

e) Important information for AWPF6 Securityholders

This Disclosure Document has been prepared by the Issuers in connection with the Transaction, including the issue of units in each of Trust 3 and Trust 4 and the shares in Industria Co to AWPF6 Securityholders under the AWPF6 Transaction. This Disclosure Document has not been prepared for any other purpose, including the resolutions to be considered by unitholders in AWPF6 (**AWPF6 Securityholders**) at the meeting of AWPF6 Securityholders to be convened in connection with the Transaction (**AWPF6 Securityholder Meeting**). AWPF6 Securityholders will receive an explanatory memorandum and notice of meeting (**Notice of Meeting**) from AFML, the responsible entity of AWPF6, on or around the date of receipt of this Disclosure Document. AWPF6 Securityholders should read the Notice of Meeting carefully in considering whether or not to vote in favour of the resolutions to be considered at the AWPF6 Securityholder Meeting.

f) Stapling transaction disclosure

To the extent required under Chapter 6D and Part 7.9 of the Corporations Act and otherwise, this Disclosure Document is intended to satisfy the obligations of each Trust and Industria Co in relation to the issue of units and shares as part of the Stapling transaction.

g) Lodgement and listing

This Disclosure Document was prepared in accordance with the Corporations Act. This Disclosure Document is dated 28 October 2013 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Issuers have applied for the admission of Industria to the Official List of ASX and the quotation of the Securities on ASX. Neither ASIC nor ASX nor their officers takes any responsibility for the contents of this Disclosure Document or the merits of the investment to which this Disclosure Document relates.

The fact that ASX may admit Industria to its Official List is not to be taken in any way as an indication of the merits of Industria.

h) Exposure Period

The Corporations Act prohibits the Issuers from processing applications in the seven day period after the date of lodgement of the Disclosure Document (**Exposure Period**). This Exposure Period may be extended by ASIC by a further period of up to an additional seven days. Applications received during the Exposure Period will not be processed until after the expiry of that period and Industria Co has become a public company. Applicants will not receive any preference in respect of Application Forms received during the Exposure Period.

i) Expiry date

The Disclosure Document will expire on 27 November 2014, 13 months after the date of this Disclosure Document. No Securities will be issued on the basis of this Disclosure Document after that date.

j) Not investment advice

The information contained in this Disclosure Document should not be taken as financial product advice and has been prepared as general information only, without consideration for your particular investment objectives, financial circumstances or particular needs.

It is important that you read this document carefully and in its entirety prior to making your investment decision with respect to the Offer. In particular you should pay careful consideration to the risk factors outlined in Section 9 of the Disclosure Document in light of your personal circumstances, recognising that other risk factors may exist in addition to those identified and should also be considered before deciding whether to invest. You should also pay careful consideration to the tax implications in Section 11 of this Disclosure Document, noting that the potential tax effects of the Offer will vary between investors.

If you have any queries or uncertainties relating to aspects of this Disclosure Document or the Offer, please consult your Broker, accountant or other independent financial adviser before deciding whether to invest.

k) Financial information

Unless otherwise specified, all financial and operational information contained in this Disclosure Document is believed to be current as at the date of this Disclosure Document.

All currency amounts are in Australian dollars unless otherwise specified.

This Disclosure Document includes Forecast Financial Information based on the best estimate assumptions of the Directors of the Issuers.

The financial information presented in this Disclosure Document is unaudited. See 'Forward-looking statements' below.

l) Electronic Disclosure Document

An electronic copy of this Disclosure Document may be viewed online by Australian investors at www.industriareit.com.au during the Offer Period. If you access the Disclosure Document electronically, please ensure that you download and read the Disclosure Document in its entirety. The Offer to which this Disclosure Document relates is available to persons receiving this Disclosure Document (electronically or otherwise) in Australia.

A paper form of this Disclosure Document can be obtained, free of charge, during the Offer Period by contacting the Industria Information Line on 1800 132 009 between 9:00am and 5:30pm (Melbourne Time) Monday to Friday.

Applications for Securities in Industria via the Broker Firm Offer or Priority Offer will only be considered if applied for on an Application Form (either paper or electronic) attached to or accompanied by a copy of this Disclosure Document (refer to Sections 10.6, 10.7 and 10.8 for further information).

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is accompanied by this Disclosure Document in its paper form or the complete and unaltered electronic form.

m) Foreign jurisdictions

This Disclosure Document has been prepared to comply with the requirements of Australian law and is only being made to Australian resident Retail Investors under the Broker Firm Retail Offer, Australian resident Sophisticated Investors under the Broker Firm Sophisticated Offer and Institutional Investors located in Australia and certain other jurisdictions.

This Disclosure Document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Distribution of this Disclosure Document outside of Australia (whether electronically or otherwise) may be restricted by law. Persons who receive this Disclosure Document outside of Australia are required to observe any such restrictions. Failure to comply with such restrictions may find you in violation of applicable securities laws.

Unless otherwise agreed with the Issuers, any person subscribing for Securities in the Offer shall by virtue of such subscription be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this Disclosure Document and are not acting for the account or benefit of a person within such jurisdiction.

None of, the Issuers, the Joint Lead Managers or APN, nor any of their respective directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

The Securities described in this Disclosure Document have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the US Securities Act) or the securities law of any state of the United States, and may not be offered or sold directly or indirectly, in the United States.

n) Updated information

Information regarding the Offer may need to be updated from time to time. Any updated information about the Offer that is considered not materially adverse to investors will be made available on the Industria website at www.industriareit.com.au and the Issuers will provide a copy of the updated information free of charge to any eligible investor who requests a copy by contacting the Industria Information Line on 1800 132 009 between 9:00am and 5:30pm (Melbourne Time) Monday to Friday during the Offer Period.

In accordance with their obligations under the Corporations Act, the Issuers may issue a supplementary Disclosure Document to supplement any relevant information not disclosed in this Disclosure Document. You should read any supplementary disclosures made in conjunction with this Disclosure Document prior to making any investment decision.

o) Independent Property Valuations

This Disclosure Document contains information regarding the independent valuations of the Properties by independent valuers Savills Valuations Pty Ltd (**Savills**) and Colliers International Consultancy and Valuation Pty Ltd (**Colliers**), in each case as of 30 September 2013. Valuations are an estimate of price, not a guarantee of current or future market value. By necessity, valuations require the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser or another valuer. Historically it has been considered that valuers may properly conclude values within a range of possible values.

Independent valuations are subject to a number of assumptions and conditions, including but not limited to:

- that all properties are held with good and marketable title, free and clear of any or all liens, encumbrances, restrictions or other impediments of an onerous nature and that utilisation of the land is within the boundaries of the property lines with no trespass or encroachment, noting that four Properties are held as leasehold interests and two as sub-leasehold interests;
- responsible ownership and competent property management;
- absence of any defects in engineering or presence of any hazardous waste and/or toxic material;
- compliance with all applicable Federal, State and local environmental regulations and laws and all applicable zoning and use regulations and restrictions; and
- absence of any latent or hidden conditions or defects on the property, subsoil or structures.

Property values can change substantially, even over short periods of time, and an independent valuer's opinion of value could differ significantly if the date of valuation were to change. A high degree of volatility in the property market may lead to fluctuations in values over a short period of time.

p) Forward-looking statements

Certain 'forward-looking statements' have been provided in this Disclosure Document. These statements can be identified by the use of words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'predict', 'guidance', 'plan' and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Preparation of these forward-looking statements was undertaken with due care and attention. However, forward-looking statements remain subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Issuers and their officers, employees, agents and advisers. Consequently, such factors may impact the performance of Industria such that actual performance differs materially to any performance indicated in the forward-looking statements.

Some of the risk factors that impact on forward-looking statements in this Disclosure Document are set out in Section 9. No assurance can be provided that actual performance will mirror the guidance provided.

Other than as required by law, none of APN FM, Industria Co or their respective directors, officers, employees or advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Disclosure Document will actually occur. You are cautioned not to place undue reliance on those statements.

The forward-looking statements in this Disclosure Document reflect the views held only immediately before the date of this Disclosure Document, unless otherwise stated. Subject to the Corporations Act and any other applicable law, each of APN, the Issuers, their respective directors, officers, employees and advisers disclaims any duty to disseminate after the date of this Disclosure Document any updates or revisions to any such statements to reflect any change in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

q) Photographs, diagrams

Photographs, diagrams and artists' renderings contained in this Disclosure Document that do not have accompanying descriptions are intended for illustrative purposes only. They should not be interpreted to mean an endorsement of this Disclosure Document or its contents by any person shown in these images. Furthermore, assets not accompanied by a description should not be interpreted as being owned by Industria.

Diagrams used in this Disclosure Document are also intended for illustrative purposes only and may not be drawn to scale.

r) Disclaimer

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Disclosure Document.

Any information or representation that is not in this Disclosure Document may not be relied on as having been authorised by APN or the Issuers in connection with the Offer. Except as required by law, and only to the extent so required, neither APN or the Issuers, nor any other person, warrants or guarantees the future performance of Industria, the repayment of capital, or any return on any investment made pursuant to this information.

The Joint Lead Managers have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Disclosure Document and do not make or purport to make any statement in this Disclosure Document and there is no statement in this Disclosure Document which is based on any statement by the Joint Lead Managers. The Joint Lead Managers and their affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Disclosure Document and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Disclosure Document.

s) Further questions

If you have any queries relating to aspects of this Disclosure Document please call the Industria Information Line on 1800 132 009 between 9:00am and 5:30pm (Melbourne Time) Monday to Friday (excluding public holidays) during the Offer Period.

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INDUSTRIA REIT

140 Sharps Road, Tullamarine, VIC

CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Directors of APN Funds Management Limited (**APN FM**) and Industria Company No. 1 Pty Limited[1] (**Industria Co**) (together, the **Issuers**), I am pleased to invite you to consider an investment in Industria REIT (**Industria**), a new Australian REIT to be listed on the ASX. Industria is seeking to raise up to $225.0 million through the Offer of up to 112.5[2] million Securities at an Offer Price of $2.00 per Security.

Industria will own interests in a workspace focussed portfolio of 18 established, high quality industrial, technology park and business park assets located across Sydney, Melbourne, Brisbane and Adelaide, and which have been independently valued at $378.0 million. Industria's portfolio provides tenants with modern, cost effective and practical spaces to meet their business needs. The workspace sector provides Industria with an investment proposition that is unique amongst AREITs.

Industria will offer investors:[3]

- a portfolio diversified by geography, sector and tenant (by number and by industry);
- a portfolio with a weighted average age of 6.3 years;
- a weighted average lease expiry (**WALE**) (by area) of 5.8 years;
- a forecast annualised Distribution yield of 8.2% p.a. for the period ending 30 June 2014;
- a forecast Distribution yield of 8.4% p.a. for the year ending 30 June 2015;
- a forecast level of initial Gearing of 33.8%, within Industria's target range of 30% to 40%;
- pro forma forecast net tangible asset backing of $1.94 per Security compared with the Offer Price of $2.00;
- the potential for distribution and capital growth through contracted fixed and/or CPI linked rental increases from the majority of underlying leases; and
- access to the people and capabilities of APN Property Group Limited (**APN**), a specialist real estate investment manager which has managed property investments on behalf of its clients for over 16 years, including a significant part of the Industria portfolio for over seven years.

APN has committed $12.5 million to subscribe for 6.25 million Securities under the terms of the Offer (which will represent 5.0% of Industria).

The market capitalisation of Industria will be $250.0 million at the Offer Price comprising:

- $225.0 million representing funds raised under the Offer or Securities held by Continuing Securityholders; and
- $25.0 million representing Securities held by APN securities funds[4] (which will represent 10.0% of Industria).

Industria intends to make Distributions on a half-yearly basis (with the first Distribution intended to be made in August 2014). Distributions will be determined with reference to Industria's Distributable Earnings, with a target range for Distributions of between 90% and 100% of Distributable Earnings. Industria expects the tax deferred component of Distributions to be between 30% and 48% for the Forecast Period.

Industria will manage a range of risks in the ordinary course of its business, including in relation to property and tenant management, capital management and capital expenditure. For a description of the key risks associated with an investment in Industria, please refer to Section 9.

Industria is to be formed by stapling two trusts that currently comprise the Australand Wholesale Property Fund No. 6 (**AWPF6**) with Industria Co and two trusts that are currently managed by APN FM. This Disclosure Document contains detailed information about the Offer, the establishment of Industria and Industria's Portfolio, operations, financial performance and prospects. It sets out the conditions which need to be satisfied for the Offer to complete, including the approval of AWPF6 Securityholders. Existing Securityholders may choose to retain the Securities they receive under the Transaction or offer them under the Sale Facility. The proceeds of the Offer will be used to fund the purchase of Securities from Existing Securityholders of up to $175.8 million, repay bank debt of $36.5 million and pay Industria's share of the transaction costs of up to $12.2 million.

You should read this Disclosure Document carefully and in its entirety including Section 12, which sets out fees and other costs associated with investing in Industria. In addition, you should consider seeking relevant professional advice before making a decision to apply for Securities.

Thank you for your consideration of the opportunity to invest in Industria.

Yours sincerely,

Geoff Brunsdon
Chairman
APN Funds Management Limited

1 Industria Company No. 1 Pty Ltd is a proprietary company and will become a public company on or around 16 November 2013 and, in any event, prior to any Applications being accepted under this Disclosure Document.

2 The number of Securities available under the Offer will equal 112.5 million less any Securities retained by Existing Securityholders. The proceeds of the Offer received by the Issuers will equal the number of Securities made available multiplied by the Offer Price per Security, less the $0.03 per Security Broker Service Fee multiplied by the number of Securities issued under the Broker Firm Retail Offer. The Broker Service Fee does not affect the forecast financial position or performance of Industria. The Offer is not underwritten and will not proceed unless all Securities available under the Offer are allocated.

3 The basis on which the forecast Distribution yield, forecast Gearing, and pro forma net tangible asset backing has been prepared, as well as the assumptions on which they are based, is in Section 6.

4 These Securities will be held by APN Direct Property Fund and APN Unlisted Property Fund. These Securities may be transferred to one or more of the APN Funds following completion of the Offer.

KEY OFFER INFORMATION

KEY OFFER STATISTICS[1]	
Offer Price per Security	$2.00
Broker Firm Retail Offer Price per Security	$1.97[2]
Number of Securities available under the Offer	Up to 112.5 million[3]
Proceeds from the Offer	Up to $225.0 million[4]
Number of Securities on issue after the Offer	125.0 million[5]
Market capitalisation at the Offer Price	$250.0 million
Forecast FY14 annualised Distribution yield per Security (p.a.)	8.2%
Forecast FY15 Distribution yield per Security (p.a.)	8.4%
Net Tangible Assets (**NTA**) per Security	$1.94
Offer Price premium to NTA per Security	3.3%

KEY PORTFOLIO STATISTICS	
Number of Properties	18
Independent Property valuation	$378.0 million
Net Lettable Area	164,215 sqm
Valuation weighted average Passing Yield[6]	8.04%
Valuation weighted average Capitalisation Rate[7]	8.44%
Weighted Average Lease Expiry (by area)	5.8 years
Occupancy (by area)	97.2%

KEY DATES	
Disclosure Document lodgement date	Monday, 28 October 2013
Broker Firm Offer and Priority Offer open	Monday, 18 November 2013
Broker Firm Offer and Priority Offer close (5:00pm Melbourne Time)	Wednesday, 27 November 2013
Institutional Offer	Thursday, 28 November 2013
AWPF6 Securityholder Meeting to approve AWPF6 Transaction	Monday, 2 December 2013
Expected commencement of trading on ASX on a conditional and deferred settlement basis	Tuesday, 3 December 2013
Conditions to conditional market satisfied	Thursday, 5 December 2013
Allotment Date	Friday, 6 December 2013
Expected dispatch of holding statements	Monday, 9 December 2013
Trading commences on a normal basis	Tuesday, 10 December 2013

*These dates are indicative only and are subject to change. The Issuers have the right to close the Offer early or to extend or cancel the Offer without notice. If the date the Offer closes is varied, subsequent dates may also be varied accordingly. Investors are encouraged to submit their Application Forms as soon as possible.

HOW TO INVEST

Applications for Securities can only be made by completing and lodging the Application Form.

Instructions on how to apply for Securities are set out in Sections 10.6, 10.7, 10.8 and 10.9 of this Disclosure Document and on the back of the Application Form.

1. This information is based on the Forecast Financial Information and the assumptions discussed in Section 6 of this Disclosure Document.
2. Applicants under the Broker Firm Retail Offer must also pay a Broker Service Fee of $0.03 per Security. Further information about the Broker Service Fee is included in Section 10.18. Retail Investors should discuss the payment of this fee with their Broker.
3. The number of Securities available under the Offer will equal 112.5 million less the number of Securities that Existing Securityholders elect to retain.
4. The proceeds of the Offer received by the Issuers will equal the number of Securities made available multiplied by the Offer Price per Security, less the $0.03 per Security Broker Service Fee multiplied by the number of Securities issued under the Broker Firm Retail Offer. The Broker Service Fee does not affect the forecast financial position or performance of Industria.
5. The 12.5 million Securities not forming part of the Offer will be held by APN Direct Property Fund and APN Unlisted Property Fund.
6. Passing Yield equates the Net Passing Rent for the property (reflecting the valuer's assessment of annualised rent as at the valuation date) (**NPR**) to its assessed value.
7. Capitalisation Rate equates the valuer's assessment of the market level of net rent for the property to its assessed market value before adjustments.

1
INVESTMENT OVERVIEW

140 Sharps Road, Tullamarine, VIC

1. INVESTMENT OVERVIEW

The key features, benefits and risks set out in this Section are a summary only. You should read the entire Disclosure Document before completing the application form as the Disclosure Document contains important information about an investment in Industria. You should also consider seeking independent legal, taxation and financial advice before investing under the Offer.

Key feature	Summary	For more information
Overview of Fund		
What is Industria?	Industria, managed by APN FM, will be a listed AREIT which will own interests in a workspace focussed portfolio of 18 established, high quality industrial, technology park and business park assets located across Sydney, Melbourne, Brisbane and Adelaide, which have been independently valued at $378.0 million. Industria's portfolio provides tenants with modern, cost-effective and practical spaces to meet their business needs. The workspace sector provides Industria with an investment proposition that is unique amongst AREITs. Industria will offer Securityholders: ■ a portfolio diversified by geography, sector and tenant (by number and by industry); ■ a portfolio with a weighted average age of 6.3 years; ■ a WALE (by area) of 5.8 years; ■ a forecast annualised Distribution yield of 8.2% p.a. for the period ending 30 June 2014; ■ a forecast Distribution yield of 8.4% p.a. for the year ending 30 June 2015; ■ a forecast level of initial Gearing of 33.8%, within Industria's target range of 30% to 40%; ■ pro forma forecast net tangible asset backing of $1.94 per Security compared with the Offer Price of $2.00; ■ potential for distribution and capital growth through contracted fixed and/or CPI linked rental increases derived from a majority of underlying leases; and ■ access to the people and capabilities of APN, a specialist real estate investment manager which has managed property investments on behalf of its clients for over 16 years, including a significant part of the Industria portfolio for over seven years.	Sections 2, 3 and 6
What is Industria's objective?	Industria's objective is to provide investors with stable cash returns and the potential for income and capital growth by investing in workspace focussed real estate. This objective is based on APN's 'property for income' philosophy with a 'property for industry' focus.	Section 2.3.1
What is Industria's strategy?	Industria's objective will be achieved through: ■ investing in a quality portfolio of industrial, technology park and business park properties that provide tenants with cost-effective, practical accommodation to meet their business needs; ■ investing in a portfolio diversified by geography, sector and tenant (by number and by industry); ■ investing in modern assets in recognised locations with excellent amenity (including infrastructure access, public transport access, car parking facilities, childcare facilities and shopping facilities); ■ accessing best practice management to ensure risk adjusted returns are maximised; ■ pursuing acquisition, divestment and investment opportunities via APN's relationships and expertise in sourcing transaction opportunities; and ■ the Forecast Financial Information has been prepared on the basis that there will be no acquisitions or disposals of properties during the Forecast Period. ■ appropriate capital structure and capital management. The Forecast Financial Information has been prepared on the basis that there will be no acquisitions or disposals of properties during the Forecast Period.	Section 2.3.2

Key feature	Summary	For more information
What is Industria's policy for acquiring additional properties?	The investment policy for Industria is to acquire industrial, technology park and business park assets which: ■ are located in or near major logistics/warehousing hubs or established technology park and business park precincts in major Australian cities; ■ preserve or enhance Industria's geographic diversity; ■ are leased or agreed to be leased by appropriately qualified tenants; and ■ are capable of being acquired on terms that ensure Industria's risk and return objectives can be achieved. APN FM will review this investment policy from time to time and may vary the criteria, or acquire a property that does not meet some or all of the criteria, where it considers it in the best interests of Securityholders to do so. Any acquisition of property may be funded through equity, debt or a combination of both. The extent to which Industria acquires properties in the future will depend on the particular circumstances at the relevant time including the proposed terms of purchase and the availability of debt and equity funding. The Forecast Financial Information has been prepared on the basis that there will be no acquisitions or disposals of properties during the Forecast Period.	Section 2.4.1
What is Industria's policy for divesting properties?	Industria will also consider the sale of a property where it no longer meets the objective and strategy of Industria, however there is no present intention to reduce the size of the Portfolio.	Section 2.4.2
Will Industria take on material development risk?	No. Industria is not a developer and its policy is to acquire properties which are either completed, or where development or delivery risk to Industria has been substantially mitigated. Any development activity conducted will be with the intention to hold and ultimately derive rent from the asset.	Section 2.4.3
What are Industria's current development properties?	Brisbane Technology Park (**BTP**) includes a development component at 51A McKechnie Drive and a multi level car park, which form part of the BTP Central asset. This development is partially complete and Queensland Health has entered into an agreement for lease for tenancy of 100% of the building for a period of six years. There is an existing development agreement in place with Graystone which is supplemented by a Construction Indemnity Deed in which Graystone guarantees that the building will be constructed for a fixed price by a fixed time (for information regarding Graystone see 'Who is Graystone' below and Section 5.4). In addition, it is intended that Industria's undeveloped land at BTP may be developed or otherwise sold to Graystone pursuant to the put and call option arrangements contained in the Graystone Co-operation Agreement and that Graystone will proactively look for new investment or acquisition opportunities within BTP for Industria.	Sections 2.4.3, 13.7 and 13.9
What is Industria's valuation policy?	Properties in the Portfolio will be valued at least every two years by an independent valuer following the Forecast Period.	Section 2.6
How will Industria report to Securityholders?	Industria will operate on a 30 June financial year end basis for accounting and financial reporting purposes. Formal financial reporting will be provided to Securityholders as at 31 December (interim) and as at 30 June (full year) each year. It is proposed that the first financial report will be for the period ending 30 June 2014. In addition to the investor reports, an annual report will be provided by the Responsible Entity in accordance with the Corporations Act. The financial statements contained in the annual report will be audited and the financial statements in the half-year accounts subject to review by the auditors.	Section 2.8

<table>
<tr><th>Key feature</th><th>Summary</th><th>For more information</th></tr>
<tr><td>How will Industria be formed?</td><td>Under the terms of a Merger Implementation Deed dated 25 September 2013 entered into between APN FM and, among other parties, AFML (the responsible entity of AWPF6), Industria will be formed by stapling the securities of Trust 1, Trust 2, Trust 3, Trust 4 (the Trusts) and Industria Co (together, the Stapling).

Trust 1 and Trust 2 are currently known as Australand Wholesale Property Trust No. 6 and Australand Wholesale Property Trust No. 6A. These entities are currently managed by AFML. Following the Stapling, these entities, together with Trust 3 and Trust 4 (formerly APN Wholesale Direct Property Pool (WDPP) and BTP Central Trust) and Industria Co, will form Industria and will be managed by APN FM.

In addition to other conditions, the Stapling is conditional on the existing AWPF6 Securityholders approving the transaction described in the Notice of Meeting including:
the Stapling; and
the replacement of AWPF6's current responsible entity with APN FM, (the AWPF6 Transaction)
at a meeting of AWPF6 Securityholders (AWPF6 Securityholder Meeting).

AFML's independent directors have unanimously recommended AWPF6 Securityholders vote in favour of the AWPF6 Transaction in the absence of a superior proposal.

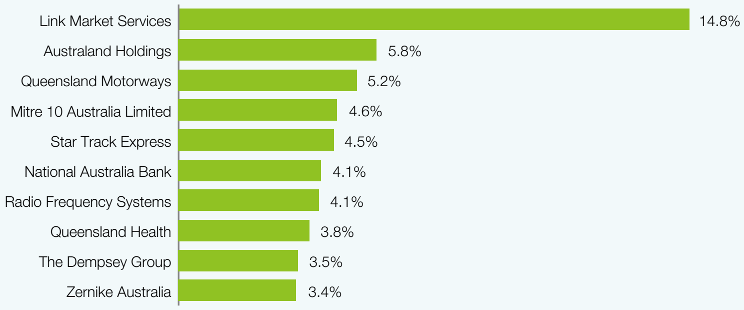
Existing holders of securities in the Trusts and Industria Co (Existing Securityholders) will be offered the opportunity to retain some or all of the Securities they will receive on implementation of the Transaction. Existing Securityholders may also choose to participate in the Offer and apply for additional Securities through the Priority Offer.</td><td>Sections 10.1 and 13.3</td></tr>
<tr><td>Portfolio</td><td></td><td></td></tr>
<tr><td>What are the key metrics of the Portfolio?</td><td>Industria's key Portfolio statistics are as follows:
<table>
<tr><th colspan="2">Key Portfolio statistics</th></tr>
<tr><td>Number of Properties</td><td>18</td></tr>
<tr><td>Independent Property valuation</td><td>$378.0 million</td></tr>
<tr><td>NLA</td><td>164,215 sqm</td></tr>
<tr><td>Valuation weighted average Passing Yield</td><td>8.04%</td></tr>
<tr><td>Valuation weighted average Capitalisation Rate</td><td>8.44%</td></tr>
<tr><td>Weighted Average Lease Expiry (by area)</td><td>5.8 years</td></tr>
<tr><td>Occupancy (by area)</td><td>97.2%</td></tr>
</table></td><td>Section 3.1</td></tr>
</table>

Key feature	Summary	For more information
What assets will comprise Industria's Property portfolio (the Portfolio)?	Industria's Portfolio will be as follows:	Section 3

Property	Independent valuation ($m)[1]	Cap Rate	Passing Yield	NLA (sqm)	WALE (years, by area)
34 Australis Drive, Derrimut[2]	20.75	8.00%	7.50%	25,243	9.2
80-96 South Park Drive, Dandenong South[2]	18.20	8.50%	8.36%	20,245	4.2
89 West Park Drive, Derrimut[2]	15.18	8.00%	7.74%	17,024	8.9
32-40 Garden Street, Kilsyth[2]	13.73	9.00%	10.25%	10,647	4.2
5 Butler Boulevard, Adelaide Airport[3]	12.80	10.00%	10.34%	12,257	3.2
140 Sharps Rd, Tullamarine[3]	12.70	9.00%	9.75%	10,508	9.0
7 Clunies Ross Court and 17 - 19 McKechnie Drive, BTP	34.00	9.00%	9.45%	8,937	2.1
BTP Central, BTP[4]	28.00	8.63%	5.19%	7,632	4.6
8 Clunies Ross Court and 9 McKechnie Drive, BTP	23.75	9.00%	9.87%	5,765	3.0
7 Brandl Street, BTP	21.25	8.75%	8.76%	5,264	6.9
37 Brandl Street, BTP	13.25	8.88%	8.93%	3,314	3.8
18 Brandl Street, BTP	11.50	9.25%	9.45%	4,174	2.0
53 Brandl Street, BTP[5]	9.20	9.25%	4.70%	3,007	1.5
88 Brandl Street, BTP[6]	7. 00	8.88%	8.97%	3,283	4.2
85 Brandl Street, BTP	5.00	9.25%	0.00%	1,627	0.0
Brandl Street Land (Lot 3 & 6)	1.99	-	-	-	-
Building A, 1 Homebush Bay Drive, Rhodes	78.00	7.75%	7.68%	14,641	7.5
Building C, 1 Homebush Bay Drive, Rhodes	51.75	8.00%	7.66%	10,647	4.6
Total or Weighted Average	378.04	8.44%	8.04%	164,215	5.8

Eleven of the Properties are freehold interests, four of the Properties are held as leasehold interests (APN FM will hold an option to purchase the freehold title for each of these Properties for nominal consideration), two of the Properties are sub-leasehold interests and one Property is a 50% freehold interest held via a joint venture.

1 As at 30 September 2013.
2 Leasehold interest with option to acquire freehold title.
3 Sub-leasehold interest.
4 Reflects development activity. Passing yield on an 'As if complete' basis of approximately 8.60%.
5 Reflects 48.8% occupancy as at 31 December 2013.
6 Valuation reflects 50% interest in the asset. For reporting purposes this asset is equity accounted and appears on the balance sheet as a $7.0 million 'Other non-current asset'.

<table>
<tr><th>Key feature</th><th>Summary</th><th>For more information</th></tr>
<tr><td>Who are the tenants?</td><td>Industria's top 10 tenants (by income contributed) are as follows:
</td><td>Section 3.1</td></tr>
<tr><td colspan="3">Responsible Entity and management</td></tr>
<tr><td>Who will be the Responsible Entity and manager of Industria?</td><td>The Responsible Entity and manager of Industria will be APN Funds Management Limited ABN 60 080 674 479 which holds AFSL 237500 (APN FM).</td><td>Sections 5.1 and 5.2</td></tr>
<tr><td>Who will manage Industria?</td><td>Industria will be managed by APN FM as responsible entity of the Trusts and under the Industria Co Management Agreement. APN will provide support under the terms of the APN Co-operation Deed.
The key terms of the Industria Co Management Agreement include:
■ APN FM is appointed to manage the assets of Industria Co in accordance with the investment strategy of Industria;
■ the term of the Industria Co Management Agreement will be for 10 years. Following this initial term, the agreement can be terminated upon the giving of two years' notice. If APN FM is no longer the responsible entity of the Trusts, the Industria Co Management Agreement may be terminated by giving 12 months' notice or (at Industria Co's election) paying to APN FM the equivalent of 12 months management fees; and
■ Industria Co will pay APN FM a fee of up to 2% of the value of its gross assets to APN FM in consideration for the provision of the management services.
The key terms of the APN Co-operation Deed include:
■ APN agrees to provide ongoing support to Industria, including in relation to accounting and compliance, finance, capital transactions and investor relations;
■ APN agrees that it will provide Industria with the first right of refusal in respect of any investment opportunity that meets the Industria investment mandate;
■ no fees are payable to APN under the APN Co-operation Deed; and
■ the APN Co-operation Deed terminates on the retirement or removal of APN FM as responsible entity of the Trusts.
Property management may be undertaken by APN (or a wholly owned subsidiary), at its election. If APN elects to provide such services it may subcontract or novate certain services or all services in respect of part or the whole of the property portfolio to one or more third parties.
APN may charge a fee of up to 3% of annual gross income plus a leasing fee at current market rates.
Although Industria Co is an Issuer of this Disclosure Document, it will not be responsible for the management of Industria.</td><td>Sections 5.1, 5.2, 12.4, 12.6, 13.4, 13.6, 13.7 and 13.8</td></tr>
</table>

Key feature	Summary	For more information
Who are the Directors of the Responsible Entity?	The Board of the Responsible Entity comprises four Directors, with three Independent Directors, including the Chairman. The Directors of the Board of the Responsible Entity are: ■ Geoff Brunsdon – Independent Chairman ■ Michael Johnstone – Independent Director ■ Jennifer Horrigan – Independent Director ■ Howard Brenchley – Executive Director	Section 5.2.2
Who are the Directors of Industria Co?	The Board of Industria Co is the same as the Board of APN FM, with one additional Executive Director being John Freemantle.	Section 5.2.2
What are the key responsibilities of the Responsible Entity?	The key responsibilities of the Responsible Entity as responsible entity and manager of Industria include: ■ strategic oversight; ■ financial management and administration; ■ investment evaluation and implementation; and ■ governance and regulatory compliance.	Section 5.2.1
What fees will the Responsible Entity receive?	The Responsible Entity will charge a Management Fee of 0.55% p.a. of Gross Asset Value (reducing to 0.50% p.a. of Gross Asset Value in excess of $750 million and 0.45% p.a. of Gross Asset Value in excess of $1,500 million). The Responsible Entity is entitled to reimbursement for reasonable expenses incurred in the operation of Industria (estimated at approximately 0.14% p.a. (plus GST) of Industria's Gross Asset Value over the Forecast Period).	Section 12
How will Industria be managed?	Industria will have a dedicated management team including: ■ Laurence Parisi – Fund Manager ■ Michael Suckling – Portfolio Manager ■ David Avery – Senior Asset Manager In addition, the management team will be supported by the broader resources of APN including: ■ Chris Aylward – Executive Chairman ■ Tim Slattery – Director, Corporate Development ■ Michael Groth – Director, Corporate Finance	Sections 5.3.3 and 5.3.4
Who is APN?	Established in 1996, APN is an ASX listed, Melbourne based property funds management company (ASX code: APD) that manages approximately $1.7 billion (as at 30 June 2013) of real estate and real estate securities on behalf of institutional and retail investors.	Section 5.3.1

Key feature	Summary	For more information
What is the ongoing relationship between APN Property Group and Industria?	Industria and APN will be parties to the following arrangements going forward: ▪ APN FM, a wholly owned subsidiary of APN, is the responsible entity of the Trusts. ▪ APN FM has also entered into the Industria Co Management Agreement with Industria Co, under which it has been appointed to manage the assets of Industria Co on a day to day basis in accordance with the investment strategy of Industria. The term of the Industria Co Management Agreement will be for 10 years. Following this initial term, the agreement can be terminated upon the giving of two years' notice. If APN FM is no longer the responsible entity of the Trusts, the Industria Co Management Agreement may be terminated by giving 12 months' notice or (at Industria Co's election) paying to APN FM the equivalent of 12 months' management fees. Industria Co will pay APN FM a fee of up to 2% of its gross assets to APN FM in consideration for the provision of the management services. ▪ APN has entered into the APN Co-operation Deed with Industria. Under the APN Co-operation Deed, APN agrees that it will provide Industria with the first right of refusal in respect of any investment opportunity that meets the Industria investment mandate. APN also agrees to provide ongoing support to Industria, including in relation to accounting and compliance, finance, capital transactions, financial management and administration, investment evaluation and implementation and investor relations. The APN Co-operation Deed terminates on the retirement or removal of APN FM as responsible entity of the Trusts. No fees are payable to APN under this agreement. ▪ A wholly owned subsidiary of APN will have the right to act as property manager under the APN Property Management Agreement.	Sections 5.3.2, 12.4, 12.6, 13.4, 13.6, 13.7 and 13.8
Will APN or APN securities funds hold securities in Industria?	APN will subscribe for 6.25 million Securities in Industria, representing 5.0% of the total number of Securities on issue following the Offer. This subscription will be made under the Institutional Offer on the same terms as other Institutional Investors under the Offer. It is APN's intention to retain its investment in Industria as a strategic stake. APN securities funds will hold 12.5 million Securities representing 10.0% of the Securities on issue[1]. This means that APN and its related parties and associates will collectively hold 15.0% of the Securities on issue after completion of the Offer.	Sections 5.3.2 and 10.2

1 APN Direct Property Fund will hold 2.1% of these Securities and APN Unlisted Property Fund will hold 7.9% of the Securities. These funds may transfer their holdings to one or more of the APN Funds after completion of the Offer.

Key feature	Summary	For more information

Who is Graystone?	Industria has entered into an agreement with Graystone Group (the **Graystone Co-operation Agreement**) under which Graystone will formulate proposals to develop Industria's vacant land within BTP, and identify investment opportunities within BTP.
	Graystone specialises in developing technology and business precincts that provide their occupants with access to superior business facilities. With over 31 years of property experience throughout South East Queensland, Graystone has built a reputation for providing quality amenities and sustainable commercial accommodation.
	The BTP portfolio has been managed by Graystone within APN for the past seven years.
	Graystone has entered into the following agreements in relation to Industria:
	■ Graystone Co-operation Agreement
	  ▪ The Graystone Co-operation Agreement relates to the provision of development and property management services in respect of the land Industria owns in BTP. It is for a term of five years, but may be terminated earlier by APN FM or Industria Co upon the giving of three months' notice in writing.
	  ▪ Under the agreement Graystone must formulate and submit to Industria proposals to develop land within BTP and use its best endeavours to identify other investment opportunities within BTP.
	  ▪ In relation to certain undeveloped land within Industria's portfolio, Industria has granted Graystone an option to acquire a property if Graystone formulates a reasonable development proposal in good faith but that proposal is rejected by Industria, or where that property has not been developed at the expiry of three years from the date the agreement commenced (or on early termination). If Graystone does not exercise its call option at the end of the three year period, then Industria has a put option to require Graystone to purchase the property. The mechanism for setting the sale price is based on initial market value adjusted by 8% per annum.
	  ▪ Industria grants Graystone a first right of refusal to enter into the same property management arrangement in respect of any properties added to its property portfolio. Graystone grants Industria a first right in relation to any investment opportunities being available within BTP.
	■ Graystone Property Management Agreement
	  ▪ Graystone has been appointed as property manager in respect of any property owned by Industria in the BTP.
	  ▪ The term of the agreement is five years although it can be terminated earlier by Industria by the giving of three months' notice in writing.
	  ▪ A fee equal to 2.5% of the annual gross income plus a leasing fee based on current market rates is payable to Graystone.
	■ Construction Indemnity Deed
	  ▪ Graystone has entered into a deed of indemnity with Industria under which it guarantees performance under the building contracts for 51A McKechnie Drive and the multi level car park for a fixed price by a fixed date.
	  ▪ The Construction Indemnity Deed prescribes that Graystone will be liable for liquidated damages as a consequence of the development not being completed on time or within the fixed cost. Any liquidated damages due to Industria can be set off against any payments due under the building contracts including the retention sum.
		Sections 5.4, 13.4(b), 13.7 and 13.9

<table>
<tr><th>Key feature</th><th>Summary</th><th>For more information</th></tr>
<tr><td colspan="3">Benefits and risks of Industria</td></tr>
<tr><td>What are the key benefits of an investment in Industria?</td><td>Exposure to workspace assets
■ Focus on industrial, technology park and business park assets
■ Industria is the only Australian listed REIT to target this market segment
A diverse portfolio of quality property assets
■ Diversified exposure to Australia's eastern states of New South Wales, Victoria and Queensland as well as South Australia
■ Diversified tenant base by number and industry
■ A modern portfolio with a weighted average age of 6.3 years
■ A secure income stream with an occupancy level of 97.2% (by area) and a WALE of 5.8 years (by area)
■ Rents are generally reviewed annually with fixed 3.0% to 4.0% p.a. increases or indexed annually to CPI with a large number of CPI linked leases having a minimum increase of at least 3.0% p.a.
An attractive Distribution yield
■ Forecast annualised Distribution yield of 8.2% p.a. for the period ending 30 June 2014
■ Forecast Distribution yield of 8.4% for the year ending 30 June 2015
Potential for Distribution and capital growth
■ Growth through contracted fixed and/or CPI linked rental increases derived from a majority of underlying leases
Conservative capital structure
■ Industria's forecast pro forma Gearing will be 33.8% (as at the Completion Date) which is within its target Gearing range of 30% to 40%
Access to a specialist property investment manager
■ Access to the people and capabilities of APN, a specialist real estate investment manager which has managed property investments on behalf of its clients for over 16 years, including a significant part of the Industria portfolio for over seven years</td><td>Sections 2, 3 and 6</td></tr>
</table>

Key feature	Summary	For more information
What are the main risks associated with an investment in Industria?	Industria's income, Distributions or the value of Securities may be impacted by the following: ■ **Rental income risk**: Distributions made by Industria are largely dependent on rental income which may be affected by a number of factors including economic conditions, the competitive landscape, tenant concentration and the financial condition of tenants. ■ **Re-leasing and vacancy risk**: Industria's leases expire on a periodic basis both in the Forecast Period and in the succeeding years and there is a risk that expired leases will not be renewed as anticipated. ■ **Property valuation risk**: The value of the Properties held by Industria may be impacted by a number of risks including those listed above as well as market factors. ■ **Reliance on third parties**: Industria may rely on third parties such as APN and Graystone to provide a range of services (e.g. property management, asset management and leasing services) and these third parties may be unable to discharge their obligations to Industria. ■ **Development risk**: Subject to contractual arrangements between Industria and the builder, Industria may be exposed to residual development risk in relation to the completion of the property at 51A McKechnie Drive and the multi level car park at BTP. ■ **JV Property Covenant breach risk**: While the JV Property has been valued at 30 September 2013 and the amount drawn under the CBA Facility is less than the available working capital facility of Industria at the Completion Date, the forecast LVR in relation to the CBA Facility at the Completion Date is 65% which is the LVR covenant limit under the CBA Facility.	Sections 3 and 9
Financial information		
What is the pro forma NTA per Security?	Industria will have a forecast pro forma NTA of $1.94 per Security at the Completion Date.	Section 6.3.2
What will Industria's Gearing level be?	Industria will have forecast pro forma Gearing of 33.8% at the Completion Date, which is within its target Gearing range of 30% to 40%.	Section 6.3.2
Distributions		
What is Industria's expected Distribution yield?	Industria is forecast to have a Distribution yield (based on the Offer Price) of: ■ 8.2% p.a. annualised for the period ending 30 June 2014; and ■ 8.4% p.a. for the 12 month period ending 30 June 2015.	Section 6.4.2
What is Industria's Distribution policy?	The Issuers intend to make Distributions on a half-yearly basis in August and February with the first Distribution expected to be paid in August 2014 (representing approximately seven months to 30 June 2014). Distributions will be determined with reference to the level of Industria's Distributable Earnings. Generally, Distributions are expected to be in the range of 90% to 100% of Distributable Earnings.	Section 2.7

Key feature	Summary	For more information
Are Distributions guaranteed?	No. Distributions are not guaranteed.	Section 2.7
Taxation implications		
What are the tax implications?	There may be Australian tax implications for investors participating in the Offer. These implications will differ depending on the individual circumstance of each investor who participates in the Offer. You should obtain and only rely on your own tax advice before deciding whether to invest.	Section 11
Governance		
What are the key governance arrangements for Industria?	APN FM has established governance arrangements to ensure that Industria will be effectively managed in a manner that is properly focused on its investment objectives and the interests of Securityholders, as well as conforming to regulatory and ethical requirements. The Board of APN FM is responsible for the governance of Industria.	Section 5.5
Can the responsible entity be changed?	Yes, by an extraordinary resolution of Securityholders.	Section 5.5
What is the consequence of removing APN FM as the Responsible Entity?	If APN FM is removed or retires as Responsible Entity of Industria: ■ Directors and management of the Responsible Entity will no longer be involved in the management of Industria, other than in their capacity as directors of Industria Co; ■ the APN Co-operation Deed will, at the discretion of APN, terminate; ■ the new responsible entity will have the right to terminate the APN Property Management Agreement by giving 24 months' notice to APN or paying the equivalent of 24 months' management fees to APN; and ■ ANZ and NAB (the Lenders) will be entitled to terminate Industria's Debt Facility.	Section 5.5

<table>
<tr><th>Key feature</th><th>Summary</th><th>For more information</th></tr>
<tr><td colspan="3">Overview of Offer</td></tr>
<tr><td>What is the Offer?</td><td>Industria intends to raise up to $225.0 million by offering up to 112.5 million Securities at an Offer Price of $2.00 per Security (or a Broker Firm Retail Offer Price of $1.971 per Security).
The Offer will consist of:
an Institutional Offer;
a Broker Firm Offer, comprised of:
a Broker Firm Retail Offer; and
a Broker Firm Sophisticated Offer; and
a Priority Offer.</td><td>Section 10</td></tr>
<tr><td>Is the Offer underwritten?</td><td>The Offer is not underwritten. The Offer will not proceed unless the total value of the Securities issued in connection with the Transaction (valued at the $2.00 Offer Price per Security) equals $225.0 million, including the Securities that Existing Securityholders elect to retain.</td><td>Section 13.2</td></tr>
<tr><td>How will the proceeds of the Offer be used?</td><td>The proceeds of the Offer will be applied to:
fund the purchase of Securities from Existing Securityholders who exit through the Sale Facility;
repay existing bank debt; and
pay for Industria's share of the Transaction Costs.
<table>
<tr><th colspan="2">Sources of funds</th><th>Uses of funds</th><th></th></tr>
<tr><td>Offer proceeds</td><td>Up to $225.0 million</td><td>Exit of Existing Securityholders</td><td>Up to $175.8 million</td></tr>
<tr><td></td><td></td><td>Repayment of existing bank debt</td><td>$36.5 million[2]</td></tr>
<tr><td></td><td></td><td>Industria's share of Transaction Costs</td><td>Up to $12.2 million</td></tr>
<tr><td></td><td></td><td>Cash</td><td>$0.5 million</td></tr>
<tr><td>Total sources</td><td>Up to $225.0 million</td><td>Total uses</td><td>Up to $225.0 million</td></tr>
</table>
In conjunction with the Offer, Industria will refinance approximately $127.7 million3 of existing debt with a new Debt Facility.
The funds required to repay Existing Securityholders may be less than $175.8 million to the extent that Existing Securityholders elect to retain their Securities.
Total Transaction Costs are $13.9 million and APN FM will make a contribution of $1.7 million to the establishment costs incurred by Industria, thereby reducing Industria's share of the Transaction Costs to $12.2 million.</td><td>Section 10.2</td></tr>
</table>

1. Retail Investors must also pay a $0.03 Broker Service Fee per Security to their Broker. Retail Investors should discuss the payment of this fee with their Broker.
2. Proceeds applied to repay existing bank debt is an estimate reflecting an assumed pro forma balance sheet position.
3. The debt refinance of $127.7 million includes $126.9 million of long-term borrowings and $0.8 million of capitalised debt costs.

Key feature	Summary	For more information
What is the new Debt Facility?	Industria will enter into a new Debt Facility with a total commitment of $140.0 million, being: ■ a Term Facility of up to $130.0 million which may be used to refinance part of the existing debt of the Trusts and Industria Co, as well as payment of associated transaction costs; and ■ a Working Capital Facility of up to $10.0 million which may be used for general corporate and working capital purposes. The Lenders have provided credit approved commitment letters and a terms sheet to provide the Debt Facility to Industria, subject to certain conditions precedent. Conditions to the commitments made under the commitment letters include: ■ satisfactory documentation of the Debt Facility by 10 December 2013 and drawdown by the earlier of 31 December 2013 and 30 days from the date of the facility agreement; ■ no material adverse change occurring; and ■ satisfaction of the conditions precedent listed in the terms sheet, which in turn includes minimum equity of $230.0 million and completion of legal due diligence satisfactory to the Lenders. There are a number of other conditions precedent to the Debt Facility. These are considered by APN FM to be mechanical and within its control. The Debt Facility will contain a number of undertakings, including the following financial undertakings: ■ loan to value ratio must not exceed 55%, calculated as the ratio of total financial indebtedness owing under the Debt Facility to the most recent valuation of the Properties (excluding the JV Property and the debt under the CBA Facility); ■ gearing ratio must not exceed 55%, calculated as the ratio of total liabilities of Industria to total tangible assets of Industria, in each case excluding the mark-to-market value of derivatives; ■ interest coverage ratio must be more than 2.0 times, calculated as the ratio of net property operating income derived from the Properties (excluding the JV Property) to net interest expense incurred in respect of the Properties (excluding the JV Property); and ■ weighted average lease expiry must be more than 2.5 years, calculated as the average remaining term to expiry of each lease of the Properties (excluding the JV Property), weighted by the gross rental income of the relevant lease divided by the gross rental income of all Properties (excluding the JV Property). The Debt Facility is a secured facility. The Lenders will be granted first ranking mortgages over the freehold or leasehold interest in the Properties (other than the JV Property) and a general security deed over all present and after acquired property from APN FM (as responsible entity of Industria), each subtrust and asset owning entity (other than McKechnie Drive Pty Ltd).	Sections 2.5 and 13.1

Key feature	Summary	For more information
What are the conditions to the Offer going ahead?	The implementation of the Transaction is subject to a number of conditions set out in the Merger Implementation Deed, including the following: ■ the approval by AWPF6 Securityholders of the AWPF6 Transaction (AFML's independent directors have unanimously recommended AWPF6 Securityholders vote in favour of the AWPF6 Transaction proposal in the absence of a superior proposal); ■ the receipt of various third party consents (including regulatory approvals from ASIC and ASX); ■ the registration of Trust 3 and Trust 4 with ASIC as managed investment schemes (already satisfied); ■ no adverse rulings by any person which restrains or prohibits the implementation of the Transaction; ■ the representations and warranties given by the parties under the Merger Implementation Deed being true and accurate; ■ no prescribed events (as defined in the Merger Implementation Deed) occurring in respect of AWPF6 or APN FM; ■ no material adverse change (as defined in the Merger Implementation Deed) occurring in respect of AWPF6; and ■ APN providing written evidence that it holds in trust net proceeds from the Offer that are sufficient to discharge APN FM's obligation to pay AWPF6 Securityholders who exit their investment and sell their Securities under the Sale Facility. The Offer Management Agreement also includes a number of customary conditions which must be satisfied for the Offer to complete, including the entry by APN FM into a binding debt facility agreement. The execution of binding documentation and satisfaction of all conditions precedent in relation to the Debt Facility is also a condition precedent to the Offer.	Sections 13.1, 13.2 and 13.3
Who can participate in the Offer?	The Broker Firm Retail Offer is open to Australian resident Retail Investors who have received a firm allocation from their Broker. The Broker Firm Sophisticated Offer is open to Australian resident Sophisticated Investors who have received a firm allocation from their Broker. The Priority Offer is open to Eligible Securityholders in Industria Co and the Trusts and Eligible APN FM Clients in Australia. Institutional Investors in Australia, New Zealand and certain other jurisdictions will be invited to participate in the Institutional Offer.	Sections 10.6, 10.7, 10.8 and 10.9
What are the minimum and maximum Application amounts?	For applicants applying under the Broker Firm Offer and Priority Offer, the minimum Application amount is $2,000 and in increments of at least $500 thereafter. Applicants under the Priority Offer will be guaranteed a minimum allocation of $20,000 subject to the allocation policy. Applicants under the Institutional Offer will be provided additional information regarding the Institutional Offer. The Responsible Entity and the Bookrunners reserve the right to aggregate Applications they believe may have been made by the same person. There is no maximum Application amount.	Sections 10.6, 10.7, 10.8 and 10.9

Key feature	Summary	For more information
What is the allocation policy?	The allocation of Securities between the Broker Firm Offer, Priority Offer and Institutional Offer will be determined by the Issuers in consultation with the Bookrunners. For Broker Firm Retail Offer and Broker Firm Sophisticated Offer participants, Brokers will decide how they allocate available Securities among their clients. The Issuers will consult with the Bookrunners regarding the allocation of Securities. The Issuers have absolute discretion regarding the allocation of Securities to Applicants in the Offer and may reject an Application, or allocate fewer Securities than applied for, in their absolute discretion.	Section 10.6
Will the Securities be listed?	The Issuers will apply for Industria to be admitted to the Official List of ASX and quotation of the Securities on the ASX within seven days of the date of this Disclosure Document. It is expected that the Securities will be issued to successful Applicants under the Broker Firm Offer, Priority Offer and Institutional Offer on the Allotment Date of Friday, 6 December 2013. The issue of Securities will be conditional upon ASX approval for admission of Industria to the Official List of ASX. Industria's Securities are expected to trade on ASX under the code IDR.	Section 10.12
When can I sell my Securities on ASX?	It is expected that trading of the Securities on ASX will commence on or about Tuesday, 3 December 2013, initially on a conditional and deferred settlement basis. This will be before certain conditions set by ASX for the commencement of unconditional trading will have been satisfied, including completion of the Stapling and settlement of the Broker Firm Offer and Institutional Offer. It is expected that the Stapling and settlement will be completed on or about Thursday, 5 December 2013. Once these conditions are satisfied, the Securities will commence trading on ASX on an unconditional but deferred settlement basis until dispatch of the holding statements. Securities are expected to commence trading on ASX on an unconditional and normal settlement basis on or about Tuesday, 10 December 2013. It is the responsibility of each Applicant to confirm their holding before trading in Securities. Applicants who sell Securities before they receive an initial holding statement do so at their own risk.	Section 10.12
What is the Sale Facility?	The Sale Facility enables Existing Securityholders to realise their investment by selling their Securities to investors who apply for Securities pursuant to the Offer. Foreign AWPF6 Securityholders will have their Securities sold for the Offer Price. Existing Securityholders who do not execute an election form pursuant to which they elect to retain their Securities will have their Securities sold pursuant to the Offer by APN FM (or its nominee) on their behalf, as Sale Facility Agent, for the Offer Price. APN FM (or its nominee), as the Sale Facility Agent, will execute a deed poll in favour of, and for the benefit of any Exiting Securityholder (and each foreign AWPF6 Securityholder) pursuant to which APN FM will agree to undertake certain actions on behalf of Exiting Securityholders (and each foreign AWPF6 Securityholder) to effect the sale of their Securities pursuant to the Offer. The proceeds of sale will then be provided to the Exiting Securityholders and the foreign AWPF6 Securityholders.	Section 14.2

Key feature	Summary	For more information
What happens if I am a foreign AWPF6 Securityholder?	APN FM will, unless satisfied that the laws of a foreign AWPF6 Securityholder's country of residence validly permit the issue of Securities to that foreign AWPF6 Securityholder (either unconditionally or after compliance with conditions which APN FM regards as acceptable and not unduly onerous and not unduly impracticable), transfer the AWPF6 Securities held by a foreign AWPF6 Securityholder and issue the Securities to which a foreign AWPF6 Securityholder would otherwise become entitled following the Stapling, to the Sale Facility Agent on the basis that those Securities will then be sold to Applicants pursuant to the Offer. The proceeds of sale will then be provided to the foreign AWPF6 Securityholder.	Section 14.2
What is conditional and deferred settlement trading?	The period of conditional and deferred settlement trading allows for Securities to trade on ASX prior to satisfaction of the conditions of conditional trading, including in the case of Industria completion of the Stapling and settlement of the Broker Firm Offer, Priority Offer and Institutional Offer. In the event the Stapling and settlement does not complete by the end of the conditional trading period, the Offer will not proceed. If this were to occur, all trades conducted during the conditional and deferred settlement trading period will be invalid and will not settle. All Application Monies received will be returned to Applicants. No interest will be paid on any Application Monies refunded as a result of the Offer not completing.	Section 10.12
How can I apply?	**Broker Firm Offer Applicants** To apply under the Broker Firm Offer, you must lodge your Broker Firm Offer Application Form, Application Monies and Broker Service Fee (if applying under the Broker Firm Retail Offer) in accordance with your Broker's directions in order to receive your firm allocation. **Priority Offer Applicants** To apply under the Priority Offer, you must complete the Priority Offer Application Form and pay the applicable Application Monies in accordance with the instructions on the Application Form. **Institutional Offer Applicants** The Bookrunners will separately advise Institutional Investors of the Application procedures for the Institutional Offer. To the extent permitted by law, an Application by an applicant under the Offer is irrevocable.	Sections 10.6, 10.7, 10.8 and 10.9
Is there a cooling off period?	Cooling off rights do not apply to an Application for Securities under the Offer. Once you lodge an Application, you cannot withdraw it.	Section 10.11

Key feature	Summary	For more information
Fees and costs		
What are the fees and other costs?	The total fees and costs associated with the Offer are expected to total approximately $13.9 million (inclusive of GST). APN FM will make a contribution of $1.7 million (inclusive of GST) to the establishment costs incurred by Industria. Consequently, Industria's share of Transaction Costs is expected to total approximately $12.2 million (inclusive of GST).	Sections 12, 14.8 and 14.9
What is the brokerage, commission and stamp duty?	No brokerage, commission or stamp duty is payable by Applicants who apply for Securities using an Application Form, except in the case of Retail Investors who apply for Securities through the Broker Firm Retail Offer. These Applicants must pay a Broker Service Fee per Security of $0.03 (including GST) to their Broker (noting, however, that the Broker Firm Retail Offer Price per Security is $1.97 rather than $2.00). Retail Investors should discuss the payment of this fee with their Broker. If you buy or sell Securities on ASX, you may have to pay brokerage and other transaction costs. Under current legislation, there is no stamp duty payable on the sale or purchase of Securities on ASX provided that no investor (together with any related or associated persons or other persons in an associated transaction for the purposes of stamp duty law) holds 90% or more of the Securities.	Section 10.18
Other information		
Where can I find out further information about the Offer?	If you have further enquiries regarding the Offer, please contact the Industria Information Line on 1800 132 009 (toll free within Australia) or +61 1800 132 009 (outside Australia) between 9:00am and 5:30pm (Melbourne Time) Monday to Friday (excluding public holidays) during the Offer Period. Alternatively, please visit www.industriareit.com.au.	Corporate Directory

2
INDUSTRIA OVERVIEW

34 Australis Way, Derrimut, VIC

2.1 INVESTMENT SUMMARY

Industria has been established to own Australian real estate assets with a workspace sector focus. It will be created by the Stapling of the shares in Industria Co with the units in the Trusts which each currently own property assets that together will comprise Industria's Portfolio.

APN Funds Management Limited, a wholly owned subsidiary of APN Property Group Limited, will be the Responsible Entity of Industria. Please refer to Section 5.2 for detailed information regarding the Responsible Entity and the management of Industria.

Industria will offer Securityholders:

- a portfolio diversified by geography, sector and tenant (by number and by industry);
- a portfolio with a weighted average age of 6.3 years;
- a WALE (by area) of 5.8 years;
- a forecast annualised Distribution yield of 8.2% p.a. for the period ending 30 June 2014;
- a forecast Distribution yield of 8.4% p.a. for the year ending 30 June 2015;
- a forecast level of initial Gearing of 33.8%, within Industria's target range of 30% to 40%;
- pro forma forecast net tangible asset backing of $1.94 per Security compared with the Offer Price of $2.00;
- potential for distribution and capital growth through contracted fixed and/or CPI linked rental increases derived from a majority of underlying leases; and
- access to the people and capabilities of APN, a specialist real estate investment manager which has managed property investments on behalf of its clients for over 16 years, including a significant part of the Industria portfolio for over seven years.

Industria will be an ASX listed REIT with interests in a portfolio of 18 industrial, technology park and business park assets located across Australia valued at $378.0 million. The key metrics of the Portfolio are outlined in the table below.

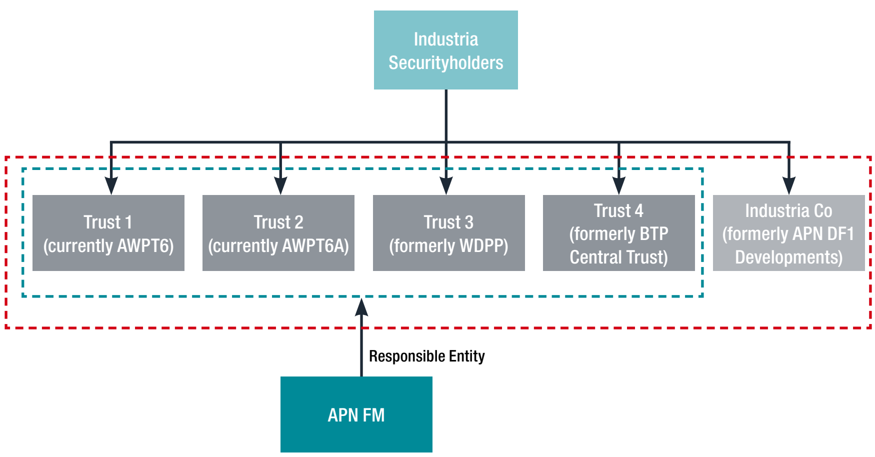
Table 1: Key portfolio metrics

Number of Properties	18
Independent property valuation	$378.0 million
NLA	164,215 sqm
Valuation weighted average Passing Yield	8.04%
Valuation weighted average Capitalisation Rate	8.44%
Weighted Average Lease Expiry (by NLA)	5.8 years
Occupancy (by NLA)	97.2%

2.2 ESTABLISHMENT OF INDUSTRIA AND STRUCTURE

As announced on 25 September 2013, APN FM entered into a binding Merger Implementation Deed with, amongst other parties, AFML, the responsible entity of AWPF6. Under the terms of the Merger Implementation Deed, the parties have agreed to enter into a transaction involving the Stapling of the shares in Industria Co with the units in the Trusts to create Industria as shown in the chart below. For further information regarding the Merger Implementation Deed, see Section 13.3 of this Disclosure Document.

Chart 1: Stapled entities comprising Industria



As at the date of this Disclosure Document, the Stapling and formation of Industria is subject to certain conditions including AWPF6 Securityholder approval, which is being sought at the AWPF6 Securityholder Meeting. AFML's independent directors have unanimously recommended AWPF6 Securityholders vote in favour of the AWPF6 Transaction in the absence of a superior proposal.

An application will be made for Industria to be admitted to the Official List of ASX and for the Securities to be granted official quotation. Industria's Securities are expected to trade on ASX under the code IDR.

2.3 INDUSTRIA'S OBJECTIVE AND STRATEGY

2.3.1 Industria's objective

Industria's objective is to provide investors with stable cash returns and the potential for income and capital growth by investing in workspace focussed real estate. This objective is based on APN's 'property for income' philosophy with a 'property for industry' focus.

Property for industry

Industria is the base for industry, diligence, activity

INDUSTRIAREIT

An APN Property Group fund

Property for income

Industria *remains loyal to* ***APN's*** *'property for income' philosophy*

2.3.2 Industria's strategy

Industria's objective will be achieved through:

- investing in a quality portfolio of industrial, technology park and business park properties that provide tenants with cost effective, practical accommodation to meet their business needs;
- investing in a portfolio diversified by geography, sector and tenant (by number and by industry);
- investing in modern assets in recognised locations with excellent amenity (including infrastructure access, public transport access, car parking facilities, childcare facilities and shopping facilities);
- accessing best practice management to ensure risk adjusted returns are maximised;
- pursuing acquisition, divestment and investment opportunities via APN's relationships and expertise in sourcing transaction opportunities; and
- appropriate capital structure and capital management.

2.4 ACQUISITION, DIVESTMENT AND DEVELOPMENT ACTIVITIES

2.4.1 Acquisitions

Industria may acquire additional properties in the future that satisfy its investment objectives.

Industria's current investment policy is to acquire industrial, technology park and business park assets which:

- are located in or near major logistics/warehousing hubs or established technology park and business park precincts in major Australian cities;
- preserve or enhance Industria's geographic diversity;
- are leased or agreed to be leased by appropriately qualified tenants; and
- are capable of being acquired on terms that ensure Industria's risk and return objectives can be achieved.

Industria may finance future acquisitions and other growth initiatives via an equity raising or the issuance of debt, in which case:

- if the acquisition is funded by a future equity raising, the ownership interests of Securityholders may be diluted depending on their participation in the equity raising; and
- if the acquisition is funded by debt, Industria's Gearing may increase.

APN FM will review this investment policy from time to time and may vary the criteria, or acquire a property that does not meet some or all of the criteria, where it considers it in the best interests of Securityholders to do so.

The extent to which Industria acquires properties in the future will depend on the particular circumstances at the relevant time including the proposed terms of purchase and the availability of debt and equity funding.

2.4.2 Divestments

Industria will consider the sale of a property where it no longer meets the objective and strategy of Industria, however there is no present intention to reduce the size of the Portfolio.

2.4.3 Development

Industria is not a developer and its policy is to acquire properties which are either completed, or where development or delivery risk to Industria has been substantially mitigated. Any development activity conducted will be with the intention to hold and ultimately derive new or increased rent from the asset.

At present, BTP Central Trust includes a development component at 51A McKechnie Drive and a multi level car park. This development is partially complete and Queensland Health has entered into an agreement for lease for tenancy of 100% of the property for a period of six years. There is an existing development agreement in place with Graystone which is supplemented by a Construction Indemnity Deed in which Graystone warrants that the building will be constructed for a fixed price by a fixed time.

In addition, it is intended that Industria's undeveloped land at BTP may be developed or otherwise sold to Graystone pursuant to the put and call option arrangements contained in the Graystone Co-operation Agreement (see Section 13.7 for further detail).

2.5 FINANCING ARRANGEMENTS

2.5.1 Borrowing policy

Industria will utilise a mix of debt and equity to finance its activities. It is intended that all borrowings will be denominated in Australian dollars.

Industria has adopted a target Gearing range of between 30% and 40% where Gearing is calculated as Industria's share of debt divided by the value of the Portfolio. On the Completion Date, Industria's pro forma forecast Gearing is forecast to be 33.8%.

Industria intends to manage its borrowings by adopting a staggered debt maturity profile sourced from multiple lenders.

2.5.2 Debt facilities[1]

As at the Completion Date Industria's debt financing will comprise two debt facilities, Industria's primary debt facility (**Debt Facility**) and the debt facility relating to Industria's 50% share of 88 Brandl Street (the **JV Property**) (**CBA Facility**).

Debt Facility

In relation to the Debt Facility, the Lenders have provided credit approved commitment letters and terms sheets to provide funding to Industria with a term facility of up to $130 million (**Term Facility**) and a working capital facility of up to $10 million (**Working Capital Facility**) (together, the **Debt Facility**). The prior execution of binding documentation and satisfaction of all conditions precedent in relation to the Debt Facility will be a condition precedent to the Offer.

The Lenders' commitments under the Debt Facility will be available for a range of tenors of between three and five years. The weighted average tenor of the Debt Facility is expected to be approximately four years.

The Term Facility may be used to assist with refinancing the existing debt of the Trusts and Industria Co, as well as the payment of associated Transaction Costs. The Working Capital Facility may be used for general corporate and working capital purposes, including payment of property operating expenses, holding costs, capital expenditure and development costs.

Industria's Debt Facility requires it to maintain:

- a maximum loan to value ratio (**LVR**) of 55%, calculated as the ratio of total debt owing under the Debt Facility to the most recent valuation of the Properties (excluding the JV Property and the debt under the CBA Facility). The LVR as at Completion Date is forecast to be approximately 34%;
- a maximum gearing ratio of 55%, calculated as the ratio of total liabilities of Industria to total tangible assets of Industria (excluding the mark-to-market value of derivatives and excluding the JV Property and the debt under the CBA Facility). The gearing ratio as at the Completion Date is forecast to be approximately 37%;
- a minimum interest coverage ratio (**ICR**) of 2.0 times, calculated as the ratio of net property operating income derived from the Properties (excluding the JV Property) to interest expense incurred in respect of the Properties (excluding the CBA Facility). The ICR is forecast to be approximately 6.0 times for the seven month period ending 30 June 2014 and approximately 5.5 times for the full year ending 30 June 2015; and
- a minimum WALE of 2.5 years, calculated as the average remaining term to expiry of each lease of the Properties (excluding the JV Property), weighted by the gross rental income of the relevant lease divided by the gross rental income of all Properties (excluding the JV Property). The WALE as at the Completion Date for the purposes of this covenant is forecast to be approximately 4.9 years.

1 The basis on which the following forward-looking information and ratios has been prepared, as well as the assumptions on which they are based, is in Section 6.

CBA Facility

The CBA Facility is the existing $9.1 million facility provided by Commonwealth Bank of Australia to McKechnie Drive Pty Ltd and Harvest Zernike JV Pty Ltd in respect of the JV Property. Industria's share of the CBA Facility is $4.55 million.

APN FM will actively manage and monitor risks in relation to its covenants and intends to maintain sufficient head room relative to key loan covenants. Industria will provide actual covenant performance certifications on a half-yearly basis to the Lenders.

Further information in relation to the Debt Facility and the CBA Facility can be found in Section 13.1.

2.5.3 Interest rate hedging policy

It is Industria's policy to use derivative financial instruments to hedge its risk associated with interest rate fluctuations. It will manage this exposure by:

- targeting a range for fixed interest rate exposure of between 50% and 100% of drawn borrowings;
- the use of derivative contracts and/or other agreements to fix interest payment obligations; and
- managing the hedge exposure expiry profile by seeking different maturity dates for the fixed rate hedging agreements.

It is the intention of the Issuers to hedge approximately 75% of initial borrowings relating to the Debt Facility and it is expected that all hedging arrangements will be in place within 20 business days of the Completion Date. The CBA Facility is unhedged.

2.6 VALUATION POLICY

The fair value of the Properties will be reviewed by the Board of APN FM at each reporting date. The Board's assessment of fair value will be periodically confirmed by engaging an independent expert valuer to assess the fair value of individual properties.

APN FM may determine the valuation methods and policies it will apply from time to time in determining the net asset value of Industria. APN FM has adopted a property valuation policy which sets out its current policy on valuation methods.

The initial value of a Property will be its value according to the independent valuation as at 30 September 2013. Subsequently, the value of a Property will be the amount shown in the most recent valuation. APN FM may determine the requirement for a valuation at any time but has adopted a valuation program that provides for each Property to be independently valued by a suitably qualified valuer at least once every two years following the end of the Forecast Period. Changes in market conditions may necessitate more frequent independent valuations of Properties.

Independent valuations are performed by a qualified valuer who is registered with an appropriate professional body and has a minimum of five years' relevant experience. All independent valuations will comply with relevant industry standards and codes.

2.7 DISTRIBUTION POLICY

Industria's distribution policy will be to pay out between 90% and 100% of Distributable Earnings.

The Distributable Earnings of Industria represents net income before tax (excluding Transaction Costs) adjusted for fees paid, tax paid, straight lining of rental income, rent free periods and lease incentives, valuation adjustments and mark-to-market adjustments for derivatives and other non-cash items such as amortisation of debt establishment fees. Industria will only pay Distributions from its Distributable Earnings.

Industria's Distribution payout ratio will be formulated with regard to a range of factors including:

- general business and financial conditions;
- the certainty of Industria's cash flow;
- the average lease duration and the timing of significant lease expiries;
- capital expenditure requirements of the Portfolio;
- taxation considerations;
- working capital requirements; and
- other factors that the Directors consider relevant.

APN FM intends to pay a Distribution to Securityholders every six months, in August and February (subject to the availability of Distributable Earnings) with the first Distribution intended to be made in August 2014. APN FM can provide no guarantee as to the extent of future Distributions and these will depend on the future Distributable Earnings of Industria.

2.8 REPORTING

Industria will operate on a 30 June financial year end basis for tax and financial reporting purposes.

Formal financial reporting will be provided to Securityholders as at 31 December (interim) and as at 30 June (full year) each year. It is proposed that the first financial report will be for the period ending 30 June 2014. These reports will detail (among other things) the following:

- an income statement, balance sheet and statement of cash flows for the period; the net asset position of Industria as at the end of the period;
- the amount and tax treatment of distributions for the period;
- significant activities undertaken for the period; and
- portfolio updates (including valuations of the Properties).

In addition to the investor reports, an annual report will be provided in accordance with the Corporations Act. The financial statements contained in the annual report will be audited and the financial statements in the half year accounts subject to review by the auditors.

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3
PROPERTY PORTFOLIO

80-96 South Park Drive, Dandenong South, VIC

3.1 PORTFOLIO OVERVIEW

Industria's initial Portfolio will comprise interests in 18 industrial, technology park and business park assets located in Sydney, Melbourne, Brisbane and Adelaide (see Chart 2).

The assets comprise a mix of new and mature buildings with a portfolio average age of 6.3 years and an average lease expiry of 5.8 years weighted by area (as at 30 September 2013). The total independent value of the Portfolio is $378.0 million, which reflects a weighted average Capitalisation Rate of 8.44% and a Passing Yield of 8.04%.

A summary of the Portfolio is outlined below.

Table 2: Industria Portfolio summary

Property	State	Ownership	Sector	Age (years)
34 Australis Drive, Derrimut	VIC	100%[2]	Industrial	5.8
80-96 South Park Drive, Dandenong South	VIC	100%[2]	Industrial	6.8
89 West Park Drive, Derrimut	VIC	100%[2]	Industrial	6.2
32-40 Garden Street, Kilsyth	VIC	100%[2]	Industrial	5.9
5 Butler Boulevard, Adelaide Airport	SA	100%[4]	Industrial	6.4
140 Sharps Road, Tullamarine	VIC	100%[4]	Industrial	6.0
7 Clunies Ross Court and 17-19 McKechnie Drive, BTP	QLD	100%	Tech Park	5.8
BTP Central, BTP	QLD	100%	Tech Park	2.9[5]
8 Clunies Ross Court and 9 McKechnie Drive, BTP	QLD	100%	Tech Park	4.7
7 Brandl Street, BTP	QLD	100%	Tech Park	7.0
37 Brandl Street, BTP	QLD	100%	Tech Park	1.3
18 Brandl Street, BTP	QLD	100%	Tech Park	9.8
53 Brandl Street, BTP	QLD	100%	Tech Park	6.8
88 Brandl Street, BTP	QLD	50%	Tech Park	2.5
85 Brandl Street, BTP	QLD	100%	Tech Park	8.6
Brandl Street Land (Lot 3 & 6), BTP	QLD	100%	Tech Park	-
Building A, 1 Homebush Bay Drive, Rhodes	NSW	100%	Bus Park	6.1
Building C, 1 Homebush Bay Drive, Rhodes	NSW	100%	Bus Park	12.3
Total or weighted average				**6.3**

Notes

1 As at 30 September 2013.

2 Leasehold interest with option to acquire freehold title.

3 Gross Lettable Area.

4 Sub-leasehold interest.

5 Weighted average age by valuation of the three completed buildings.

6 Reflects development activity. Equivalent initial yield on an 'as if complete' basis of approximately 8.60%.

7 'As if complete' occupancy assuming 37.2% of the total space is occupied by Queensland Health (being the space at 51A McKechnie Drive).

8 Reflects forecast vacancy of 51.2% as at 31 December 2013.

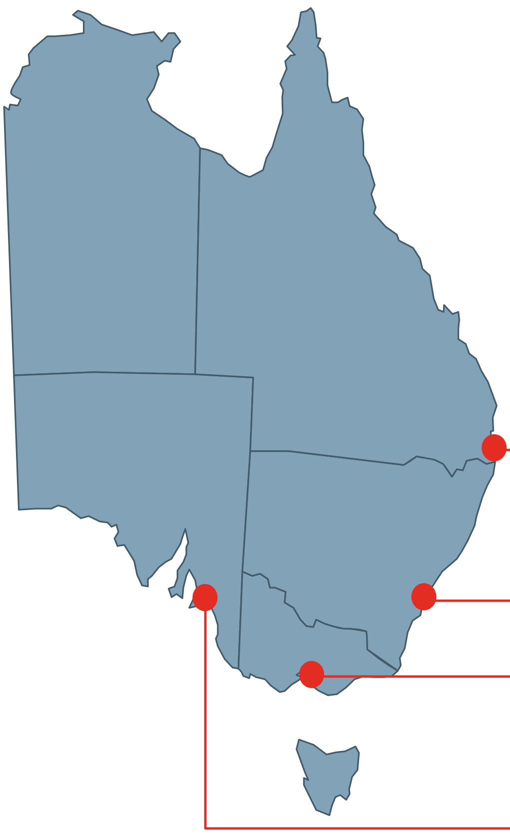
9 Valuation reflects 50% interest in the asset. For reporting purposes, this asset is equity accounted and appears on the balance sheet in 'Other non-current assets'.

Four of the Properties are held as leasehold interests with leases of 92 or 93 years on each property to Australand, and APN FM will hold an option to purchase the freehold title for each of these assets for nominal consideration. An additional two Properties, each located on airport land, are held as sub-leasehold interests with the relevant airport authority which hold head leases from the Commonwealth of Australia. A further Property is a 50% interest held via a joint venture and, where required, the consents of the head landlords are being obtained.

Independent valuation[1]	Cap Rate	Passing Yield	% of Industria's assets by value	NLA (sqm)	Occupancy (by area)	WALE (years, by area)
$20.8m	8.00%	7.50%	5.5%	25,243[3]	100.0%	9.2
$18.2m	8.50%	8.36%	4.8%	20,245[3]	100.0%	4.2
$15.2m	8.00%	7.74%	4.0%	17,024[3]	100.0%	8.9
$13.7m	9.00%	10.25%	3.6%	10,647[3]	100.0%	4.2
$12.8m	10.00%	10.34%	3.4%	12,257[3]	100.0%	3.2
$12.7m	9.00%	9.75%	3.4%	10,508[3]	100.0%	9.0
$34.0m	9.00%	9.45%	9.0%	8,937	100.0%	2.1
$28.0m	8.63%	5.19%[6]	7.4%	7,632	94.8%[7]	4.6
$23.8m	9.00%	9.87%	6.3%	5,765	100.0%	3.0
$21.3m	8.75%	8.76%	5.6%	5,264	100.0%	6.9
$13.3m	8.88%	8.93%	3.5%	3,314	99.5%	3.8
$11.5m	9.25%	9.45%	3.0%	4,174	100.0%	2.0
$9.2m	9.25%	4.70%[8]	2.4%	3,007	48.8%	1.5
$7.0m[9]	8.88%	8.97%	1.9%	3,283	100.0%	4.2
$5.0m	9.25%	-	1.3%	1,627	-	-
$2.0m	-	-	0.5%	-	-	-
$78.0m	7.75%	7.68%	20.6%	14,641	100.0%	7.5
$51.8m	8.00%	7.66%	13.7%	10,647	91.2%	4.6
$378.0m	**8.44%**	**8.04%**	**100.0%**	**164,215**	**97.2%**	**5.8**

Industria's Portfolio is diversified by geography, sector and tenant and underpinned by a WALE (by area) of 5.8 years and a majority of leases with fixed rent reviews as outlined in the charts below.

Chart 2: Industria Portfolio asset map



BRISBANE

7 Clunies Ross Court and 17–19 McKechnie Drive, BTP
8 Clunies Ross Court and 9 McKechnie Drive, BTP
7 Brandl Street, BTP
18 Brandl Street, BTP
37 Brandl Street, BTP
53 Brandl Street, BTP
85 Brandl Street, BTP
88 Brandl Street, BTP
7 Brandl Street, BTP (50% ownership held via JV)
BTP Central, BTP
Brandl Street (Lot 3 & 6), BTP

SYDNEY

Building A, Homebush Bay Drive, Rhodes Business Park (**RPB**)
Building C, Homebush Bay Drive, RBP

MELBOURNE

34 Australis Way, Derrimut
80–96 South Park Drive, Dandenong South
89 West Park Drive, Derrrimut
32–40 Garden Street, Kilsyth
140 Sharps Road, Tullamarine

ADELAIDE

5 Butler Boulevard, Adelaide Airport

Chart 3: Geographic allocation (by valuation)

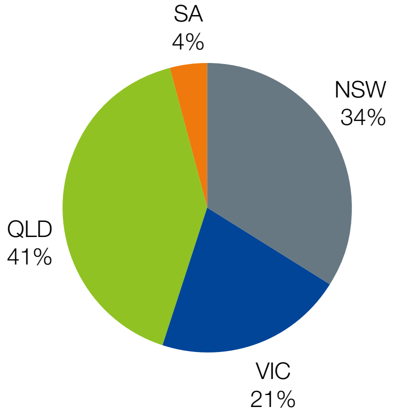


Chart 4: Sector allocation (by valuation)

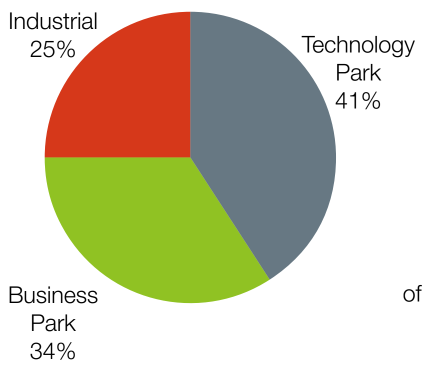


Chart 5: Rent review type (by income)

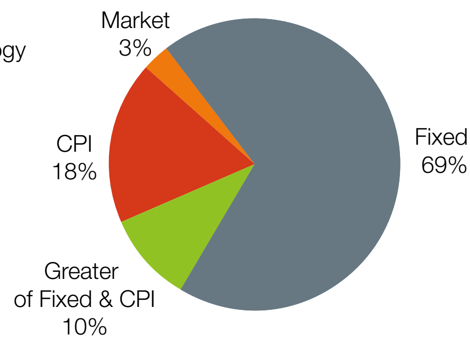
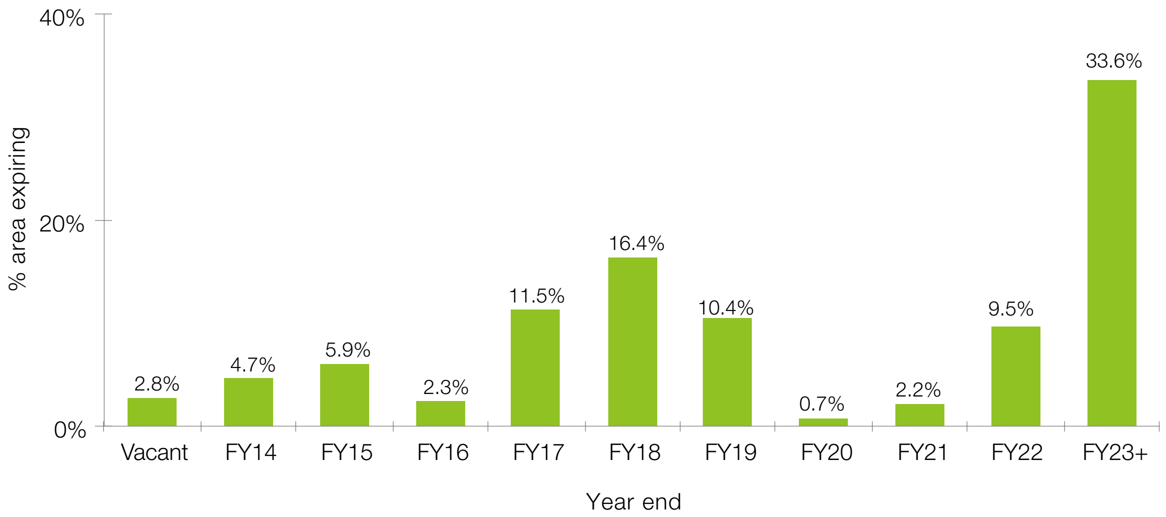
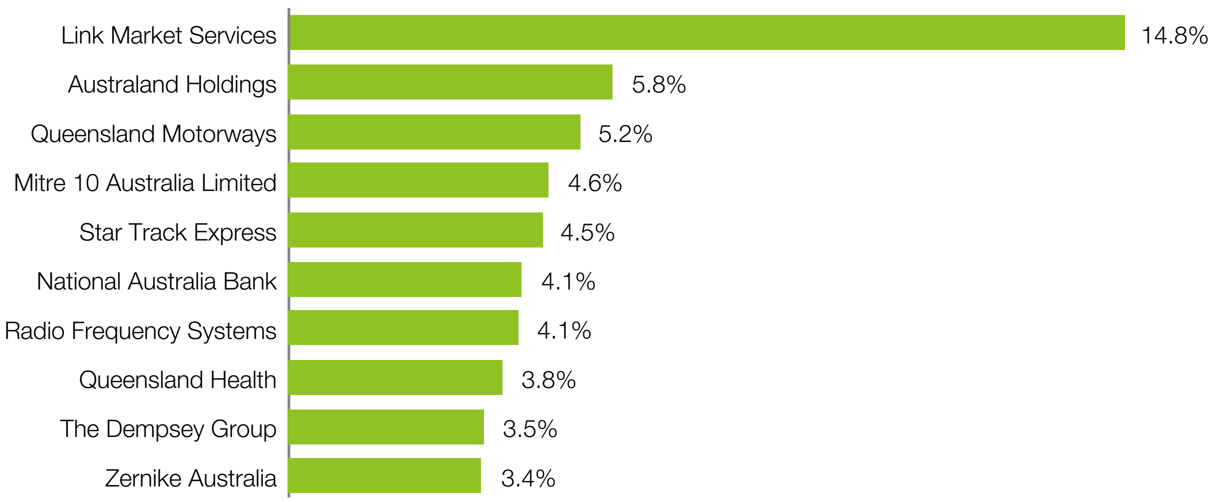


Chart 6: Lease expiry profile (by area)



Note: FY14 reflects nine month period from valuation date to 30 June 2014

Chart 7: Top 10 tenants (by income)



A summary of Industria's top ten tenants is shown in the table below.

Table 3: Top 10 tenants (by income)

Tenant	Description
Link Market Services	Link Market Services is a leading share registry and financial services provider in Australasia, managing over 10 million account records and over 1,000 ASX securities.
Australand Holdings	Australand is an ASX listed diversified property group and has been involved in property development for more than 80 years. Australand is listed on ASX with a market capitalisation of $2.1 billion as at 30 September 2013.
Queensland Motorways	Queensland Motorways is a leading provider in Queensland's transport infrastructure sector. It manages a network of tolled roads, bridges and infrastructure. Queensland Motorways is owned by Queensland's Defined Benefit Fund (under the management of QIC Global Infrastructure) and operates under a 40 year road franchise agreement with the Queensland State Government.
Mitre 10 Australia Limited	Mitre 10 formed in 1959 and is the second largest player in the Australian home improvement and hardware industry. Mitre 10 is a wholly owned subsidiary of ASX listed company Metcash Limited. Metcash has a market capitalisation of $2.8 billion as at 30 September 2013.
Star Track Express (AAE Retail Pty Ltd)	Star Track Express is solely owned by the Australian Postal Corporation (credit rating: AA) and began operations approximately 40 years ago. Star Track Express provides freight and logistics solutions with established infrastructure and capabilities in most capital cities and major regional centres within Australia.
National Australia Bank	National Australia Bank is a financial services organisation with over 12 million customers and 50 thousand employees, operating more than 1,750 stores and service centres globally. National Australia Bank is one of the four largest financial institutions in Australia with a market capitalisation of $80.6 billion as at 30 September 2013 and a AA- credit rating.
Radio Frequency Systems	Radio Frequency Systems (**RFS**) is a worldwide supplier of technology in telecommunications, broadcast and defence communications. Globally RFS has 2,300 employees and is located in 20 countries. RFS's ultimate holding company is Alcatel-Lucent, which is listed on Paris Euronext and NYSE with a market capitalisation of approximately EUR 6 billion.
Queensland Health	Queensland Health is a department of the Queensland State Government and is responsible for operating and administering the public health system. Queensland State Government is the government of the third-most populous state in Australia and currently has an AA credit rating.
The Dempsey Group Pty Ltd	The Dempsey Group Pty Ltd is an Australian, family based holding company focussed on textiles and incorporated in 1968. Through its subsidiaries, The Dempsey Group retails and distributes homewares under different brands, including Bed Bath N' Table.
Zernike Australia	Zernike Australia is a subsidiary of The Zernike Group and came to Australia in May 1999. Zernike Group manages the 'The Exchange' which provides 50-300 sqm spaces on flexible lease terms to smaller tenants.

3.2 INDUSTRIAL ASSETS

Industria's initial industrial Portfolio comprises six industrial assets in Melbourne and Adelaide with an average age of 6.2 years, WALE of 6.7 years and occupancy of 100%. The assets are primarily warehouse facilities which are well located close to major transport and logistics infrastructure as shown in Charts 8 and 9.

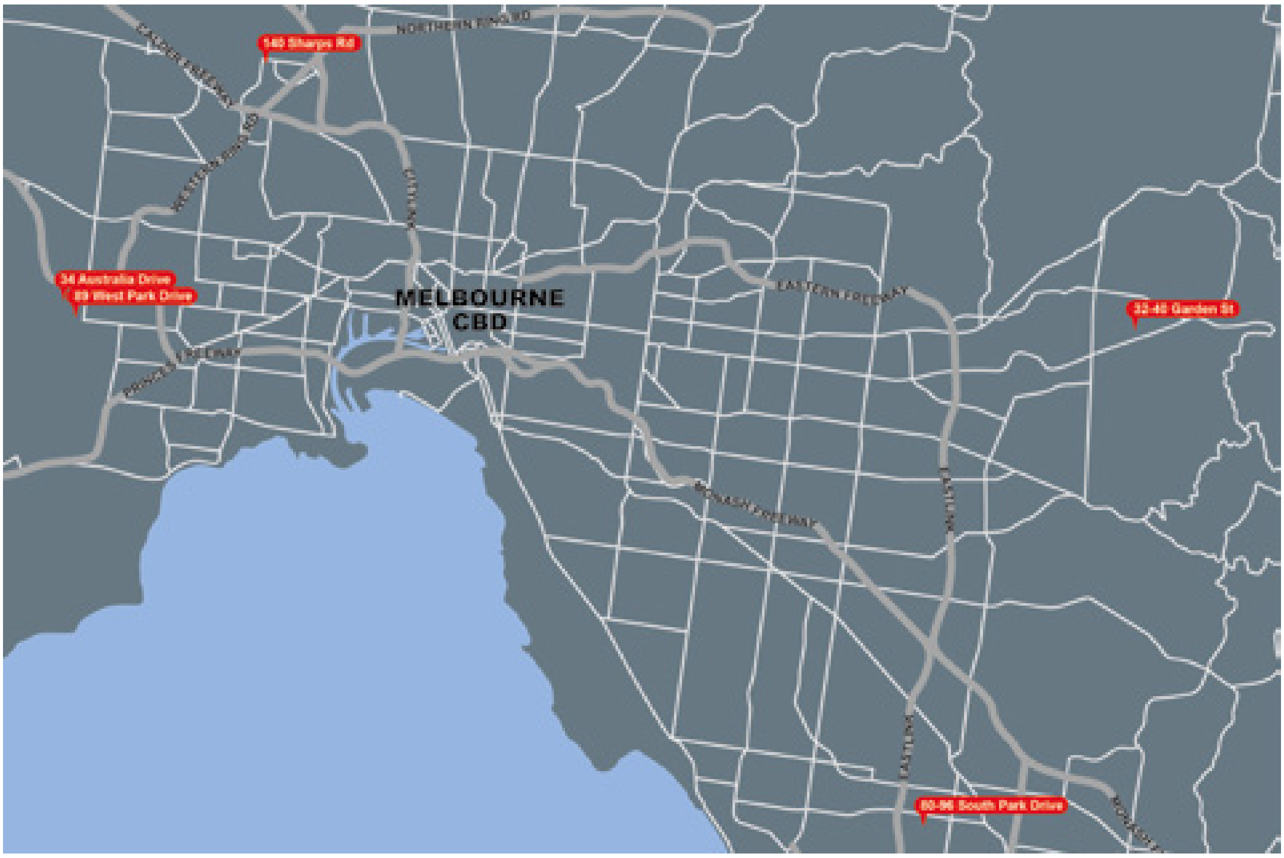
The two assets at Derrimut, Melbourne are situated within a well regarded industrial location which is convenient to the Western Ring Road, the Western Freeway, the Deer Park bypass and the West Gate Freeway.

The asset at Dandenong South, Melbourne is located in an established industrial location proximate to EastLink Freeway, Frankston-Dandenong Road, Princes Highway and the South Gippsland Highway.

The asset at Kilsyth, Melbourne is located in a well established industrial location close to Canterbury Road, a busy roadway supporting a variety of medium to large scale sales and service premises, with access also to Mt Dandenong Road, Maroondah Highway and EastLink Freeway.

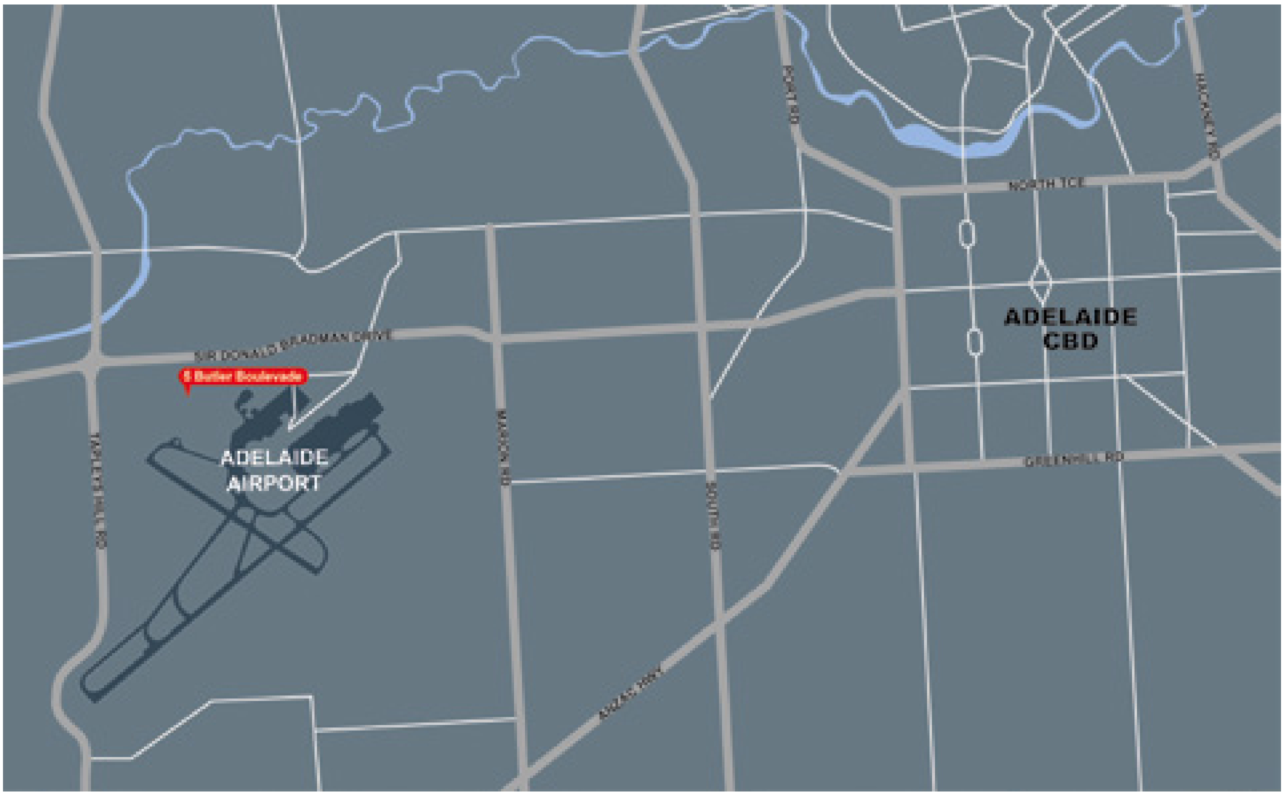
The asset at Tullamarine, Melbourne occupies a well regarded, established north western industrial location which is convenient to Melbourne International Airport, a major international air terminal, as well as major arterials the Western Ring Road, Calder Freeway and Tullamarine Freeway.

Chart 8: Map of Melbourne industrial asset locations



The asset at Adelaide Airport is located in a convenient and central distribution hub in the northwest corner of Adelaide Airport as shown in the chart below. It is in close proximity to the Adelaide CBD and convenient to Tapleys Hill Road and South Road, both major north-south connector roads, and Sir Donald Bradman Drive, which terminates in Adelaide CBD.

Chart 9: Map of Adelaide industrial asset location



34 AUSTRALIS DRIVE, DERRIMUT

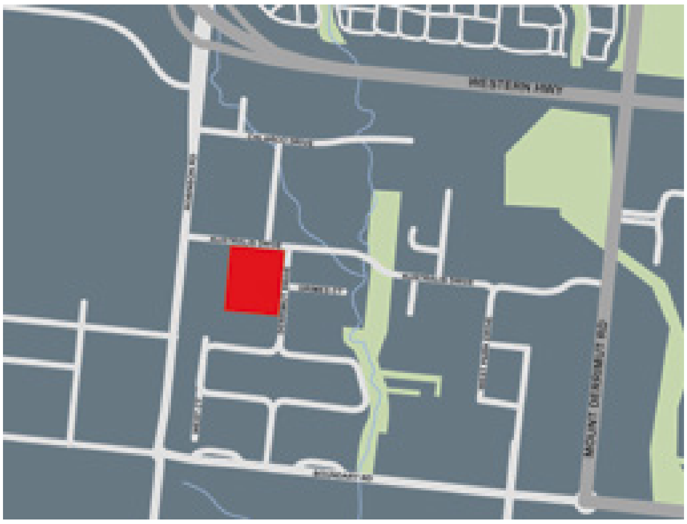
Property overview

The property is located within the West Park Industrial Estate in Derrimut, a developing industrial precinct approximately 16 kilometres west of the Melbourne Central Business District. The property comprises a sprinklered distribution facility with a single level office attached to a large, high bay warehouse facility that was constructed in 2007 and totals approximately 25,243 sqm of GLA. On-site car parking is provided via approximately 133 car spaces.
The site is leased to Mitre 10.

Summary	
Ownership interest	100%
Title	Leasehold (93 years remaining) and freehold option[1]

Independent valuation metrics	
Valuer	Savills
Valuation date	30 September 2013
Valuation	$20,750,000
Valuation NPR ($ million)	1.6
Passing Yield	7.50%
Capitalisation Rate	8.00%

Property statistics	
Gross Lettable Area (sqm)	25,243
Site area (sqm)	48,230
Occupancy (by area)	100%
WALE (years, by area)	9.2[2]
Completion date	December 2007
Age (years)	5.8[2]



Major tenant summary

Tenant name	Review type	GLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Mitre 10	Fixed 2.75% p.a.	25,243	1.6	100%	3 x 5 years

1 APN FM holds an option to purchase the freehold title for nominal consideration.
2 As at 30 September 2013.

80-96 SOUTH PARK DRIVE, DANDENONG SOUTH

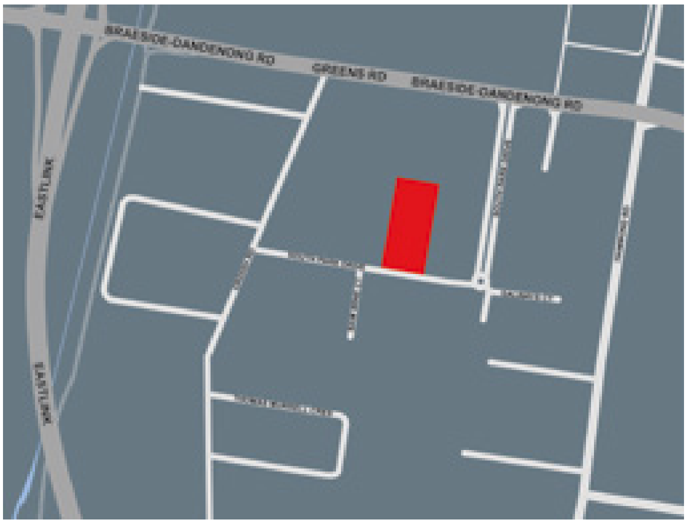
Property overview

The property is located within the South Park Industrial Estate, an established industrial precinct approximately 35 kilometres south-east of the Melbourne Central Business District. The property comprises an industrial facility constructed in 2006 and subdivided into two tenancies totalling 20,245 sqm of GLA. The facility incorporates a portal-framed, high clearance warehouse, with offices predominantly built within the warehouse roofline. On-site car parking is provided via approximately 54 car spaces situated to the southern boundary and approximately 70 car spaces to the northern boundary.

Summary	
Ownership interest	100%
Title	Leasehold (92 years remaining) and freehold option[1]

Independent valuation metrics	
Valuer	Savills
Valuation date	30 September 2013
Valuation	$18,200,000
Valuation NPR ($ million)	1.5
Passing Yield	8.36%
Capitalisation Rate	8.50%

Property statistics	
Gross Lettable Area (sqm)	20,245
Site area (sqm)	35,940
Occupancy (by area)	100%
WALE (years, by area)	4.2[2]
Completion date	December 2006
Age (years)	6.8[2]



Major tenant summary

Tenant name	Review type	GLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Ausmart	Fixed 3.50% p.a.	10,241	0.8	50%	2 x 3 years
Shriro	Fixed 3.75% p.a.	10,004	0.8	50%	-

1 APN FM holds an option to purchase the freehold title for nominal consideration.
2 As at 30 September 2013.

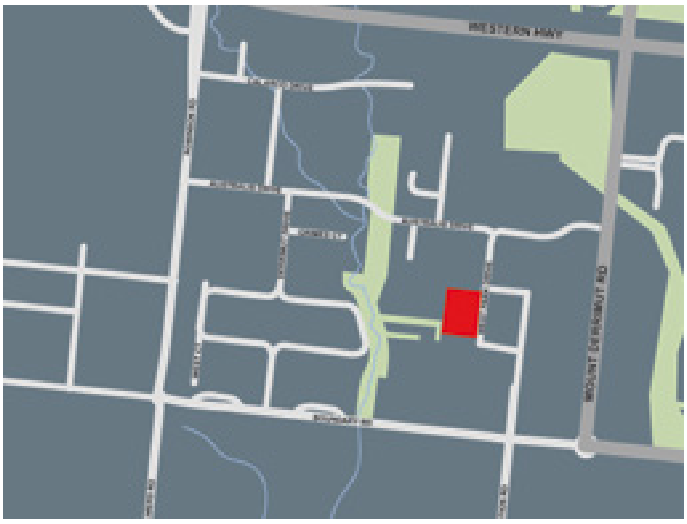
89 WEST PARK DRIVE, DERRIMUT

Property overview

The property is located within the West Park Industrial Estate in Derrimut, approximately 16 kilometres west of the Melbourne Central Business District. The property comprises an industrial facility constructed in 2007 and subdivided into two tenancies totalling 17,024 sqm of GLA. The facility incorporates a portal framed, high clearance warehouse, with offices predominantly built within the warehouse roofline. On-site car parking is provided via approximately 74 car spaces situated to the southern boundary of the site and via approximately 72 car spaces to the northern boundary. The entire premise is leased to The Dempsey Group.

Summary	
Ownership interest	100%
Title	Leasehold (93 years remaining) and freehold option[1]

Independent valuation metrics	
Valuer	Savills
Valuation date	30 September 2013
Valuation	$15,175,000
Valuation NPR ($ million)	1.2
Passing Yield	7.74%
Capitalisation Rate	8.00%



Property statistics	
Gross Lettable Area (sqm)	17,024
Site area (sqm)	29,960
Occupancy (by area)	100%
WALE (years, by area)	8.9[2]
Completion date	August 2007
Age (years)	6.2[2]

Major tenant summary

Tenant name	Review type	GLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Dempsey Group	Fixed 3.50% p.a.	17,024	1.2	100%	2 x 5 years

1 APN FM holds an option to purchase the freehold title for nominal consideration.
2 As at 30 September 2013.

32-40 GARDEN STREET, KILSYTH

Property overview

The property is located in Kilsyth, an established industrial location approximately 30 kilometres east from the Melbourne Central Business District. The existing premises were expanded and renovated, with 7,200 sqm of the total 10,647 sqm GLA having been constructed in 2007. A modern two storey office building and an adjoining high clearance warehouse were retained and have now been supplemented by factory, warehouse and hardstand additions. There is approximately 11,500 sqm of vacant land available for future expansion to the rear of the property and there is an on-site car park providing approximately 150 car spaces. The property is leased to Radio Frequency Systems.

Summary	
Ownership interest	100%
Title	Leasehold (93 years remaining) and freehold option[1]

Independent valuation metrics	
Valuer	Savills
Valuation date	30 September 2013
Valuation	$13,725,000
Valuation NPR ($ million)	1.4
Passing Yield	10.25%
Capitalisation Rate	9.00%

Property statistics	
Gross Lettable Area (sqm)	10,647
Site area (sqm)	37,140
Occupancy (by area)	100%
WALE (years, by area)	4.2[2]
Completion date	November 2007
Age (years)	5.9[2]

Major tenant summary

Tenant name	Review type	GLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Radio Frequency Systems	Fixed 3.25% p.a.	10,647	1.4	100%	2 x 5 years

1 APN FM holds an option to purchase the freehold title for nominal consideration.
2 As at 30 September 2013.

5 BUTLER BOULEVARD, ADELAIDE AIRPORT

Property overview

The property is located within a commercial and industrial precinct known as Burbridge Business Park in the north-western corner of Adelaide Airport, approximately seven kilometres west of Adelaide's Central Business District. The property comprises six attached office/warehouses units with a combined GLA of 12,257 sqm and was constructed in 2007. The property is home to quality corporates including Tyco Australia, Miele Australia and Bayer Material Science amongst others. The property is subject to a long-term ground lease to Adelaide Airport expiring in 2048. Ground lease rent payable by Industria amounts to $0.3 million with fixed 3.25% p.a. reviews and a market review on the seventh anniversary of the lease (May 2014) and every five years thereafter.

Summary	
Ownership interest	100%
Title	Sub-leasehold (35 years remaining)

Independent valuation metrics	
Valuer	Savills
Valuation date	30 September 2013
Valuation	$12,800,000
Valuation NPR ($ million)	1.3[1]
Passing Yield	10.34%
Capitalisation Rate	10.00%

Property statistics	
Gross Lettable Area (sqm)	12,257
Site area (sqm)	23,383
Occupancy (by area)	100%
WALE (years, by area)	3.2[2]
Completion date	May 2007
Age (years)	6.4[2]

Major tenant summary

Tenant name	Review type	GLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Tyco Australia	Fixed 3.25% p.a.	2,859	0.4	25%	2 x 5 years
Miele Australia	Fixed 3.50% p.a.	2,740	0.3	21%	1 x 5 years
Bayer Material Science	Fixed 3.50% p.a.	2,253	0.3	18%	1 x 5 years
Provet SA	Fixed 3.50% p.a.	1,742	0.2	14%	1 x 5 years
Adelaide Packaging Systems	Fixed 3.50% p.a.	1,365	0.2	11%	1 x 5 years
Boart Longyear	Fixed 3.50% p.a.	1,298	0.2	10%	1 x 4 years

1 Valuation NPR is post the ground lease payment to Adelaide Airport of $0.3 million.
2 As at 30 September 2013.

140 SHARPS ROAD, TULLAMARINE

Property overview

The property comprises a modern warehouse with an attached two level office component. The building was constructed in 2007 and has a GLA of 10,508 sqm. The warehouse provides high clearance accommodation, a semi enclosed sorting area and a semi-enclosed loading/unloading area. On-site car parking is provided via approximately 224 car spaces. The property is situated in Tullamarine, approximately 16 kilometres north-west of the Melbourne Central Business District. Star Track Express is the sole tenant of the property. The property is subject to a ground lease from Australia Pacific Airports which expires in June 2047. Ground lease rent payable by Industria amounts to $0.3 million with fixed 3.50% p.a. reviews.

Summary	
Ownership interest	100%
Title	Sub-leasehold (34 years remaining)

Independent valuation metrics	
Valuer	Savills
Valuation date	30 September 2013
Valuation	$12,700,000
Valuation NPR ($ million)	1.2[1]
Passing Yield	9.75%
Capitalisation Rate	9.00%

Property statistics	
Gross Lettable Area (sqm)	10,508
Site area (sqm)	33,610
Occupancy (by area)	100%
WALE (years, by area)	9.0[2]
Completion date	October 2007
Age (years)	6.0[2]

Major tenant summary

Tenant name	Review type	GLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Star Track Express (AAE Retail)	Fixed 3.50% p.a.	10,508	1.6	100%	1 x 5 years

1 Valuation NPR is post the ground lease payment to Australia Pacific Airports (Melbourne) Pty Ltd of $0.3 million.
2 As at 30 September 2013.

3.3 TECHNOLOGY PARK ASSETS

Industria's initial technology park Portfolio comprises 10 assets located within BTP with an average age of 5.3 years, WALE (by area) of 3.4 years and occupancy of 92%.

The assets include office, laboratory, disaster recovery/data storage and warehouse facilities and are home to a diversified pool of tenants. BTP was established 1987 as a Queensland Government initiative and is now recognised as Queensland's premier business park. Specifically tailored for commercial, knowledge and innovation businesses, BTP is now home to over 120 leading local, national and international companies. Approximately 100,000 sqm of commercial, laboratory and technical space exists within BTP, of which Industria's Portfolio will comprise approximately 43,000 sqm (the largest portfolio of assets within the park).

BTP benefits from excellent transport infrastructure. Situated at the southern confluence of Brisbane's arterial road system, BTP is approximately 15 kilometres south east from the Brisbane CBD and within close proximity to the Gateway Motorway and Pacific Motorway as shown in the charts below. BTP is accessible to a population of more than one million people and is approximately 15 minutes from the CBD and 20 minutes from the Brisbane airport by road. In addition, the major bus terminal is located approximately 700 metres from the park.

Chart 10: Map of BTP's location

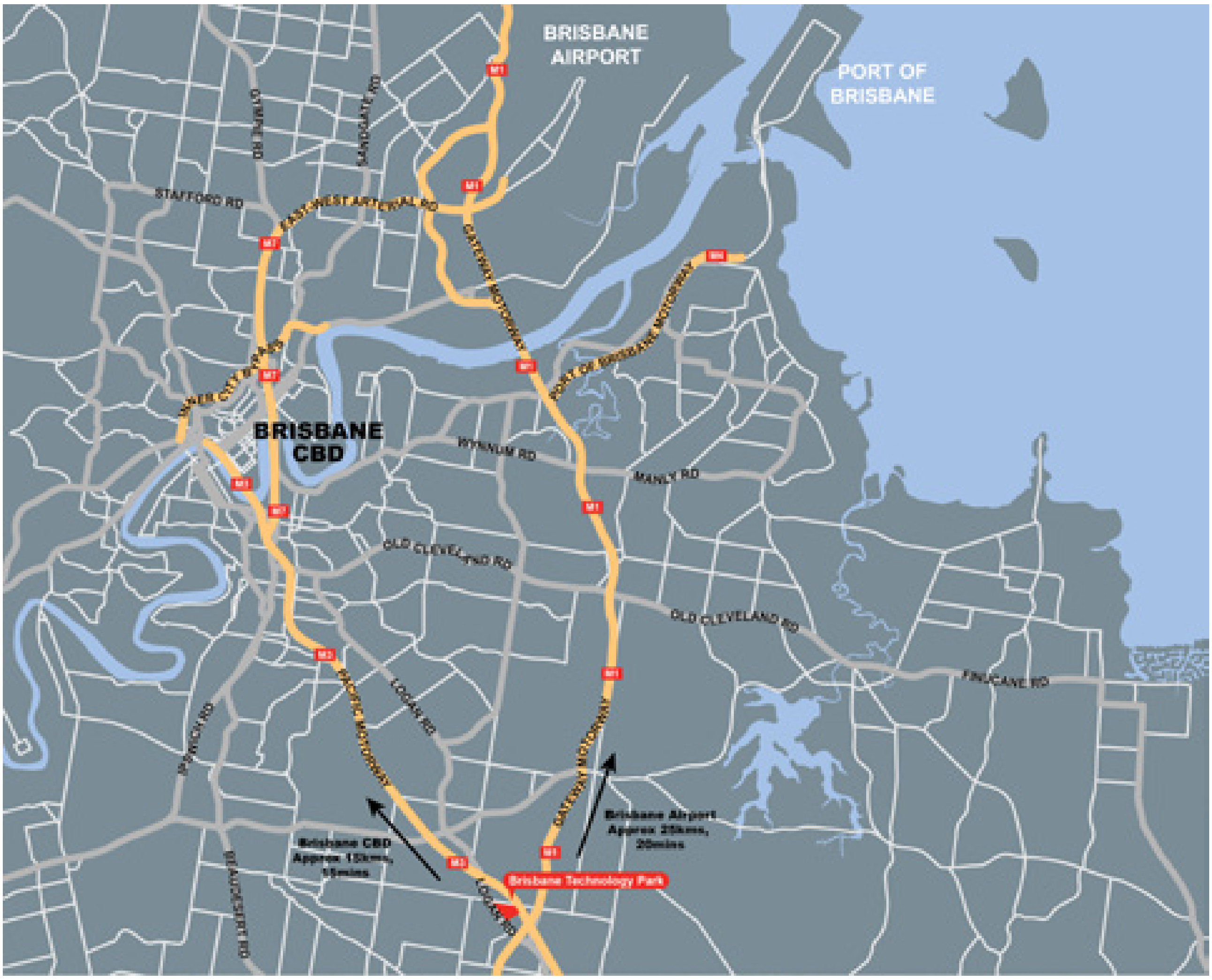


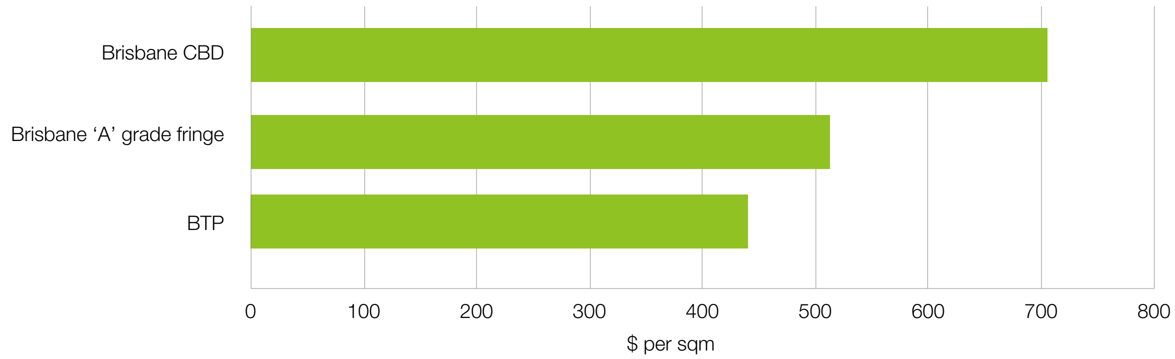
Chart 11: Map of Industria's assets within BTP

BTP offers high quality award winning accommodation in a comfortable working environment. Competitive occupancy costs coupled with large floor plate sizes and excellent visitor and staff car parking all contribute to the attractiveness of the park.

BTP was the runner-up in the Property Council of Australia's awards for best business parks in 2013. BTP also benefits from childcare facilities located in close proximity, three hotels in the area which provide tenants' visitors with accommodation options, as well as an on-site conference centre. BTP's conference centre provides tenants with flexible, cost-effective space for training and other purposes.

BTP's topography also provides it with an advantage over a number of other tenancy options. It lies approximately 31.1 metres above the 2011 flood high water level for the Brisbane River, providing a number of tenants, whose businesses are critically dependent on protection from flooding, with a superior flood risk profile compared with Brisbane CBD and fringe office locations.

Chart 12: Gross rent per sqm comparison of BTP versus CBD and fringe locations



And while the gap between rental rates at BTP and the fringe has narrowed in recent times, the differences in both outgoings and car parking rates are significant, as shown below, providing BTP with an ongoing competitive advantage over other accommodation alternatives.

Table 4: Car parking cost comparison of BTP versus CBD and fringe locations

Property	Outgoings ($ per sqm)	Car parking ($ pcm[1])
BTP	50-60	90-166
Brisbane CBD fringe	80-100	150-275
Brisbane CBD	125-160	300-500

BTP's ability to maintain this overall cost differential while continuing to provide outstanding amenity to its tenants will be a key driver of its success going forward.

The proposition which BTP represents for its tenant has delivered an excellent retention rate of approximately 80% (by income in the BTP portfolio managed since the start of 2010.

1 Per calendar month.

7 CLUNIES ROSS COURT AND 17-19 MCKECHNIE DRIVE, BTP

Property overview

The property comprises a Special Purpose Centre classification allotment and holds two buildings, constructed in 2007 and 2008, which have a combined NLA of approximately 8,937 sqm. 7 Clunies Ross Court provides secure car parking for 111 vehicles, open and shaded podium parking for 83 vehicles, 279 sqm of retail accommodation and 4,443 sqm of commercial accommodation. 17-19 McKechnie Drive provides basement car parking for 86 vehicles, open car parking for 20 vehicles and 4,162 sqm of commercial office accommodation. Major tenants include Interactive and Queensland Health.

Summary	
Ownership interest	100%
Title	Freehold

Independent valuation metrics	
Valuer	Colliers
Valuation date	30 September 2013
Valuation	$34,000,000
Valuation NPR ($ million)	3.2
Passing Yield	9.45%
Capitalisation Rate	9.00%

Property statistics	
NLA (sqm)	8,937
Site area (sqm)	9,938
Occupancy (by area)	100%
WALE (years, by area)	2.1[1]
Completion date	January 2008
Age (years)	5.8[1]

Major tenant summary

Tenant name	Review type	NLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Interactive Pty Ltd	CPI	2,162	0.6	19%	2 x 5 years
Queensland Health	Mkt	2,000	0.7	21%	1 x 2 years
Zernike	Mkt between 3.00% and 6.00%	1,641	0.5	15%	1 x 5 years
Queensland Health	CPI	1,063	0.4	12%	1 x 2 years

BTP CENTRAL, BTP

1 As at 30 September 2013.

Property overview

The property is an amalgamation of four buildings with a combined NLA of approximately 7,632 sqm on completion. The site is being progressively developed and currently is improved with two modern, two-level office buildings, a precommitted building currently under construction and an older warehouse, part of which is to be demolished in the next month to be replaced by a multi level car park. On completion, the BTP Central site has the capacity to incorporate a further four multi level buildings and will have the potential to service 557 car parks and meet the parking requirements of the entire BTP. 51A McKechnie Drive (under construction) will have a 4.5 star NABERS Energy rating on completion.

Summary	
Ownership interest	100%
Title	Freehold

Independent valuation metrics	
Valuer	Colliers
Valuation date	30 September 2013
Valuation	$28,000,000
Valuation NPR ($ million)	2.8
Passing Yield	5.19%[1]
Capitalisation Rate	8.63%

Property statistics	
NLA (sqm)	7,632
Site area (sqm)	18,980
Occupancy (by area)	94.8%[2]
WALE (years, by area)	4.6[3]
Completion date	February 2010[4]
Age (years)	3.8[5]

Major tenant summary

Tenant name	Review type	NLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Queensland Health	Fixed 3.50% p.a.	2,838	1.1	40%	1 x 4 years
QMI	Capped at $0.5m	1,491	0.4	15%	2 x 5 years
Seymour Whyte	CPI	1,218	0.4	16%	1 x 5 years

1 The equivalent initial yield, defined as: 'the net passing income for the property plus the market income across any vacancies divided by the sale price or adopted value plus any capital adjustments to the core value (such as letting up allowances, capital expenditure and the present value of reversions)' is approximately 8.60% on an 'as if complete' basis.
2 'As if complete' occupancy assuming 37.2% of the total space is occupied by Queensland Health (being the space at the 51A McKechnie Drive).
3 As at 30 September 2013.
4 Weighted average completion date by valuation of the three completed properties.
5 Weighted average age by valuation of the three completed properties as at 30 September 2013.

8 CLUNIES ROSS COURT AND 9 MCKECHNIE DRIVE, BTP

Property overview

The property comprises a Special Purpose Centre classification allotment and holds office buildings constructed in 2008 which have a combined NLA of approximately 5,765 sqm. 8 Clunies Ross Court provides basement car parking for 86 vehicles, open car parking for 24 vehicles and 3,671 sqm of commercial accommodation configured over two levels. 9 McKechnie Drive provides basement car parking for 43 vehicles, open car parking for 22 vehicles and 2,094 sqm of commercial accommodation configured over two levels. Major tenants include Johnson & Johnson Medical and Integria Healthcare. The property has been constructed to a 5.0 star rating for NABERS.

Summary	
Ownership interest	100%
Title	Freehold

Independent valuation metrics	
Valuer	Colliers
Valuation date	30 September 2013
Valuation	$23,750,000
Valuation NPR ($ million)	2.4
Passing Yield	9.87%
Capitalisation Rate	9.00%

Property statistics	
NLA (sqm)	5,765
Site area (sqm)	5,633
Occupancy (by area)	100%
WALE (years, by area)	3.0[1]
Completion date	January 2009
Age (years)	4.7[1]

Major tenant summary

Tenant name	Review type	NLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Johnson & Johnson	CPI	2,094	0.8	34%	2 x 5 years
Integria Healthcare	CPI	1,070	0.3	14%	1 x 5 years

1 As at 30 September 2013.

7 BRANDL STREET, BTP

Property overview

The property holds two buildings with a combined NLA of approximately 5,264 sqm. Both properties were constructed in 2006. Building 1 has an area of 3,331 sqm configured over two levels with undercover secure car parking for 69 vehicles. Building 2 is located at the rear of the site and has an area of 1,933 sqm configured over two levels with undercover secure car parking for 33 vehicles. The site also benefits from 56 external car parks at street level. The main building is occupied by Queensland Motorways, while the second smaller building is leased to Fujitsu.

Summary	
Ownership interest	100%
Title	Freehold

Independent valuation metrics	
Valuer	Colliers
Valuation date	30 September 2013
Valuation	$21,250,000
Valuation NPR ($ million)	1.9
Passing Yield	8.76%
Capitalisation Rate	8.75%

Property statistics	
NLA (sqm)	5,264
Site area (sqm)	7,526
Occupancy (by area)	100%
WALE (years, by area)	6.9[1]
Completion date	October 2006
Age (years)	7.0[1]

Major tenant summary

Tenant name	Review type	NLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Queensland Motorways	CPI	3,331	1.1	60%	1 x 5 years

1 As at 30 September 2013.

37 BRANDL STREET, BTP

Property overview

The property comprises a Special Purpose Centre classification allotment. The building comprises two levels of office accommodation with undercover secure car parking for 62 vehicles and additional open car parking for a further 28 vehicles. The building was constructed in 2011 and has NLA of approximately 3,314 sqm. Major tenants include Assa Abloy, the Silanna Group and Bayer Cropscience. The property has been constructed to a 5.0 star rating for NABERS.

Summary	
Ownership interest	100%
Title	Freehold

Independent valuation metrics	
Valuer	Colliers
Valuation date	30 September 2013
Valuation	$13,250,000
Valuation NPR ($ million)	1.2
Passing Yield	8.93%
Capitalisation Rate	8.88%

Property statistics	
NLA (sqm)	3,314
Site area (sqm)	3,515
Occupancy (by area)	99.5%
WALE (years, by area)	3.8[1]
Completion date	June 2012
Age (years)	1.3[1]

Major tenant summary

Tenant name	Review type	NLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Assa Abloy	CPI	1,295	0.4	34%	1 x 5 years

1 As at 30 September 2013.

18 BRANDL STREET, BTP

Property overview

The property comprises two levels of office accommodation with a warehouse located at the rear of the building and completed in 2005. The property has open car parking for 94 vehicles, of which 91 are leased. The NLA is approximately 4,174 sqm. Major tenants include Multitrode and Queensland Motorways.

Summary	
Ownership interest	100%
Title	Freehold

Independent valuation metrics	
Valuer	Colliers
Valuation date	30 September 2013
Valuation	$11,500,000
Valuation NPR ($ million)	1.1
Passing Yield	9.45%
Capitalisation Rate	9.25%

Property statistics	
NLA (sqm)	4,174
Site area (sqm)	6,551
Occupancy (by area)	100%
WALE (years, by area)	2.0[1]
Completion date	December 2003
Age (years)	9.8[1]

Major tenant summary

Tenant name	Review type	NLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Multitrode	Expiry	1,952	0.4	39%	-
Queensland Motorways	Greater of CPI or 3.50% p.a.	1,132	0.4	34%	1 x 5 years

1 As at 30 September 2013.

53 BRANDL STREET, BTP

Property overview

The property is a freestanding building with NLA of approximately 3,007 sqm constructed in 2004. The building is configured over two levels with car parking for 78 vehicles including 50 basement secure car parks. Major tenants include the Host Group of Companies and GBI.

Summary	
Ownership interest	100%
Title	Freehold

Independent valuation metrics	
Valuer	Colliers
Valuation date	30 September 2013
Valuation	$9,200,000
Valuation NPR ($ million)	0.4
Passing Yield	4.70%[1]
Capitalisation Rate	9.25%

Property statistics	
NLA (sqm)	3,007
Site area (sqm)	3,627
Occupancy (by area)	48.8%
WALE (years, by area)	1.5[2]
Completion date	December 2006
Age (years)	6.8[2]

Major tenant summary

Tenant name	Review type	NLA (sqm)	Valuation NPR ($m)	% of total NPR[3]	Option to extend
Host Group of Companies	CPI	655	0.2	40%	2 x 5 years
GBI	Expiry	414	0.2	29%	2 x 5 years
Event Zero	Fixed 4.50% p.a.	397	0.1	25%	-

1 Reflects forecast vacancy of 51.2% as at 31 December 2013.
2 As at 30 September 2013.
3 NPR excluding vacancies.

88 BRANDL STREET, BTP

Property overview

The property comprises two levels of office accommodation with undercover secure car parking for 68 vehicles and additional open car parking for 18 vehicles. The building was constructed in 2011 and has an NLA of approximately 3,283 sqm. Zernike Australia is the major tenant, occupying more than 50% of the building.

Summary	
Ownership interest	50%
Title	Freehold

Independent valuation metrics	
Valuer	Colliers
Valuation date	30 September 2013
Valuation (50%)	$7,000,000
Valuation NPR ($ million)	1.3
Passing Yield	8.97%
Capitalisation Rate	8.88%

Property statistics	
NLA (sqm)	3,283
Site area (sqm)	3,233
Occupancy (by area)	100%
WALE (years, by area)	4.2[1]
Completion date	April 2011
Age (years)	2.5[1]

Major tenant summary

Tenant name	Review type	NLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Zernike	Fixed 3.50% p.a.	1,657	0.6	46%	1 x 5 years

1 As at 30 September 2013.

85 BRANDL STREET, BTP

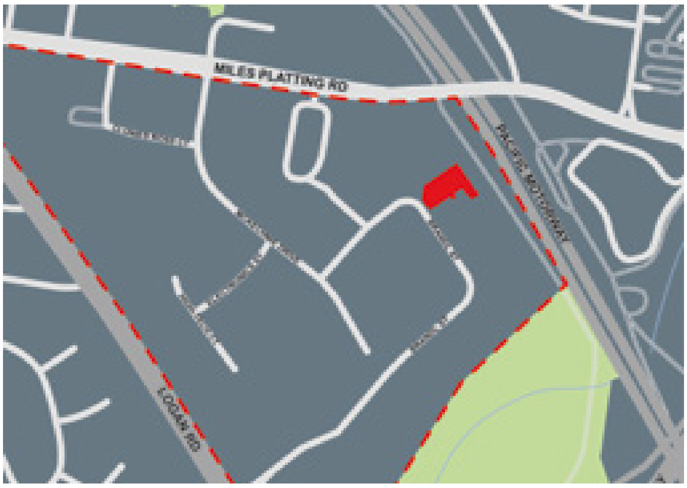
Property overview

The property comprises two levels of office accommodation with a small secured warehouse component which was completed in 2005. This site shares a common driveway with the neighbouring property (81 Brandl Street) and provides 35 marked, open car parks for exclusive use by the property. The NLA is approximately 1,627 sqm.

Summary	
Ownership interest	100%
Title	Freehold

Independent valuation metrics	
Valuer	Colliers
Valuation date	30 September 2013
Valuation	$5,000,000
Valuation NPR ($ million)	0.0[1]
Passing Yield	0.00%
Capitalisation Rate	9.25%

Property statistics	
NLA (sqm)	1,627
Site area (sqm)	1,892
Occupancy (by area)	0.0%
WALE (years, by area)	N/A
Completion date	March 2005
Age (years)	8.6[2]



1 Valuation report does not publish an NPR figure, however the property is vacant.
2 As at 30 September 2013.

BRANDL STREET LAND (LOT 3 & 6), BTP

Property overview

Both sites comprise vacant land and are classified as a Special Purpose Centre (Major Educational and Research). The total site area is approximately 4,693 sqm. The properties have received development approval from the Brisbane City Council.

Summary	
Ownership interest	100%
Title	Freehold

Independent valuation metrics	
Valuer	Colliers
Valuation date	30 September 2013
Valuation	$1,985,000

Property statistics	
Site area (sqm)	4,693
Completion date	To be developed

3.4 BUSINESS PARK ASSETS

Industria's initial business park Portfolio comprises two office assets located within Rhodes Business Park (RBP) with an average age of 8.7 years, WALE of 6.3 years and occupancy of 96%.

RBP is an established business park precinct and major employment area located approximately 10 kilometres west of the Sydney CBD and 15 kilometres east of Parramatta as shown in the chart below. RBP is located on the intersection of Homebush Bay Drive and Concord Road, both major arterial roads, and is approximately 300 metres from Rhodes train station and 100 metres from Rhodes Shopping Centre.

RBP is also well serviced by a fully equipped gymnasium and a 25 metre swimming pool, as well as childcare facilities and significant car parking.

Chart 13: Map of RBP's location

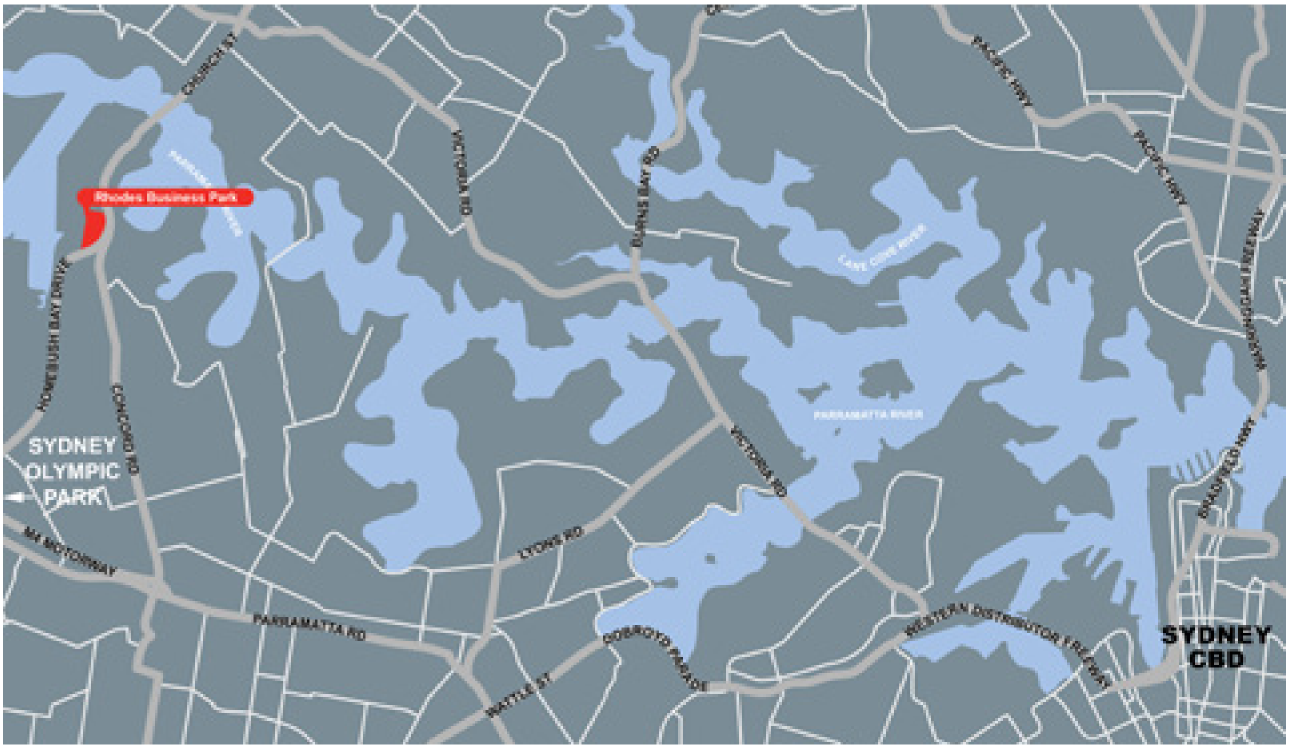


Chart 14: Map of Industria's assets within RBP

BUILDING A, 1 HOMEBUSH BAY DRIVE, RHODES BUSINESS PARK

Property overview

The property comprises a commercial office building, known as Building A, that was built in 2007. The building provides basement parking for 338 vehicles, ground floor accommodation and six upper levels of office accommodation. The NLA is approximately 14,641 sqm. Major tenants include Link Market Services and DHL. The building currently holds a 5 star NABERS rating.

Summary	
Ownership interest	100%
Title	Freehold

Independent valuation metrics	
Valuer	Savills
Valuation date	30 September 2013
Valuation	$78,000,000
Valuation NPR ($ million)	6.0
Passing Yield	7.68%
Capitalisation Rate	7.75%

Property statistics	
NLA (sqm)	14,641
Site area (sqm)	3,627
Occupancy (by area)	100%
WALE (years, by area)	7.5[1]
Completion date	September 2007
Age (years)	6.1[1]

Major tenant summary

Tenant name	Review type	NLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Link Market Services	Fixed 3.50% p.a.	12,314	4.3	72%	-
DHL Exel Supply Chain	Fixed 3.50% p.a.	1,600	0.6	10%	-

1 As at 30 September 2013.

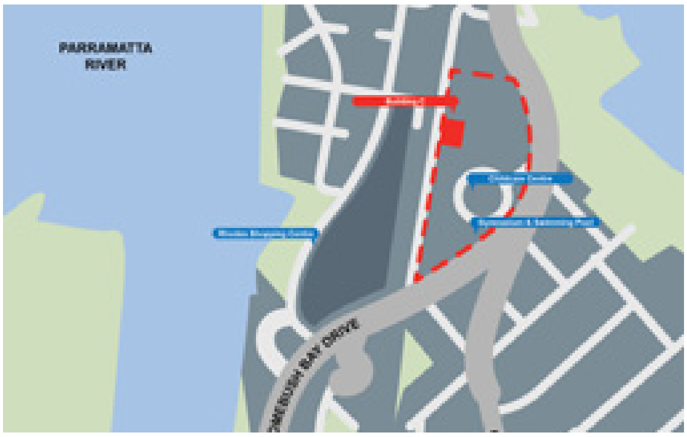
BUILDING C, 1 HOMEBUSH BAY DRIVE, RHODES BUSINESS PARK

Property overview

The property comprises a commercial office building, known as Building C, that was built in 2001. The building provides basement parking for 254 vehicles ground floor accommodation and five upper levels of office accommodation. The NLA is approximately 10,647 sqm. Major tenants include Australand Holdings and National Australia Bank. The building holds a 3.5 star NABERS rating.

Summary	
Ownership interest	100%
Title	Freehold

Independent valuation metrics	
Valuer	Savills
Valuation date	30 September 2013
Valuation	$51,750,000
Valuation NPR ($ million)	4.0
Passing Yield	7.66%
Capitalisation Rate	8.00%



Property statistics	
NLA (sqm)	10,647
Site area (sqm)	2,633
Occupancy (by area)	91.2%
WALE (years, by area)	4.6[1]
Completion date	July 2001
Age (years)	12.3[1]

Major tenant summary

Tenant name	Review type	NLA (sqm)	Valuation NPR ($m)	% of total NPR	Option to extend
Australand Holdings	Fixed 3.50% p.a.	3,720	1.3	33%	1 x 5 years
National Australia Bank	Fixed 2.00% p.a. and 4.00% p.a.[2]	3,177	1.2	29%	1 x 5 years

1 As at 30 September 2013.

2 The fixed 2.00% p.a. review is in August 2014, following which there is a fixed 4.00% p.a. review until lease expiry, subject to a ratcheted market review at the commencement of the option term in January 2021.

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4
INDEPENDENT MARKET REPORT

5 Butler Boulevard, Adelaide Airport, SA

Savills Research
Australia

Consultancy
Australian Industrial and Business and Technology Parks

October 2013

Introduction

Australia is home to a large and competitive industrial property market. The market contains a wide range of participants from end-to-end property solutions companies, investors and developers to owner occupiers and tenants.

The Australian industrial property market is well suited to occupiers both regionally and locally as it has not only an abundance of developable land at extremely affordable and competitive terms; it also has a large workforce and world class infrastructure.

Industrial property in Australia ranges from local service industrial such as panel beaters, spray painters, plumbing and other wholesale trade supplies to heavy industry such as refining, tanning and petrochemicals to warehouse and logistics facilities, to manufacturing, assembly and food production. Some industrial also includes research and development facilities, cold stores and highly specialised facilities.

Business and technology parks are a hybrid commercial property type combining a quality office component with an industrial component. A desire to combine the office and warehouse/assembly/production/research and development facility in one location is a major driver of demand. Another reason for the attractiveness of business and technology parks is the desire of businesses (and units of large multinational organisations) to collaborate with clients and educational organisations such as Universities and to work on joint venture research and development projects. Finally, businesses are attracted to business and technology parks because they are able to better control costs for certain divisions within their organisations. These businesses do not require a CBD location and prefer to be closer to the residences of their employees providing greater flexibility in working arrangements in a lower business cost environment.

Whilst investment markets continue to recover from the effects of the global financial crisis, institutional investors, foreign investors, syndicates and private investors have continued to increase investment into commercial property over the past four years. Properties with the characteristics of industrial and business and technology parks are highly sought after. Properties with a single tenant, modern buildings, long leases, strong tenant covenants and good locations currently attract multiple buyers and keen bidding. An increasing domestic superannuation pool coupled with private investors seeking higher yields and foreign investors seeking a safe haven are expected to continue to keep such investments in high demand.

Australian Industrial Property

Users of industrial property in Australia range from domestic service industries such as mechanics and smash repairers to local and national distribution facilities and major manufacturing plants. Demand to use industrial property is driven in most part by population size but also by location and appropriate infrastructure. Industrial property is present in almost all municipalities in Australia and provides a local service for the resident population. These are generally smaller units designed for local businesses to provide services. Proximity to residential population with convenient need for these services is an important consideration for the occupants of these premises. Every capital city in Australia has designated industrial areas which contain larger industrial users. These users range from large manufacturing and processing facilities to storage and warehouse facilities to sophisticated transport and logistics facilities. Some of these facilities house local businesses and some house national and multinational businesses. Proximity to infrastructure is generally of paramount importance to these businesses. Road, rail, port and air infrastructure combine to provide speed to market for a range of goods. Manufacturers, assemblers and those involved in food production use the entire range of infrastructure in order to ensure their products get to the end users as efficiently as possible. Distributing the goods locally, nationally and internationally is a large and sophisticated business that involves a large investment in technology to ensure goods are delivered to the right location on time.

Australian Business and Technology Parks

Business and technology parks have existed in Australia for over 20 years and were established for a host of reasons. Foremost amongst the reasons was a desire by businesses to agglomerate in a cost effective environment close to amenity, infrastructure and employees. Collaboration between organisations was also a driving force in the establishment of business and technology parks. Joint venture research and development projects between businesses and between business and educational institutions were, and continue to be, reasons for business and technology parks to establish, grow and thrive. The lower cost to business was and continues to be appealing to occupiers. The lower cost of land and cost of construction flows straight through to the bottom line of occupiers. Proximity to employees makes the location of these parks of significant importance. Large cities often struggle with commuter time to and from work. Business and technology parks are at a significant advantage in the attraction and retention of workers due to their proximity to the employee's residence. Cheap and abundant car parking is also an attraction. As CBD parking rates can run as high as $70 per day, free parking in business and technology parks is another advantage in a world increasingly dependent on car transportation.

Norwest and Macquarie Park in Sydney are two prominent examples as are Melbourne's Tally-Ho, 658 Church St and Greenwood Business Park. Brisbane provides examples such as Coronation Park Drive Office Park and Terrace Office Park. Common to these business and technology parks are larger floor plates, mixed uses, abundant car parking, and proximity to amenity, workforce and transportation. They provide lower cost business solutions than the CBD in their respective states and in some instances include extensive environmental landscaping and recreational areas.

Demand for business and technology parks is driven by more than just price as businesses look for solutions and advantages. In the table below Savills have enumerated the reasons many businesses choose business and technology parks.

Occupier Requirements of Business and Technology Parks

	Hard Requirement	Soft Requirement
Business Operations	Public Access	Desired Business Image
	Growth Needs	Flexible Operating Hours
Amenities	Public Transport	Staff Retention
	Car Parking	Staff Attraction
	Retail	
Productivity	Fresh Air Ventilation	Lower Absenteeism
	Low Polluting and Toxic Materials	Sustainability
	Acoustics and Noise Control	Greater Output
Technology	Flexible IT Infrastructure	
	Back-up Power	
	Electrical Loading	
Security	Access Control Systems	
	Entrance Screening	
	Surveillance	

Source: Savills Research

Successful business and technology parks address these issues for occupiers.

Property Infrastructure

Appropriate infrastructure is of critical importance to occupiers of commercial property. Infrastructure drives demand to occupy commercial property because infrastructure generates a competitive advantage for the occupier. Proximity to population (workforce and customers) and road, rail, port and air infrastructure drives substantial efficiency gains for businesses. The ongoing investment in infrastructure by the public and private sector contributes to business efficiency, job retention and job creation. Ongoing investment in infrastructure is outlined in the table below.

State-by-State Property Infrastructure

Victoria has, without doubt, the best industrial infrastructure in the country. The road system built in the last 15 years has created a major heavy vehicle route through the centre of the city with a ring road giving easy access to all of metropolitan Melbourne. The road system allows almost uninterrupted access to interstate routes from anywhere within the metropolitan area.

First identified in Sir Rod Eddington's independent study into transport connections across Melbourne in 2008, the East West Link is considered critical infrastructure for Victoria.

The Victorian Government considers the Port of Hastings to be the preferred site for future container development, with container throughput at the Port of Melbourne expected to quadruple over the next 25 years.

In New South Wales, significant ongoing improvements have been made to Sydney's metropolitan transport infrastructure, including the M2 and M5 motorways which are currently being widened to accommodate increasing traffic volumes.

Sydney's rail network is constantly undergoing feasibility studies on upgrades and additions to improve rail freight transport.

In order to support the growing demand for imports and exports, Sydney Ports is developing the Intermodal Logistics Centre (ILC) at Enfield.

Furthermore, the Department of Finance and Deregulation has conducted a feasibility study into the potential development of another intermodal freight terminal at Moorebank in South Western Sydney.

Key Infrastructure Investment

State	Road	Rail	Port
Victoria	East West Link	Melbourne Metro 1	Port of Hastings
New South Wales	M2 and M5 Motorways	ILC Enfield	ILC Enfield
	Enfield Marshalling Yard	Intermodal Moorebank	Intermodal Moorebank
		Northern Rail Freight Corridor	
Queensland	Port of Brisbane Motorway		Port of Brisbane Motorway
	Legacy Way		Fishermans Islands
South Australia	South Road Superway	Seaford Rail Extension	
	Southern Expressway	Goodwood Junction	

Source: Savills Research

The Queensland Infrastructure Plan (QIP) for 2011 identifies the infrastructure needed to support Queensland's economic zones to deliver on the objectives contained within the draft Queensland Regionalisation Strategy (QRS), and provides a pipeline of targeted investment to deliver growth related infrastructure when and where it is needed most.

There are a number of transport infrastructure projects either under construction or currently planned across the Brisbane metropolitan area including Port of Brisbane Motorway and Future Port Expansion at Fisherman Islands and Legacy Way twin two lane tunnels from Toowong to Kelvin Grove.

The South Australian Government is focused on improving the main road transport corridor through the city from North to South. Work on the $812 million South Road Superway project continues. Works are also continuing on the Southern Expressway duplication project.

Focus has also turned to improving rail infrastructure in the state, with both passenger and freight projects underway.

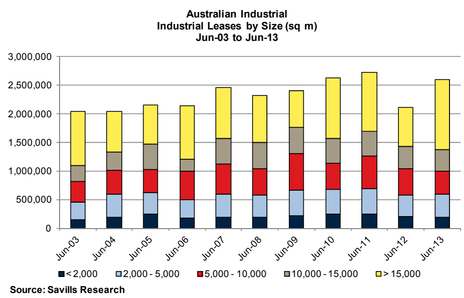
Clearly, a significant number of infrastructure projects are currently underway in Australia. This ongoing investment in infrastructure contributes to demand for industrial premises to take advantage of efficiencies generated by scale and the resultant productivity gains.

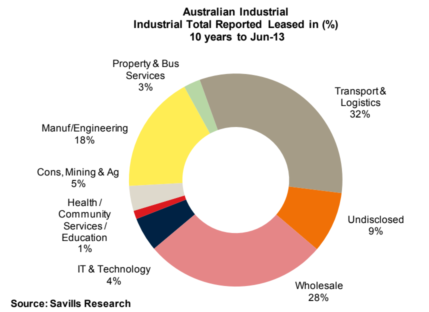
Tenant Activity

Demand to occupy industrial premises and business and technology parks over the past decade has been strong. The Australian population has grown and its need for goods and services has grown commensurately. As the population continues to grow over the next decade, demand for industrial premises and the advantages that business and technology parks offer, is also expected to continue to grow. Over the past decade a total of almost 24 million square metres of industrial floorspace and over 6 million square metres of non-CBD office space have been reported leased by Savills Research.

National Industrial Leasing Activity

Savills identified approximately 2.6 million square metres of industrial leasing activity in Australia in the 12 months to June 2013. In fact, over the past decade between 2 million and 2.7 million square metres of industrial space is reported leased every year regardless of the economic cycle. This leads Savills Research to conclude there is a depth of inquiry and need for industrial premises that transcends the economic cycle.

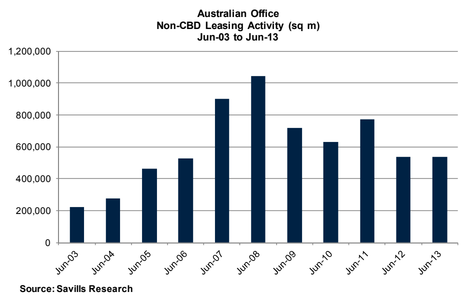


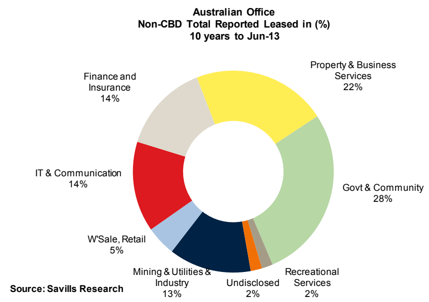


Demand for industrial accommodation over the past decade has been driven by manufacturing, engineering, transport, logistics and warehousing businesses. Combined, these industrial occupiers accounted for 78 percent of reported leasing activity.

National non-CBD Office Leasing Activity

Savills identified approximately 500,000 square metres of non-CBD office leasing activity (of which business and technology parks represent a component) in Australia in the 12 months to June 2013. In fact, over the past decade between 400,000 and 600,000 square metres of non-CBD office space is reported leased every year. A trend to non-CBD locations is quite apparent in 2007 and 2008. This was driven in most part by a lack of available space in the CBD's around the country. This was particularly so in Perth and Brisbane where the mining boom resulted in large amounts of demand for office space. The market has now returned to average levels of demand of approximately 500,000 square metres per annum.

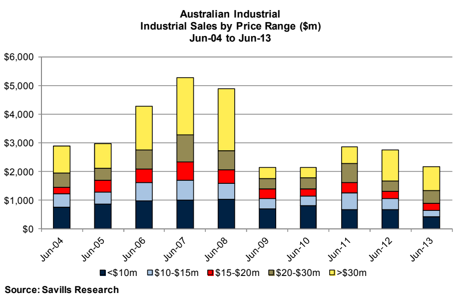




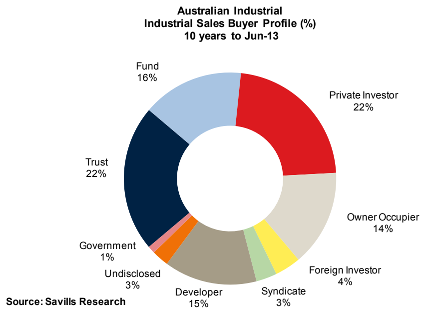
Demand for non-CBD office property over the past decade has been driven by companies operating in the IT and communication, finance and insurance and property and business services sectors. Combined, these occupiers accounted for 50 percent of reported leasing activity. Government service delivery is also an important area of demand for non-CBD offices. Accounting for nearly 30 percent of demand these occupiers include Centrelink, the Tax Office, consulates, state and federal government departments and local government.

National Industrial Investment Sales Activity

A total of $32 billion dollars of industrial property has reportedly transacted over the past decade. Between $2 and $3 billion of industrial property is reported sold every year in Australia. The investment boom years of 2006 to 2008 saw that amount double. The market has now returned to more regular levels of investment activity. The market is regarded as liquid in all price brackets and has remained so, even through the global financial crisis.



Source: Savills Research



Source: Savills Research

National Industrial Investment Buyer Types

In 2008 and 2009 Savills Research witnessed a considerable return to the industrial property investment market of private investors. These investors were largely sidelined in the years leading up to the peak of the market in late 2007 as the weight of money invested by trusts and funds placed upward pressure on capital values, out-pricing other investors. Private investors represented 48 percent of total activity ($1,045 million) in 2009 while there were only $227 million in purchases by funds and trusts combined.

Recently, funds and trusts have returned to the market, representing over 23 percent of all transactions in the year to June 2013. Given the amount of capital raising, debt restructuring and slow easing of restrictions to debt finance, certain funds and trusts are becoming better positioned to actively participate in the market. Nevertheless, private investors remain a dominant buyer in today's industrial market.

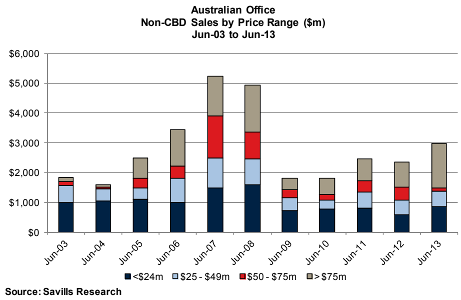
Since 2010, Savills Research has recorded a number of foreign institutional purchases of industrial portfolios and large, core industrial assets in Australia, totalling $1.2 billion over the last three years. With foreign third party capital circulating nationally, the industrial property market captured a portion of those funds also.

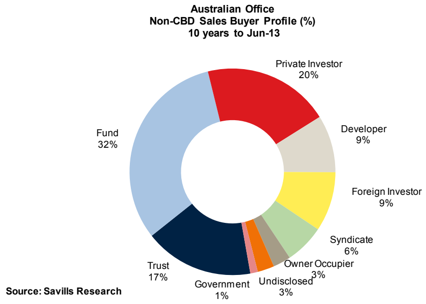
National Non-CBD Office Investment Sales Activity

A total of $29 billion dollars of non-CBD office property has reportedly transacted over the past decade. Savills Research records between $2 and $3 billion of non-CBD office property sales every year in Australia. The investment boom years of 2006 to 2008 saw that amount double.

National non-CBD Office Investment Buyer Types

Funds and trusts were prevalent buyers of non-CBD office property in the early part of the decade. During the global financial crisis those buyers were largely sidelined allowing private investors the opportunity to purchase commercial property at prices not seen for years. More recently Savills Research have seen resurgence in investor interest in non-CBD office buildings by funds and trusts, private investors and foreign investors as equivalent assets have not been available for purchase in CBD office markets. A lack of supply forecast in CBD office markets for the next five years is expected to maintain this situation.

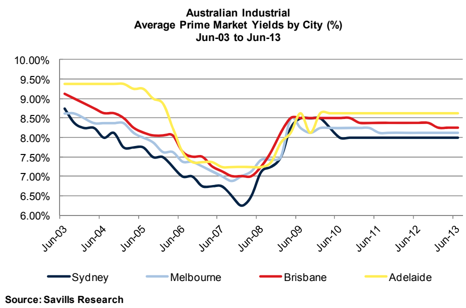


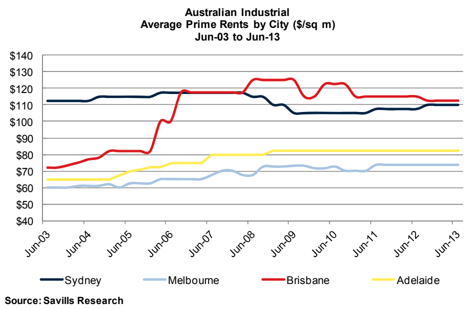


Adding to the investment prospects for both industrial and business and technology park property is the ongoing encroachment of residential needs as the Australian population continues to grow. In New South Wales and Victoria in particular, developer demand for infill, englobo sites have motivated developers to purchase commercial assets with the possibility of residential conversion. Savills Research anticipates infill industrial property in most metropolitan areas in Australia to be rezoned and developed as medium to high density residential property in the medium to long-term. This is expected to further increase the demand for industrial and business and technology park facilities as supply is reduced and tenants are forced to relocate.

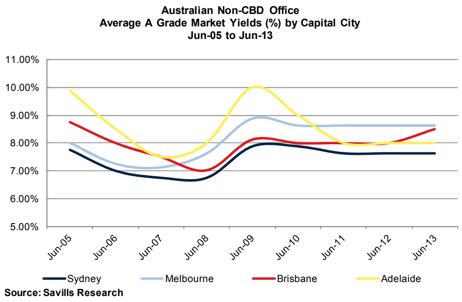
Rents and Yields

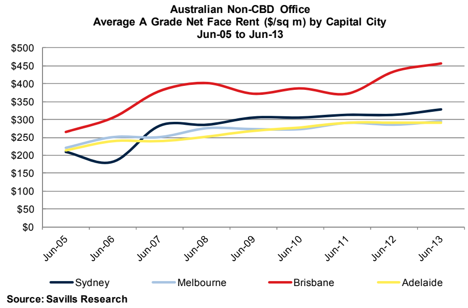
Savills Research monitors the movement of key property metrics on a quarterly basis. Key metrics are monitored for standard, generic properties and wide variations occur when comparing non-standard properties such as those with specialised facilities, expansion land, large office components in industrial premises, cold storage, and specialised machinery. The charts below reflect metrics for generic properties and are mid-point indicators. Some properties will achieve metrics higher or lower according to the specifics of each individual property.





Yields for prime industrial property in the metropolitan areas of Australia are generally in the range of 8% to 8.5% and have been stable in that range since the global financial crisis led to a softening in investment yields in 2009. Face rents for industrial properties range from $70 to $85 per square metre in Melbourne and Adelaide to as high as $110 to $120 in Sydney and Brisbane and have been relatively stable for almost five years.





Yields for prime non-CBD office property in the metropolitan areas of Australia are generally in the range of 7.5% to 8.5% and have been stable for three years. Face rents for non-CBD office properties range from $250 to $350 per square metre in Melbourne, Sydney and Adelaide to as high as $450 on the fringe of the CBD in Brisbane. Rents have shown steady growth over an eight year period.

Conclusion

The outlook for business investment remains strong whilst the outlook for manufacturing and both imports and exports has softened considerably given the ongoing strength of the Australian currency. Occupier demand can be expected to remain at long term averages over the next twelve months.

Strong levels of tenant and investor demand for industrial and non-CBD office property throughout 2012 and into 2013 certainly points to improving market conditions.

Future supply for office and industrial property remains somewhat constrained, with current market conditions making it highly unlikely that any projects will proceed without substantial precommitments.

Whilst economic data certainly supports strong recovery for Australian commercial property markets, business confidence and sentiment remain the biggest drivers. That said, based on a number of indicators, it would appear we have passed through the trough in the cycle and the market is certainly looking more stable in the coming 12 months.

Private investors have clearly been attracted to the comparatively high investment yields and simple investment parameters of industrial properties – single tenant, simple building, long lease and low capital expenditure requirements. Given the outlook for falling yields in cash, Savills Research expects ongoing investment demand from investors for industrial and business and technology park property.

Substantial investment in infrastructure is ongoing. There are locations in Australia where land availability is tight, especially the central and inner areas of the major capital cities. This has facilitated higher land rates in the last twelve months in some locations.

Savills Research expects key commercial property parameters to remain stable through 2014, and, with the perception that business confidence is returning to the general economy primarily as the negative global influences ease, so too should there be an increase in tenant and investment demand.

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5
MANAGEMENT OF INDUSTRIA

7 Clunies Ross Court, Brisbane Technology Park, QLD

5.1 OVERVIEW

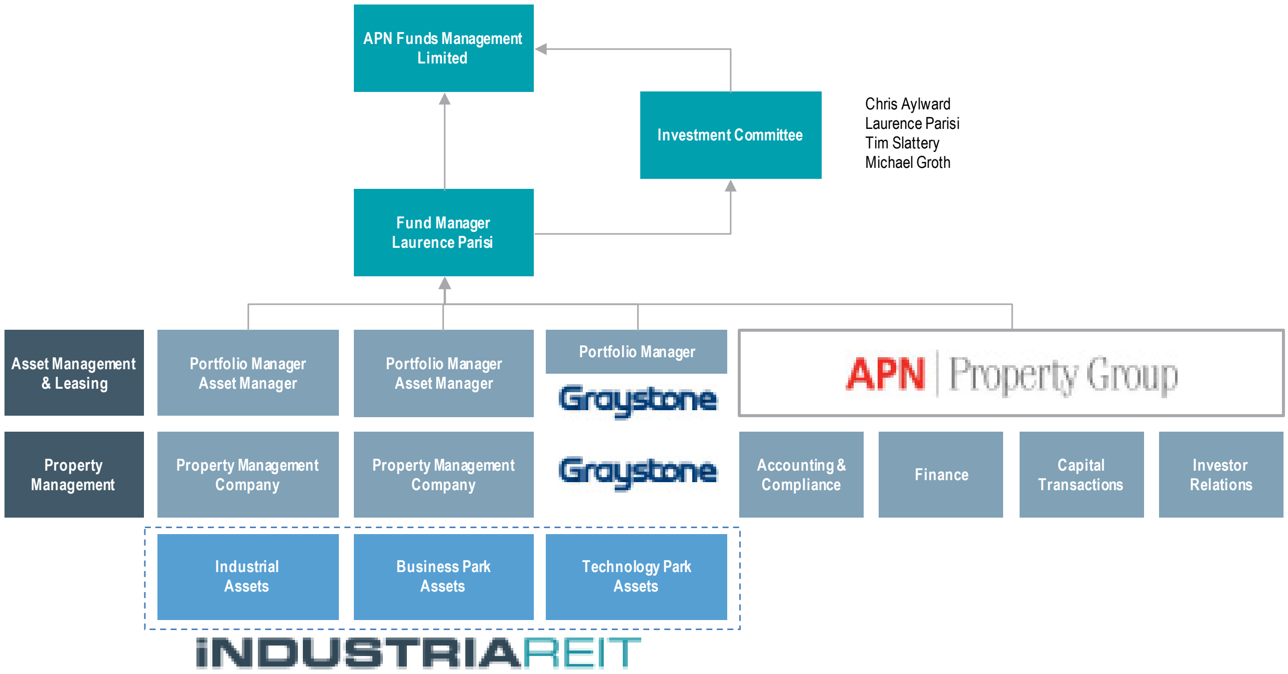
The responsible entity of the Trusts and the manager of Industria Co will be APN Funds Management Limited ABN 60 080 674 479. APN FM is a wholly owned subsidiary of APN.

Industria Co has entered into the Industria Co Management Agreement with APN FM to provide management services to Industria Co.

APN has entered into the APN Co-operation Deed with the Issuers under which it agrees to provide support to Industria and provide Industria with access to investment opportunities. APN (or a wholly owned subsidiary) will also enter into a property management agreement with respect to Industria, giving it the option to provide property management and leasing services to Industria.

Industria will have a dedicated management team which will be supported by the broader resources of APN. The structure of Industria's management is shown in the diagram below:

Chart 15: Industria management structure



5.2 THE RESPONSIBLE ENTITY AND MANAGER

5.2.1 Responsibilities

The key responsibilities of APN FM in relation to Industria include:

- strategic oversight;
- financial management and administration;
- investment evaluation and implementation; and
- governance and regulatory compliance.

The Responsible Entity's powers, rights and liabilities in relation to Industria are governed by the Corporations Act and the Constitution. Under the Corporations Act and the Constitution, the Responsible Entity is required to act in the best interests of Securityholders.

5.2.2 Directors

The Board of APN FM comprises four Directors, with three Independent Directors, including the Chairman. The Board of Industria Co is the same as the Board of APN FM, with one additional Director, being John Freemantle.

Geoff Brunsdon BCom, CA, F Fin, FAICD

Independent Non-Executive Chairman

Chairman since April 2012 and a Director since 2009. A member of the Audit, Compliance and Risk Management Committee as well as the Nomination and Remuneration Committee.

Geoff has had a career in investment banking spanning more than 25 years. Until June 2009 he was Managing Director and Head of Investment Banking of Merrill Lynch International (Australia) Limited. He is a member of the Australian Takeovers Panel, Chairman of Sims Metal Management Limited, ING Private Equity Access Limited and MetLife Insurance Limited.

Geoff is also Chairman of Redkite (supporting families who have children with cancer), and a director of the Wentworth Group of Concerned Scientists and Purves Environmental Custodians.

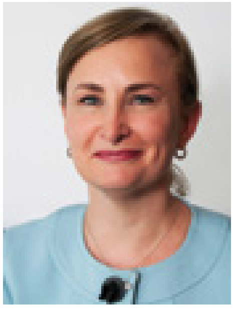
Michael Johnstone BTRP, LS, AMP (Harvard)

Independent Non-Executive Director

Director since 2009. A member of the Audit, Compliance and Risk Management Committee (Chairman since April 2012) as well as the Nomination and Remuneration Committee.

Michael has almost 40 years of global business experience in chief executive and general management roles and more recently in non-executive directorships. He has lived and worked in overseas locations including the USA, has been involved in a range of industries and has specialised in corporate and property finance and investment, property development and funds management. His career has included lengthy periods in corporate roles including 10 years as one of the Global General Managers of the National Australia Bank Group. He has extensive experience in mergers and acquisitions, capital raising and corporate structuring.

Michael is a non-executive director of the Responsible Entity of the listed Australian Education Trust and the Australian Social Infrastructure Fund. He is also a non-executive director of a number of companies in private environments including the not-for-profit sector.



Jennifer Horrigan BBus, GradDipMgt, GradDipAppFin

Independent Non-Executive Director

A Director since April 2012. A member of the Audit, Compliance and Risk Management Committee as well as the Nomination and Remuneration Committee.

Jennifer is currently a Principal and Head of Operations at Greenhill Caliburn, a leading independent corporate advisory firm. She also has 16 years' experience as a leading adviser to Australian and international corporations on financial communications, investor relations and corporate issues.

Jennifer has advised on some of Australia's largest and most high profile transactions. Her career has included roles as Managing Director, Sydney, of the world's largest PR consulting firm, Burson-Marsteller, before co-founding Savage & Horrigan, a corporate and financial communications firm, in partnership with Ogilvy and STW, where she served as Managing Partner for five years.

She has extensive experience in enterprise management, including the supervision and management of compliance, financial management and reporting, HR and other critical administrative areas.

Jennifer is a director of Redkite (supporting families who have children with cancer), an associate member of Finsia (Financial Services Institute of Australia) and is involved with fundraising and support of The Mater Hospital, North Sydney (Patricia Ritchie Centre for Cancer Care).

Howard Brenchley BEc

Executive Director

A Director since 1998.

Howard has a long history in the Australian property investment industry with over 25 years' experience analysing and investing in the sector.

Howard joined APN in 1998 and was responsible for establishing the APN Funds Management business. In this capacity, he developed a suite of new property securities and direct property funds, including the flagship APN Property for Income Fund and the APN AREIT Fund, both market leading property securities funds in Australia.

Prior to joining APN, Howard was co-founder and research director of Property Investment Research Pty Limited, one of Australia's leading independent research companies, specialising in the property trust sector.

Howard is also a highly sought after commentator and speaker on property investment. He has lectured on property and property securities investment for industry associations, universities and leading financial planning dealer groups.

John Freemantle BBus (Accounting), CPA

Executive Director, Industria Co

John is APN's Chief Financial Officer and Company Secretary.

John has been involved in the property industry since 1977. Before joining APN in 2006, he worked with Dillingham Constructions, Jennings Property Group and Centro Property Group, where he held the roles of Chief Financial Officer and Company Secretary for 17 years.

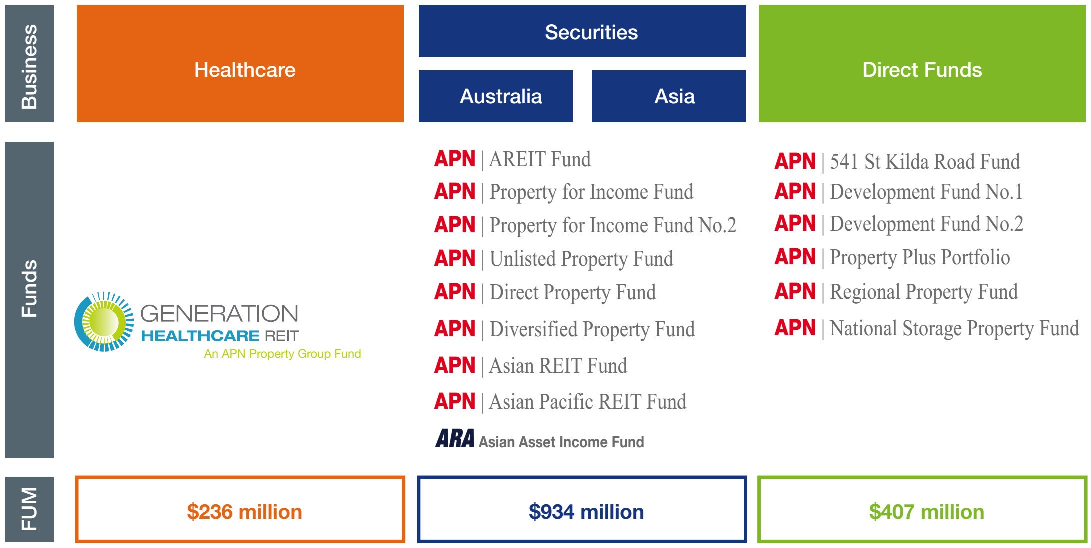
5.3 APN PROPERTY GROUP

5.3.1 APN Property Group overview

Established in 1996, APN is an ASX listed, specialist real estate investment manager that manages approximately $1.7 billion (as at 30 June 2013) of real estate and real estate securities on behalf of institutional and retail investors. APN trades on ASX under the code APD.

APN's existing suite of funds spans direct property funds, property securities funds and the listed Generation Healthcare REIT (ASX: GHC) as shown in the diagram below.

Chart 16: APN's existing suite of funds



Note: Funds under management as at 30 June 2013 (excluding Europe)

APN's approach to real estate investment is based on a 'property for income' philosophy. This philosophy remains central to APN's three existing divisions (Healthcare, Securities and Direct Funds) and underpins the objective of Industria.

APN has significant experience in managing real estate investments. Focussing exclusively on real estate over many years provides a depth of understanding which has enabled APN to deliver value to investors. A deep understanding of commercial real estate, together with a disciplined investment approach, has been key to APN's performance over time.

APN's ongoing strategy is driven by a commitment to investment performance and outstanding service. APN's competitive advantage is based on:

- expertise and track record;
- co-investment and alignment with investors; and
- strong governance.

5.3.2 Arrangements with Industria

Industria and APN will be parties to the following arrangements going forward:

- APN FM, a wholly owned subsidiary of APN, is the responsible entity and manager of Industria.
- APN has entered into the APN Co-operation Deed with Industria pursuant to which APN is obliged to provide support and access to investment opportunities to Industria (including a first right with respect to investment opportunities which meet Industria's investment strategy).
- APN (or a wholly owned subsidiary) will enter into a property management agreement with respect to Industria pursuant to which it has the right to provide property management services in respect of Industria's Portfolio. This includes providing management resources and input in key areas including:
  - financial management and administration;
  - investment evaluation and implementation;
  - accounting and compliance; and
  - investor relations.
- APN has committed to subscribe for $12.5 million (5.0%) of Industria Securities at the Offer Price. APN intends to hold a strategic stake of 5.0% of Industria.
- APN FM will make a contribution of $1.7 million to the establishment costs incurred by Industria.

5.3.3 Industria management

Industria will have a dedicated management team which will be supported by the broader resources of APN. The key people responsible for the management and operation of Industria are:

Laurence Parisi

Fund Manager

Laurence has over 13 years' experience in various senior roles within the property investment industry, covering both direct and listed real estate.

Prior to joining APN, Laurence was Head of Real Estate Research at Citi Investment Research and was responsible for managing the AREIT team. Laurence also worked for Credit Suisse covering the AREIT sector and spent several years with the APN Real Estate Securities team, where he was responsible for sector research and managing various property funds, including the full suite of direct property funds. Prior to his role as Fund Manager of Industria, Laurence was Head of Private Funds and responsible for managing four direct retail property funds and two wholesale direct property funds with a combined value of more than $400 million.

Laurence holds a Diploma of Business Accounting, a Diploma of Financial Advising and a Graduate Diploma of Applied Finance and Investment.

Michael Suckling

Portfolio Manager

Michael joined APN in 2006 and has been responsible for the management of the APN fund that has owned the BTP portfolio and was also responsible for the capital management, treasury, risk management, financial analysis and operational management for this fund.

Michael has more than 20 years' professional corporate experience, having held senior Portfolio Manager, Project Director and Chief Financial Officer roles in the financial advisory and property funds management sectors in listed and unlisted environments.

Prior to joining APN, Michael held various senior positions with Perpetual Investments Limited (Infrastructure funds), Austock (establishment of the ASX-listed Australian Education Trust) and Deloitte Touche Tohmatsu (Corporate Finance) and has successfully achieved financial close on a number of complex 'Greenfield' developments ranging in value from $50 million to $1 billion.

Michael holds a Bachelor of Commerce and is a member of the Institute of Chartered Accountants in Australia.

David Avery

Asset Manager

David has over 20 years' experience in the property industry, having held senior positions comprising property and investment management.

A Licensed Estate Agent, David was an Associate Director at Colliers International and held numerous senior positions over a period of 11 years in the management of landmark CBD and industrial assets for institutional investors, as well as new business generation and management of the Victorian property management team.

More recently, David held the position of Senior Asset Manager with Australand Property Group for a period of over nine years. Over this time, David was involved with many facets of property investment management incorporating acquisition, development, strategic management, leasing and divestment, with a portfolio responsibility of over $850 million in value of major commercial and industrial assets. David was also a Responsible Officer for Australand Investments Limited, Australand Property Limited and Australand Funds Management Limited.

David holds an Associate Diploma in Valuations, a Graduate Diploma in Property, a Diploma in Property Investment and Finance and is a Licensed Estate Agent. He is a member of the Australian Property Institute.

5.3.4 APN executives

Industria's management team will be supported by the broader resources of APN, including the following key people:

Chris Aylward

Executive Chairman

Chris is APN's Executive Chairman.

Chris has more than 30 years' experience in the Australian property and construction industry.

Prior to jointly establishing APN in 1996, Chris was a founding director of Grocon Pty Limited and had overall responsibility for the construction of commercial and retail properties in Sydney and Melbourne with a total value of over $2 billion.

Chris has led the construction and development of the following high profile properties:

- Governor Phillip Tower in Sydney
- Governor Macquarie Tower in Sydney
- 120 Collins Street in Melbourne
- World Congress Centre in Melbourne

Tim Slattery

Director, Corporate Development

Tim has over 10 years' of experience across real estate, funds management, investment banking and law.

Over Tim's career, he has practised at Herbert Smith Freehills as a corporate lawyer and worked in investment banking with Goldman Sachs. Collectively, Tim has worked on mergers, acquisitions and financing transactions of several billion dollars within Australia and internationally including a number of significant commercial real estate transactions.

Tim is responsible for corporate development at APN, which includes working with a number of APN's teams to support the growth of the business.

Michael Groth

Director, Corporate Finance

Michael joined APN in 2006 and is responsible for all accounting, compliance and tax related matters for APN.

Prior to joining APN, Michael was with KPMG Melbourne for several years, where he worked closely with a number of major listed companies and stockbrokers. Michael also spent three years in London with various organisations including Abbey plc (now part of the Santander Group) and Ofgem.

5.4 GRAYSTONE GROUP

The BTP portfolio has been managed by Graystone under a joint venture on behalf of, and in consultation with, APN for eight years. Furthermore, Graystone and APN FM will enter into the Graystone Co-operation Agreement to continue the successful management of the BTP assets.

Graystone specialises in developing technology and business precincts that provide their occupants with access to superior business facilities. With over 31 years of property experience throughout South East Queensland, Graystone has built a reputation for providing quality amenities and sustainable commercial accommodation.

Graystone has controlled a significant proportion of the BTP portfolio since 1998, which has allowed it to:

- develop excellent long-term tenant relationships with the ability to respond to changing needs of tenants;
- manage tenant turnover;
- protect asset values and market rents; and
- position the BTP portfolio for future growth.

The directors of the Graystone Group include:

- Peter Robbie, Director of Special Projects
- Bruce Loxton, Director Project Management
- Bruce Anderson, Director of Finance
- Kirsty Heymink, Director Property Management

5.5 CORPORATE GOVERNANCE

APN FM Board roles

The APN FM Board is responsible for the overall corporate governance of Industria, including putting in place the appropriate policies and procedures in order that APN FM fulfils its functions effectively and responsibly. The APN FM Board recognises the role and importance of corporate governance and ensuring appropriate accountability of the APN FM Board and management.

Under the APN FM Board Charter, the APN FM Board is responsible for, among other things:

- the oversight of APN FM, including its control and accountability systems;
- approving the strategy and performance objectives of Industria;
- reviewing and monitoring systems of risk management, internal compliance and control, codes of conduct and external compliance;
- monitoring major capital expenditure; and
- monitoring financial and other reporting.

Constitution and compliance plan

The Trusts are registered managed investment schemes and each is governed by a Constitution and a compliance plan. Industria Co will be a public company governed by a Constitution.

The rights and obligations of Securityholders are governed by the Constitutions and this Disclosure Document, and also affected by the Corporations Act, relief and guidelines issued by ASIC, and the general law.

As the Responsible Entity and manager, APN FM must comply with all obligations set out in the Trust Constitutions and the Industria Co Management Agreement. APN FM is also subject to duties under the law including duties to act honestly, exercise care and diligence, and treat investors of the same class equally.

The key provisions of the Constitutions are discussed and summarised in Sections 14.3 and 14.4. You can inspect copies of the Constitutions at APN FM's office at any time between 9:00am and 5:00pm on a business day or request a free copy by contacting APN FM.

Removal of the Responsible Entity and consequences

APN FM can be removed as the responsible entity of the Trusts by an extraordinary resolution of the Securityholders. APN FM can retire as the responsible entity provided Securityholders approve an alternative responsible entity by an extraordinary resolution. If APN FM is removed or retires as responsible entity of Industria:

- Industria will cease to have full access to the expertise and resources of APN to manage the operations of Industria and the Directors and management of the Responsible Entity will no longer be involved in the management of Industria;
- the APN Co-operation Deed will, at the discretion of APN, terminate;
- the new responsible entity will have the right to terminate the APN Property Management Agreement by giving 24 months notice to APN or paying the equivalent of 24 months' management fees to APN; and
- an event of default will arise under Industria's Debt Facility, which entitles the Lenders to terminate the Debt Facility.

Continuous disclosure policy

APN FM has adopted a continuous disclosure policy pursuant to which it undertakes to provide to Securityholders relevant information about Industria and to comply with the ASX Listing Rules and Industria's continuous disclosure obligations to the market generally.

In accordance with the continuous disclosure policy, the APN FM Board will:

- consider information that may require disclosure and determine the information that needs to be disclosed;
- co-ordinate the actual form of disclosure with the relevant members of management where necessary; and
- liaise with the appropriate people to distribute disclosure notices to the ASX, publish notices on APN's website and, where appropriate, distribute notices directly to Securityholders.

Conflicts of interest and related party transactions policy

APN FM has a conflicts of interest and related party transactions policy which provides guidance on the management of related party transactions and conflicts of interest.

APN FM has controls in its related party transaction policy management system including:

- monitoring and assessing transactions by staff regarding related party transactions;
- ensuring any relevant transaction is on 'arm's length' terms;
- monitoring and reviewing transactions by the compliance officer for compliance with this policy; and
- referring transactions to the Independent Directors of APN FM for compliance with this policy.

Communications policy

APN FM has adopted a communications policy in order to ensure that there is effective communication between APN FM and Securityholders, and also to encourage Securityholders to participate at general meetings. In accordance with the communications policy, Industria's website (www.industriareit.com.au), which is continually updated and contains recent announcements, presentations, disclosure documents, and market information, is a significant component of the communications strategy.

Code of conduct

A code of conduct which applies to APN FM sets out the standards of ethical behaviour required of Directors, executives and senior management and aims to ensure that high standards of corporate and individual behaviour are observed by all employees. The code of conduct also sets out the APN FM Board's view on conflicts of interest and related party transactions involving Directors and employees and other legal and compliance obligations.

Securities trading policy

APN FM has adopted a Securities trading policy. The policy sets out the procedures for permission and disclosure of trading in Securities by Directors and employees. The policy has been designed to prevent breaches of the law and to be in the interests of maintaining investor confidence.

Diversity policy

The APN FM Board embraces a practice of workplace diversity. APN FM's diversity policy articulates commitment to diversity and establishes objectives and procedures designed to foster and promote diversity within all levels of the organisation.

Board committees

The APN FM Board has established the following formally constituted committees for reviewing and authorising policies and strategies within each committee's respective terms of reference. The committees will examine proposals and provide advice to the full APN FM Board with regard to the effectiveness of their respective programs, but will not act on behalf of the APN FM Board without a specific mandate to do so.

Audit, Compliance and Risk Management Committee

The APN FM Board has an Audit, Compliance and Risk Management Committee comprising the Non-Executive Directors of APN FM (Geoff Brunsdon, Michael Johnstone and Jennifer Horrigan). Some of the key responsibilities of the Committee are to:

- oversee the internal and external audit functions in respect of APN FM and Industria;
- provide a mechanism to enable the APN FM Board to focus on risk management and internal control;
- provide reports and make recommendations to the APN FM Board in relation to risks faced by APN FM and Industria;
- make recommendations to the APN FM Board about financial reporting systems;
- monitor compliance with relevant legal and regulatory requirements, including compliance plans applicable to Industria;
- report any breach of the Corporations Act involving Industria or any breach of the Constitution; and
- assess the adequacy of Industria's compliance plans at regular intervals.

Nomination and Remuneration committee

The APN FM Board has established a Nomination and Remuneration Committee comprising the Non-Executive Directors of APN FM (Geoff Brunsdon, Michael Johnstone and Jennifer Horrigan).

Some of the key responsibilities of the Nomination and Remuneration Committee include:

- determining the appropriate size and composition of the APN FM Board, the necessary and desirable competencies of Directors and the appointment, re-appointment and removal of Directors; and
- developing a succession plan for the APN FM and Industria Co Boards.

ASX corporate governance standards

The APN FM Board's corporate governance framework incorporates the ASX Guidelines. The APN FM Board will adopt policies recommended by the ASX Guidelines, including policies that ensure that Industria meets all applicable disclosure standards in accordance with the ASX Listing Rules. To the extent required, Industria Co will also adopt a corporate governance framework consistent with the ASX Guidelines and any requirements of the Listing Rules. The Listing Rules require that listed entities disclose the extent of their compliance with the ASX Guidelines and, if an entity does not adopt a particular ASX Guideline because they consider it is inappropriate to do so in their particular circumstances, they must explain why. Accordingly, Industria's corporate governance statement which records any non-compliance with the ASX Guidelines will be included in its annual report.

6
FINANCIAL INFORMATION

8 Clunies Ross Court, Brisbane Technology Park, QLD

6.1 OVERVIEW

The financial information contained in this Section 6 has been prepared by the Issuers and includes pro forma historical and forecast financial information and a pro forma combined balance sheet for Industria comprising:

- pro forma historical combined income statements for the financial years ended 30 June 2011 (**FY11**), 30 June 2012 (**FY12**) and 30 June 2013 (**FY13**); and
- pro forma combined balance sheet as at the Completion Date,

(together the **Pro Forma Historical Financial Information**)

- pro forma forecast combined income statements for the financial year ending 30 June 2014 (**FY14**) comprising the five month period before the Transaction and the seven month period from 1 December;
- forecast statutory combined income statements for the financial period commencing on 1 December 2013 and ending 30 June 2014 and the financial year ending 30 June 2015 (**FY15**); and
- forecast Distributions for the financial period commencing on 1 December 2013 and ending 30 June 2014 and FY15,

(together the **Forecast Financial Information**)[1],

the Pro Forma Historical Financial Information and the Forecast Financial Information, collectively the **Financial Information**.

The Financial Information has been prepared to reflect the implementation of the Transaction, including the Stapling of the five entities which form Industria and the Offer as described in this Disclosure Document. The pro forma historical income statements have been prepared as if the Transaction had occurred as at 1 July 2010.

The Financial Information for Industria comprises Industria Co, Trust 1, Trust 2, Trust 3 and Trust 4 and their respective controlled entities. Industria will have a financial year ending 30 June, and all Financial Information within this Section 6 reflects periods ending 30 June unless otherwise noted. Rounding in the Financial Information may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Information provided in this Section should be read in conjunction with the sensitivities outlined in Section 6.5.3, the risk factors outlined in Section 9 and the other information provided in this Disclosure Document.

The Financial Information has been reviewed by Deloitte Corporate Finance Pty Limited whose Investigating Accountant's Report is included in Section 7 of this Disclosure Document. Prospective Investor should note the scope and limitations of the Investigating Accountant's Report.

6.2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL INFORMATION

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards and other mandatory professional reporting requirements in Australia except as discussed below.

Accounting Standard AASB 10 (Consolidated Financial Statements) (**AASB 10**) applies to reporting periods beginning on or after 1 January 2013 and hence would apply to the financial statements of Industria. AASB 10 requires an entity that controls one or more entities to present consolidated financial statements. The Issuers have concluded that no one entity will have control as defined under AASB 10 and accordingly, consolidated financial statements have not been prepared.

The presentation of the financial statements of stapled entities, and specifically when it is appropriate to present consolidated financial statements, is currently under consideration by the relevant regulators and accounting bodies. ASIC has issued a class order permitting existing stapled entities to present consolidated financial statements until the relevant regulator has considered the issue. However, this class order does not apply to Industria, being a newly formed stapled entity.

1. Whilst the Completion Date is expected to be 5 December 2013, the Financial Information has been prepared for the seven months from 1 December 2013 to 30 June 2014. The Directors are satisfied that the four day difference between 1 December 2013 and the Completion Date will not have a material impact on the Financial Information. Similarly, based on the profile of earnings of the Fund, the Directors do not expect the forecast annualised Distribution yield as a percentage to be materially different.

For the purpose of this Disclosure Document, the Directors have presented combined financial information of the five entities comprising Industria to assist potential Investors in assessing the investment opportunity. A reconciliation of the pro forma historical combined income statement for FY13 and pro forma combined balance sheet at Completion Date to the individual financial statements of each entity which comprise Industria is set out in Sections 14.21 and 14.22. The presentation of combined accounts is consistent with the proposals outlined in ASIC's consultation paper CP217, issued on 11 October 2013.

Certain significant accounting policies relevant to the Financial Information are disclosed in Section 6.7. The Financial Information is presented in an abbreviated form and does not include all disclosures, applicable statements or comparative information required by Australian Accounting Standards which would be included in an annual report prepared in accordance with the Corporations Act.

6.2.1 Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information is based on the following information:

- Industria Co management accounts that form part of the APN DF1 Holdings (Qld) Pty Limited (APN DF1 Holdings, the parent company of Industria Co and Trust 4) consolidated group. APN DF1 Holdings has been audited in FY11, FY12 and FY13.
- Trust 1 – financial statements that have been audited in FY11, FY12 and FY13.
- Trust 2 – financial statements that have been audited in FY11, FY12 and FY13.
- Trust 3 – management accounts that form part of the APN Direct Property Fund consolidated group. Trust 3 forms a significant portion of APN Direct Property Fund, which has been audited in FY11, FY12 and FY13.
- Trust 4 – management accounts that form part of the APN DF1 Holdings consolidated group. Trust 4 forms a significant portion of APN DF1 Holdings, which has been audited in FY11, FY12 and FY13.

A number of pro forma adjustments have been made to the income statements and balance sheet to reflect the impact of the Transaction and to present historical information on a consistent basis. These adjustments are discussed further below.

6.2.2 Preparation of Forecast Financial Information

The Forecast Financial Information has been prepared using the base case assumptions set out in Section 6.5. The Issuers believe that the Forecast Financial Information has been prepared with due care and attention and consider the base case assumptions in Section 6.5 to be reasonable at the time of preparing this Disclosure Document. The Forecast Financial Information has been prepared on the basis that the Transaction is completed on 1 December 2013. Actual Completion Date is expected to be on 5 December 2013; however, the Directors are satisfied that the four day difference will not have a material impact on the Financial Information. Similarly, based on the profile of earnings of the Fund, the Directors do not expect the forecast annualised Distribution yield as a percentage to be materially different.

Prospective investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that any deviation in the assumptions on which the Forecast Financial Information is based may have a material positive or negative effect on Industria's actual financial performance or position. Investors are advised to review the base case assumptions set out in Section 6.5, in conjunction with the sensitivity analysis set out in Section 6.5.3, the risk factors set out in Section 9 and other information set out in this Disclosure Document.

6.3 PRO FORMA HISTORICAL FINANCIAL INFORMATION

6.3.1 Pro forma historical combined income statements

The table below shows the pro forma historical combined income statements of Industria for FY11, FY12 and FY13 as if the Transaction had occurred at 1 July 2010:

Table 5: Pro forma historical combined income statements

	Notes	FY11 $M	FY12 $M	FY13 $M
Income				
Net rental income	(1)	27.0	27.4	28.4
Share of equity accounted profit/(loss)	(2)	-	0.1	0.1
Expenses				
Fund management fee		(1.9)	(1.9)	(2.1)
Recurring fund costs		(0.6)	(0.6)	(0.6)
Net operating income (EBIT)		**24.5**	**25.1**	**25.9**
Interest expense (net)		(5.8)	(5.7)	(6.2)
Net income before tax		**18.7**	**19.4**	**19.7**
Income tax expense	(3)	(1.1)	(1.1)	(1.1)
Net income after tax	(4)	**17.6**	**18.3**	**18.6**

Notes

1. Net rental income includes rental income and other income after straightlining adjustments, net of outgoing recoveries and costs. The increase in net rental income in FY12 and FY13 reflects rent increases arising from a combination of CPI, fixed and market rent reviews.
2 Share of equity accounted profit/(loss) relates to net profit derived from the 50% joint venture interest in the JV Property.
3 Income tax expense relates to Industria Co and McKechnie Drive Pty Ltd (a subsidiary of Industria Co), which are taxed as companies.
4. Net income after tax excludes fair value adjustments in respect of investment properties and other financial assets.

The pro forma historical combined income statements for FY11 to FY13 are based on:

- Actual results for Industria Co and the Trusts derived from management accounts, as well as audited and unaudited financial statements.
- Pro forma adjustments have been made to actual results to reflect the following:
  - the stapling of Industria Co and the Trusts as if the Transaction has occurred at 1 July 2010;
  - net rental income – pro forma adjusted to eliminate net rental income from assets sold or redeveloped in FY11 and FY12;
  - fund management fee – pro forma adjusted to eliminate actual management fees incurred and apply the proposed management fee of 0.55% of the gross book value of assets at the end of the respective financial year;
  - recurring fund costs – pro forma adjusted to eliminate actual recurring fund costs incurred and reflect the forecast recurring fund costs for Industria;
  - interest expense – pro forma adjusted to eliminate actual net interest expense incurred and reflect pro forma interest expense based on the interest rates assumed in the FY14 and FY15 forecasts and assuming debt levels consistent with the new capital structure (assuming an LVR of 35% based on the value of investment property assets at the end of the respective financial year);
  - income tax expense – pro forma adjusted to eliminate actual income tax expense incurred and reflect pro forma FY14 income tax expense after adjusting for the impact of deductible Transaction costs incurred in FY14. The FY14 income tax expense calculation is considered a reasonable proxy for FY11 to FY13 income tax expense given that, over this period, Industria Co's net rental income has been relatively consistent and all other FY11 to FY13 profit and loss items assume Industria's new capital and management structure; and
  - fair value movements in investment properties and other financial assets have been excluded to allow investors to more readily compare the Pro Forma Historical Financial Information with the Forecast Financial Information. No underlying movement in the fair value of the investment properties or other financial assets have been included in the Forecast Financial Information as management do not believe such movements can be reliably established.

Refer to Section 14.21 in the Additional Information for an analysis of the individual entities which combine to form the Industria FY13 pro forma historical combined income statement and further information on the adjustments made to actual results.

6.3.2 Pro forma combined balance sheet

The tables below detail the pro forma combined balance sheet as at the Completion Date and a reconciliation of the balance sheet investment properties to independent valuations at 30 September 2013.

Table 6: Pro forma combined balance sheet

	Notes	Completion Date
Assets		**$M**
Cash and cash equivalents		3.8
Trade and other receivables		0.8
Other current assets		0.4
Total current assets		**5.0**
Investment properties	(1)	373.3
Other non-current assets (incl. investment in JV Property)	(2)	7.2
Total non-current assets		**380.4**
Total assets		**385.5**
Liabilities		
Trade and other payables		(8.1)
Derivative Instruments		(0.1)
Total current liabilities		**(8.2)**
Trade and other payables		(0.6)
Deferred tax liability	(3)	(3.2)
Long-term borrowings (incl. share of JV Property borrowings)	(4)	(131.4)
Total non-current liabilities		**(135.2)**
Total liabilities		**(143.5)**
Net assets		**242.0**
Equity		
Contributed equity		223.9
Retained earnings		18.1
Equity		**242.0**

Number of Stapled Securities (millions)	125
NTA per Stapled Security ($)	1.94
Gearing	33.8%

Table 7: Reconciliation to property valuations[5]

	$M
Investment properties - pro forma combined balance sheet at the Completion Date	**373.3**
Add: Industria's share of the JV Property	7.0
Less: Forecast Capex on 51A McKechnie Drive and the multi level car park between valuation date and Completion Date	(2.3)
Property valuations at 30 September 2013	**378.0**

Notes

1. Investment properties have been accounted for at fair value based on independent valuations at 30 September 2013 including forecast capital expenditure from 1 October 2013 to Completion Date relating to 51A McKechnie Drive and the multi level car park.
2. Other non-current assets reflect Industria's equity accounted interest in the JV Property.
3. The deferred tax liability relates to differences between the tax and accounting treatments of Industria Co's investment properties. This deferred tax liability will only be crystallised if Industria Co disposes of one or more of its investment properties.
4. Long-term borrowings are recorded net of debt establishment costs of $0.8 million.
5. As stated in Section 9 under JV Property Risk, there is a risk that the 50% interest in the JV Property (equity accounted on the balance sheet as a $7.0 million other non-current asset) may be excluded from the Transaction if a third party, whose consent is required to include the JV Property in the Transaction, does not consent.

The pro forma combined balance sheet at the Completion Date has been prepared based on the actual accounts for the individual entities that comprise Industria at 30 June 2013 adjusted to reflect the Transaction and certain other pro forma adjustments, including the following key assumptions:

- the Stapling of all entities as set out in Sections 5.1, 10.1 and 13.3;
- the raising of $225.0 million under the Offer through the issue of 112.5 million Securities at an Offer Price of $2.00 per Security, with proceeds applied as follows:
  - $175.8 million to fund the purchase of Securities via the Sale Facility;
  - $36.5 million to partially fund the repayment of existing debt facilities which are expected to be $164.1 million excluding debt associated with the JV Property. The balance of $127.7 million is to be refinanced with new debt;
  - $12.2 million to fund Industria's share of Transaction Costs (which are reduced from $13.9 million as a result of APN FM making a contribution of $1.7 million to the establishment costs incurred by Industria). Of the total costs of $12.2 million, $8.0 million has been charged to equity, $3.4 million has been charged to the income statement and $0.8 million has been capitalised as borrowing costs; and
  - $0.5 million retained as working capital;
- an increase of $12.6 million in the value of investment properties reflecting independent valuations as at 30 September 2013; and
- additional capital expenditure of $4.5 million at 51A McKechnie Drive and the multi level car park from 1 July 2013 to the Completion Date.

A number of additional pro forma adjustments have been made in preparation of the pro forma combined balance sheet at the Completion Date. A full reconciliation between the actual financial accounts of the individual entities that comprise Industria at 30 June 2013 and the pro forma combined balance sheet at the Completion Date is provided in Section 14.22.

6.4. FORECAST FINANCIAL INFORMATION

6.4.1 Forecast combined income statements

The table below shows the following:

- forecast pro forma combined income statement for the five months from 1 July 2013;
- forecast statutory combined income statement from 1 December 2013 to 30 June 2014;
- forecast pro forma combined income statement for FY14; and
- forecast statutory combined income statement for FY15.

Table 8: Forecast combined income statements

	Notes	FY14 (5 months from 1 July) – pro forma $M	Forecast FY14 (7 months) – statutory(1) $M	FY14 – pro forma $M	FY15 - statutory $M
Income					
Net rental income	(2)	12.2	17.5	29.7	32.2
Share of equity accounted profit/(loss)	(3)	0.2	0.4	0.6	0.6
Expenses					
Fund management fee		(0.9)	(1.2)	(2.1)	(2.2)
Recurring fund costs		(0.2)	(0.3)	(0.6)	(0.6)
Net operating income (EBIT)		**11.3**	**16.3**	**27.6**	**30.1**
Interest expense (net)		(2.6)	(3.2)	(5.8)	(6.3)
Transaction costs		-	(3.4)	(3.4)	-
Net income before tax		**8.7**	**9.7**	**18.4**	**23.8**
Income tax expense	(4)	(0.4)	(0.4)	(0.9)	(1.1)
Net income after tax (after transaction costs)	(5)	**8.3**	**9.2**	**17.5**	**22.7**
Net income after tax (before transaction costs)	(5)	**8.3**	**12.7**	**20.9**	**22.7**

Notes

1. Whilst Completion Date is expected to be 5 December 2013, the Financial Information has been prepared for the seven months from 1 December 2013 to 30 June 2014. The Directors are satisfied that the four day difference will not have a material impact on the Financial Information. Similarly, based on the profile of earnings of the Fund, the Directors do not expect the forecast annualised Distribution yield as a percentage to be materially different.
2. Net rental income includes rental income and other income after straightlining adjustments, net of outgoing recoveries and costs.
3. Share of equity accounted profit/(loss) relates to net profit derived from the 50% interest in the JV Property.
4. Tax expense is based on 30% of accounting net profit before tax for Industria Co and McKechnie Drive Pty Ltd which are taxed as companies.
5. The statutory and pro forma forecast assumes no movement in the fair value of investment properties or other financial assets or liabilities such as interest rate swaps as the Directors do not believe that they can be reliably estimated.

Key movements:

- FY14 – Net rental income is forecast to increase by $1.3 million (or 4.6%) compared to FY13. The forecast increase is due primarily to rent increases (a combination of CPI, fixed and market rent reviews) as well as small increases in occupancy across the portfolio.
- FY15 – Net rental income is forecast to increase by $2.5 million (or 8.4%) compared to pro forma FY14 forecast. This is primarily due to:
  - $1.7 million in new net rent following completion of 51A McKechnie Drive and the multi level car park. 51A McKechnie Drive and the multi level car park are currently under construction with completion due in June 2014. Queensland Health has signed an agreement for lease for the entire building.
  - Contracted rent increases (a combination of CPI, fixed and market rent reviews).

6.4.2 Forecast Distributable Earnings and Distributions

Distributable Earnings represents net income before tax (excluding Transaction Costs) adjusted for fees paid, tax paid, straightlining of rental income, rent free periods and lease incentives, valuation adjustments and mark-to-market adjustments for derivatives and other non-cash items such as amortisation of debt establishment fees.

The table below provides a reconciliation from the forecast net income before tax (excluding Transaction Costs) to Distributable Earnings. As set out in the table below, Industria forecasts:

- a distribution of 9.54 cents per Security for the period from 1 December 2013 to 30 June 2014 (assumed to be seven months), reflecting a payout ratio of 96.0% of Distributable Earnings; and
- a distribution of 16.72 cents per Security for FY15, reflecting a payout ratio of 97.9% of Distributable Earnings.

Distributions are to be paid on a six monthly basis within two months after the half year end except for first distribution which will be for the period from 1 December 2013 to 30 June 2014. It is expected that there will be no dividend from Industria Co during the Forecast Period.

Table 9: Distribution reconciliation

	Notes	FY14 (7 months)(1) $M	FY15 $M
Net income before tax (excluding Transaction Costs)	(2)	**13.1**	**23.8**
Straight lining of rent income		(0.7)	(2.7)
Tax paid		(0.1)	-
Other non-cash items		0.1	0.2
Distributable Earnings		**12.4**	**21.3**
Distribution		**11.9**	**20.9**
Securities on issue (millions)		125.0	125.0
Earnings per Security (cents)	(3)	10.13	18.20
Distributable Earnings per Security (cents)		9.94	17.08
Distribution per Security (cents)		9.54	16.72
Earnings yield		**8.7%**	**9.1%**
Distributable Earnings yield		**8.5%**	**8.5%**
Distribution yield		**8.2%**	**8.4%**
Payout ratio (Distribution/Distributable Earnings)		96.0%	97.9%
Tax deferred component of Distribution		48.0%	31.0%

Notes

1. Whilst Completion Date is expected to be 5 December 2013, the Financial Information has been prepared for the seven months from 1 December 2013 to 30 June 2014. The Directors are satisfied that the four day difference will not have a material impact on the Financial Information. Similarly, based on the profile of earnings of the Fund, the Directors do not expect the forecast annualised Distribution yield as a percentage to be materially different.
2. Transaction costs will be funded from the proceeds of the Offer and do not affect the operating cash flow of the business.
3. Calculated as net income after tax (before Transaction Costs)/number of Securities.

6.5 BASE CASE ASSUMPTIONS

Key assumptions relating to the preparation of the Forecast Financial Information are set out below.

6.5.1 General assumptions

Key general assumptions include:

- the Transaction is implemented on 1 December 2013;
- average CPI of 2.5% per annum;
- no material acquisitions or disposals of investment properties during the Forecast Period;
- no material contract disputes or litigation during the Forecast Period;
- no material change in the competitive operating environment during the Forecast Period;
- no significant change to the legislative regime and regulatory environment in the jurisdictions in which Industria operates during the Forecast Period;
- all existing leases are enforceable and are performed in accordance with their terms;
- no material changes to accounting standards, other mandatory professional reporting requirements, and the Corporations Act during the Forecast Period;
- no material changes to Australian income tax legislation; and
- it has been assumed that there are no movements in the fair value of the investment properties or other financial assets including any mark-to-market movements in relation to the interest rate swaps taken in respect of the debt, as management do not believe such movements can be reliably estimated.

6.5.2 Specific assumptions

Rental income

- Net rental income has been forecast on a property by property basis based on existing leases and assumptions for future occupancy rates, tenant retention and market rentals. Market rentals are consistent with those adopted in the independent valuation reports.
- Market rents have been assumed to increase at 3.0% to 3.5% p.a.
- Net rental income has been recognised on a straight-line basis in accordance with Australian Accounting Standards.

Reletting and vacancy

- Letting up periods have been forecast on a property by property basis and range between three and nine months based on the Issuers' assessment on the individual tenancy having regard to the independent valuer's assessment.
- Retention rates for existing tenants have been forecast on a property by property basis based on the Issuers' assessment of the individual tenancy having regard to the independent valuer's assessment of overall retention rates.
- Lease incentives have been assumed on a property by property basis and are primarily in the range between three and nine months. All incentives are assumed to be taken in the form of rent free periods.
- Leasing commissions have been assumed on the let up of each individual lease. Commissions have been forecast to primarily range from 4% to 14% of first year rental income depending on the location of each property. Leasing costs are capitalised as incurred and amortised over the life of the lease.
- Tenant improvements have been forecast on a lease by lease basis and reflect the Issuers' views on likely cost based on the condition of individual buildings.

Outgoings and expenses

- Outgoings have been forecast by the Issuers on a property by property basis having regard to current outgoings that are not recoverable from tenants under lease terms. Outgoings are consistent with the independent valuation reports and are forecast to increase in line with known increases to statutory rates and taxes, as agreed in existing service contracts or by CPI.
- Outgoings include maintenance expenditure which has been forecast having regard to independent assessments for each property.

Other expenses

- The forecast operating expenses of Industria include estimates of ASX listing fees, audit fees, legal fees, valuation fees, share registry fees, insurance and other costs which the Issuers expect to incur. The forecast costs represent the Issuers' best estimates of the likely costs to be incurred based on a combination of external quotes and external benchmarks.

Transaction Costs

- Transaction Costs include stamp duty, ASX listing fees, offer management fees and advisers' fees in respect of property due diligence and the issue of the Disclosure Document. APN FM will make a contribution of $1.7 million to the establishment costs incurred by Industria. After this contribution, costs associated with raising new equity of up to $8.0 million have been debited to equity with all other costs, estimated to be $3.4 million (excluding debt establishment costs), being expensed through the income statement.

Responsible Entity fee

- APN FM will charge a fee of 0.55% per annum of the Gross Asset Value of Industria, reducing to 0.50% per annum of the Gross Asset Value of Industria above $750.0 million and reducing to 0.45% per annum of the Gross Asset Value of Industria above $1,500.0 million. Responsible Entity fees are calculated and paid quarterly in arrears.

Net interest expense

- Industria's borrowings under the Debt Facility and the CBA Facility will incur an average interest rate of 4.9% inclusive of margin, hedging arrangements (where applicable) and the annual portion of upfront fees. This assumes that 75% of the initial debt drawn under the Debt Facility will be hedged and the CBA Facility will be unhedged.
- The costs of establishment of the Debt Facility of $0.8 million have been capitalised against the debt balance at Completion Date and are amortised over the term of the debt.

Capex

- Capital expenditure of $9.7 million (including $0.3 million of capitalised interest) in respect of the completion of 51A McKecknie Drive and the multi level car park has been assumed to be incurred in the period from 1 December 2013 to 30 June 2014.
- No other material capital expenditure has been assumed in the Forecast Period including in respect of the undeveloped land that is part of BTP Central.
- Annual maintenance capex of approximately $0.5 million in each of FY14 and FY15 has been allowed in determining the percentage of Distributable Earnings available for distribution.

Taxation

- Industria includes two entities (Industria Co and McKechnie Drive Pty Ltd) which are taxed as companies. A liability for current and deferred taxation is only recognised in respect of entities subject to income tax.

Stamp duty

- The Forecast Financial Information assumes $2.5 million of stamp duty in relation to implementation of the Transaction and the Stapling of the Trusts and Industria Co.

Distribution Reinvestment Plan

- The Financial Information has been prepared on the basis that a Distribution Reinvestment Plan (DRP) will not operate.

6.5.3 Sensitivity analysis

The Forecast Financial Information is based on a number of estimates and assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Issuers. These estimates and assumptions are subject to change.

Set out below is a summary of the sensitivity of forecast Distributable Earnings to certain changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced.

Table 10: Sensitivity analysis

		FY14 (7 months)			FY15	
		$'000	cents per Security		$'000	cents per Security
Distributable Earnings		**12,420**	**9.94**		**21,345**	**17.08**
Impact of change from assumption						
25 basis point change in average interest rate (pre hedge)	+ / -	179	0.14	+ / -	318	0.25
25 basis point change in average interest rate (post hedge)	+ / -	45	0.04	+ / -	80	0.06
25 basis point change in CPI	+ / -	5	-	+ / -	9	0.01
5% change in outgoings	+ / -	20	0.02	+ / -	25	0.02
5% change in Industria's operating expenses	+ / -	16	0.01	+ / -	29	0.02
Two month delay to let up assumptions	-	100	0.08	-	600	0.48
Two month improvement to let up assumptions	+	100	0.08	+	1,100	0.88

6.6 EXPECTED COMMITMENTS AND DEBT DRAW DOWNS

After the Completion Date, Industria is expected to have:

- a Debt Facility of $140.0 million, of which $127.7 million is expected to be drawn, as well as opening cash at bank of $3.8 million, resulting in a net debt position of $123.9 million; and
- a CBA Facility of which Industria's share is $4.55 million. This facility is fully drawn.

Details of the expected key terms and conditions of the Debt Facility, as well as the key terms and conditions of the existing CBA Facility, and are provided in Section 13.1.

Future payments from the Completion Date required to be made in relation to the completion of 51A McKechnie Drive and the multi level car park (amounting to $9.7 million including $0.3 million of capitalised interest) are expected to be funded through the Debt Facility and cash.

6.7 SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Financial Information requires estimates, judgements and assumptions that affect the reported amounts of gross revenues, gross expenses, assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Revisions to estimates are recognised in the period in which the estimate is revised and in any future period affected.

The significant accounting policies below apply estimates, judgements and assumptions which could materially affect the financial results or financial position reported in future periods.

(a) Property rental revenue

Rental income from a property leased out under an operating lease is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income on a straight-line basis. Contingent rents, such as CPI and market reviews, are recorded as income in the periods in which they are earned.

(b) Investment property

An investment property is a property that is held to earn long-term rental income and/or for capital appreciation. An investment property acquired is initially recorded at its cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Investment properties are not depreciated.

An investment property is subsequently measured at fair value each reporting period, based on the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment properties will be determined by APN FM, in accordance with AASB 140 (Investment Property). APN FM's assessment of the fair value of each property will be periodically confirmed by independent valuations on a rolling basis. In determining fair value, the capitalisation of net income, the discounted cash flow method and/or other market accepted methodologies may be used.

Any gains or losses arising from a change in the fair value of investment property are recognised in the income statement in the period in which they arise.

(c) Investment properties under construction

The valuation of investment properties under construction is based on the 'as if complete' value less costs to complete.

(d) Leasing fees

Leasing fees in relation to the initial leasing of the property are capitalised and amortised over the period to which the lease relates. Costs that are directly associated with negotiating and executing the ongoing renewal of tenant lease agreements (including commissions, legal fees and costs of preparing and processing documentation for new leases) are also capitalised and amortised over the lease term in proportion to the rental revenue recognised in each financial year.

(e) Borrowings

Borrowings are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest rate basis. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability to at least 12 months after the balance sheet date.

Borrowing costs are recognised as expenses using the effective interest rate method, unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the borrowing costs are capitalised to the cost of the asset. Where funds are borrowed by Industria for the acquisition or construction of a qualifying asset, the borrowing costs are capitalised.

(f) Derivatives

Industria may enter into derivative financial instruments to hedge its exposure to interest rate risk and currency risk from operational, financing and investment activities.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The effective portion of changes in the fair value of cash flow hedges will be recognised directly in equity. The gain or loss relating to any ineffective portion will be recognised immediately in the income statement. Amounts accumulated in equity will be transferred in the income statement in the period when the hedged item will affect profit or loss.

(g) Income taxes

Industria includes a number of entities which are taxed as companies. A liability for current and deferred taxation is only recognised in respect of taxable entities that are subject to income tax.

Deferred tax is provided on all temporary differences at balance sheet date on the difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realised through the continued use or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

6.8 WORKING CAPITAL

The Issuers are of the opinion that Industria will have sufficient working capital to carry out its stated objectives. Industria is expected to have $3.8 million in cash at bank as at Completion Date. In addition to this amount, Industria will have $12.3 million in undrawn debt limits under the Debt Facility at Completion Date, therefore providing combined cash and debt reserves of $16.1 million.

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INVESTIGATING ACCOUNTANT'S REPORT

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The Directors
Industria Company No.1 Pty Limited and
APN Funds Management Limited as Responsible Entity
for Industria Trust No.1, Industria Trust No.2, Industria Trust No.3
and Industria Trust No.4
Level 30, 101 Collins Street
Melbourne, Victoria, 3000

28 October 2013

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Industria Company No.1 Pty. Limited (Industria Co.) and APN Funds Management Limited (the Company or APN) as Responsible Entity for Industria Trust No.1, Industria Trust No.2, Industria Trust No.3 and Industria Trust No.4 (together Industria REIT or the Fund) in connection with a product disclosure statement and prospectus (Disclosure Document) to be issued by the Company and Industria Co. (the Issuers) in respect of the initial public offering of stapled securities in the Fund (the Offer) and its subsequent listing on the Australian Securities Exchange.

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the Corporations Act 2001 for the issue of this report.

Scope

Pro forma Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Issuers (the Directors) to review:

- the Pro forma Historical Income Statements of the Fund for the 3 years ended 30 June 2013;
- the Pro forma Balance Sheet of the Fund at completion date assumed to be 5 December 2013 (Completion Date); and
- the reconciliation of the Pro Forma Historical Income Statement of the Fund for the year ended 30 June 2013 and the Pro forma Balance Sheet at Completion Date to the individual accounts of each of the entities comprising the stapled entity.

(the Pro forma Historical Financial Information).

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The Pro forma Historical Financial Information has been derived from the Income Statements for the 3 years ended 30 June 2013 and the Balance Sheet as at 30 June 2013 of the individual entities comprising Industria REIT being Industria Trust No.1 (currently Australand Wholesale Property Trust No. 6 (AWPT6)), Industria Trust No. 2 (currently Australand Wholesale Property Trust No. 6A (AWPT6A)), Industria Trust No.3 (formerly APN Wholesale Direct Property Pool), Industria Trust No.4 (formerly BTP Central Trust) and Industria Co. (formerly APN DF1 Developments (Qld) Pty Ltd (ADF1)) (Historical Financial Information), after adjusting for the effects of pro forma adjustments described in section 6.3 of the Disclosure Document.

The Historical Financial Information has been extracted from:

- The audited financial reports of Australand Wholesale Property Trust No. 6 and its consolidated entities (AWPF6) for the 3 years ended 30 June 2013. The audit opinion on the financial reports was unmodified.
- The audited financial reports of AWPT6A for the 3 years ended 30 June 2013. The audit opinion on the financial reports was unmodified
- The unaudited financial reports of APN Wholesale Direct Property Pool for the 3 years ended 30 June 2013
- The unaudited financial reports of BTP Central Trust for the 3 years ended 30 June 2013
- The unaudited financial reports of ADF1 for the 3 years ended 30 June 2013

The Pro forma Historical Financial Information is presented in the Disclosure Document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

The basis of preparation of the Pro forma Historical Financial Information is the recognition and measurement principles contained in Australian Accounting Standards except as described in section 6.2 of the Disclosure Document and the events or transactions to which the pro forma adjustments relate, as described in section 6.3 of the Disclosure Document, as if those events or transactions had occurred as at the date of the Pro forma Historical Financial Information. Due to its nature, the Pro forma Historical Financial Information does not represent the Fund’s actual or prospective financial position or financial performance.

The Forecasts

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Issuers to review:

- The Forecast Income Statements and the Forecast Distributions of the Fund for the period from 1 December 2013 to 30 June 2014 and for the year ending 30 June 2015 as set out in section 6.4 of the Disclosure Document (the Statutory Forecasts). The director’s best-estimate assumptions underlying the Statutory Forecasts are described in section 6.5 of the Disclosure Document. The stated basis of preparation used in the preparation of the Statutory Forecasts is the recognition and measurement principles contained in Australian Accounting Standards except as described in section 6.2 of the Disclosure Document and the Fund’s adopted accounting policies; and

- The Pro forma Forecast Income Statement of the Fund for the year ending 30 June 2014 as set out in section 6.4 of the Disclosure Document (the Pro forma Forecast). The Pro forma Forecast has been derived from the Statutory Forecasts, after adjusting for the effects of the pro forma adjustments described in section 6.4 of the Disclosure Document (the Pro forma Adjustments). The stated basis of preparation used in the preparation of the Pro forma Forecast is the recognition and measurement principles contained in Australian Accounting Standards except as described in section 6.2 of the Disclosure Document applied to the Statutory Forecasts and the events or transactions to which the Pro forma Adjustments relate. Due to its nature the Pro forma Forecast does not represent the Fund’s actual prospective financial performance for the year ending 30 June 2014.

(together the Forecasts).

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The Forecasts have been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Fund for the period from 1 December 2013 to 30 June 2014 and for the year ending 30 June 2015. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecasts since anticipated events or transactions frequently do not occur as expected and the variation may be material. In addition, the actual financial performance may include any gains or losses arising from movements in the market values of investment properties and derivatives which have not been included in the Forecasts.

The Directors' best estimate assumptions on which the Forecasts are based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Fund. Evidence may be available to support the assumptions on which the Forecasts are based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

As disclosed in section 6.5, the Forecasts assume that there are no revaluations of the investment property during the forecast period, and no corresponding mark to market adjustments required to be included in the Forecasts, as the Directors do not believe that revaluations can be reliably estimated.

As disclosed in section 6.5, the Forecasts assume that there are no movements in the market values of derivatives and no corresponding mark to market adjustments required to be included in the Forecasts as the Directors do not believe that they can be reliably estimated.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Fund, which are detailed in the Disclosure Document, and the inherent uncertainty relating to the prospective financial information. Accordingly prospective investors should have regard to the investment risks set out in Section 9 and the sensitivity analysis set out in section 6.5 of the Disclosure Document. The sensitivity analysis set out in section 6.5 of the Disclosure Document demonstrates the estimated impact on the Forecasts of changes in key assumptions. The Forecasts are therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecasts will be achieved.

Directors' Responsibility

The Directors of the Issuers are responsible for:

- the preparation and presentation of the Pro forma Historical Financial Information, including the selection and determination of pro forma adjustments included in the Pro forma Historical Financial Information;
- the preparation of the Forecasts, including the best estimate assumptions underlying the Forecasts and the selection and determination of the pro forma adjustments made to the Statutory Forecast and included in the Pro forma Forecast; and
- the information contained within the Disclosure Document.

This responsibility includes the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Pro forma Historical Financial Information and the Forecasts that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Pro forma Historical Financial Information, the Statutory Forecasts and the Pro Forma Forecast based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.*

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in

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accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an audit opinion.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

Pro forma Historical Financial Information

- consideration of work papers, accounting records and other documents in relation to the audited financial statements of AWPF6 and AWPT6A and the unaudited financial statements of the APN Wholesale Direct Property Pool, BTP Central Trust and APN DF1 Developments (Qld) Pty Ltd for the 3 years ended 30 June 2013;
- consideration of the Pro forma Adjustments described in section 6.3 of the Disclosure Document;
- enquiry of Directors, management, personnel and advisors;
- the performance of analytical procedures applied to the Pro forma Historical Financial Information;
- a review of the accounting policies adopted by the Fund in the preparation of the Pro forma Historical Information

The Forecasts

- enquiries, including discussions with management and Directors of the factors considered in determining the assumptions;
- analytical and other review procedures we considered necessary including examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Forecasts and the review of the accounting policies adopted and used in the preparation of the Forecasts; and
- consideration of the Pro forma Adjustments applied to the Statutory Forecasts in preparing the Pro forma Forecast.

Conclusions

Pro forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 6.2 of the Disclosure Document.

The Statutory Forecasts

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

(i) the Directors' best estimate assumptions used in the preparation of the Statutory Forecasts do not provide reasonable grounds for the Statutory Forecasts;

(ii) in all material respects, the Statutory Forecasts:

a. are not prepared on the basis of the Directors' best estimate assumptions as described in section 6.5 of the Disclosure Document; and
b. are not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Fund and the recognition and measurement principles contained in Australian Accounting Standards except as described in section 6.2 of the Disclosure Document;

(iii) the Statutory Forecasts themselves are unreasonable.

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28 October 2013

The Pro forma Forecast

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

(i) the Directors' best estimate assumptions used in the preparation of the Pro forma Forecast do not provide reasonable grounds for the Pro forma Forecast;

(ii) in all material respects, the Pro forma Forecast:

a. is not prepared on the basis of the Directors' best estimate assumptions as described in section 6.5 of the Disclosure Document;
b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Fund and the recognition and measurement principles contained in Australian Accounting Standards except as described in section 6.2 of the Disclosure Document and the Pro forma Adjustments;

(iii) the Pro forma Forecast itself is unreasonable.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Disclosure Document in the form and context in which it is included.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu has been appointed the auditor of the Fund.

Yours faithfully

Steve Woosnam
Director

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Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide (FSG) provides important information to assist you in deciding whether to use our services. This FSG includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you an FSG because you have received a report or other financial services from us.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds and regulated emissions units (i.e., carbon) to retail and wholesale clients.

Our general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we and all employees remunerated?

Our fees are usually determined on a fixed fee or time cost basis and may include reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

We are ultimately controlled by the Deloitte member firm in Australia (Deloitte Touche Tohmatsu). Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We and other entities related to Deloitte Touche Tohmatsu:

- do not have any formal associations or relationships with any entities that are issuers of financial products
- may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below.

If you are not satisfied with how we respond to your complaint, you may contact the Financial Ombudsman Service (FOS). FOS provides free advice and assistance to consumers to help them resolve complaints relating to the financial services industry. FOS' contact details are also set out below.

The Complaints Officer	Financial Ombudsman Service
PO Box N250	GPO Box 3
Grosvenor Place	Melbourne VIC 3001
Sydney NSW 1220	info@fos.org.au
complaints@deloitte.com.au	www.fos.org.au
Fax: +61 2 9255 8434	Tel: 1300 780 808
	Fax: +61 3 9613 6399

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

1 February 2013

Deloitte Corporate Finance Pty Limited, ABN 19 003 883 127, AFSL 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000

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8
INDEPENDENT PROPERTY VALUATIONS

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30 September 2013

The Boards of APN Funds Management Ltd and Industria Co Pty Ltd
Level 30, 101 Collins Street,
MELBOURNE VIC 3000

Dear Directors,

RE: APN Property Portfolio Valuation as at 30 September 2013

We refer to the instructions issued by APN Property Group Limited dated 21 August 2013 requesting Colliers International Consultancy and Valuation Pty Limited (CICV) to assess the Market Value of the following properties (refer Table 1) for First Mortgage Security, Financial Reporting and Internal Reporting purposes. Further to these instructions we have subsequently been requested to provide a summary of the valuation report for inclusion in a Product Disclosure Statement (PDS) to be issued by APN Funds Management Limited.

This summary outlines the key considerations adopted in arriving at our opinion of Market Value. For further information, reference should be made to the full valuation reports (Our Ref: B4678-B4723) as at 30 September 2013 held by APN Funds Management Limited.

Table 1

Job Number	Property	Valuer
B4678	37 Brandl Street, Eight Mile Plains, Queensland	Trent Cropley
B4679	88 Brandl Street, Eight Mile Plains, Queensland	Tim Kent
B4680	7 Brandl Street, Eight Mile Plains, Queensland	Tim Kent
B4681	53 Brandl Street, Eight Mile Plains, Queensland	Tim Kent
B4682	85 Brandl Street, Eight Mile Plains, Queensland	Trent Cropley
B4683	BTP Central Site, 51 McKechnie Drive, Eight Mile Plains, Queensland	Tim Kent
B4685	8 Clunies Ross Court and 9 McKechnie Drive, Eight Mile Plains, Queensland	Craig Clayworth
B4686	18 Brandl Street, Eight Mile Plains, Queensland	Tim Kent
B4687	7 Clunies Ross Court and 17-19 McKechnie Drive, Eight Mile Plains, Queensland	Craig Clayworth
B4723	Lots 3 and 6 Brandl Street, Eight Mile Plains, Queensland	Trent Cropley

Quality
ISO 9001

Colliers International Consultancy and Valuation Pty Limited | ABN 88 076 848 112

Basis of Valuation

The valuation has been completed in accordance with the following definition of Market Value as defined by the International Valuation Standards Committee (IVSC), endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law:

"Market Value is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

In relation to BTP Central, three (3) market value scenarios were provided with the values which were determined based on the market value 'As Is' for the accommodation and commitments in place as at the date of valuation in addition to 'As if Complete' values determined in accordance with the below definition from the International Valuations Standard Committee (IVSC) and endorsed by the Australian Property Institute (API):

"The value 'As If Complete' assessed herein is the Market Value of the proposed improvements as detailed in the report on the assumption that all construction had been satisfactorily completed in all respects at the date of valuation. The valuation reflects the Valuer's view of the market conditions existing at the date of valuation and does not purport to predict the market conditions and the value at the actual completion of the improvements because of the time lag. Accordingly, the 'As If Complete' valuation should be confirmed by a further inspection by the Valuer, initiated and instructed by the party relying upon this valuation, on completion of improvements. The right is reserved to review, and if necessary, vary the valuation in this report if there are any changes in relation to the project itself or in the property market conditions and prices."

Scenario 2 provides a market value 'As if Complete' of the building at 51 McKechnie Drive. Scenario 3 provides a market value 'As if Complete' of both 51 McKechnie Drive and the multi-level car park, which will commence construction within one (1) month from date of valuation. We note that the two scenarios 'As if Complete' are subject to various assumptions that should be read and understood and reference should be made to the appropriate valuation report assumptions.

APN Property Group Limited
APN Property Portfolio

Summary of Value

We have assessed the Market Value of the properties as at 30 September 2013 to be the sums below (refer Table 2), subject to the qualifications and assumptions contained within our formal valuation report.

Table 2

Job Number	Property	Value (excluding GST)
B4678	37 Brandl Street, Eight Mile Plains, Queensland	$13,250,000
B4679	88 Brandl Street, Eight Mile Plains, Queensland	$14,000,000
B4680	7 Brandl Street, Eight Mile Plains, Queensland	$21,250,000
B4681	53 Brandl Street, Eight Mile Plains, Queensland	$9,200,000
B4682	85 Brandl Street, Eight Mile Plains, Queensland	$5,000,000
B4683	**Scenario 1** 'As Is' BTP Central Site, 51 McKechnie Drive, Eight Mile Plains, Queensland	$28,000,000
B4683	**Scenario 2** 'As If Complete' BTP Central Site, 51 McKechnie Drive, Eight Mile Plains, Queensland	$35,000,000
B4683	**Scenario 3** 'As If Complete' BTP Central Site with Multi-Level Car Park, Queensland	$40,000,000
B4685	8 Clunies Ross Court and 9 McKechnie Drive, Eight Mile Plains, Queensland	$23,750,000
B4686	18 Brandl Street, Eight Mile Plains, Queensland	$11,500,000
B4687	7 Clunies Ross Court and 17-19 McKechnie Drive, Eight Mile Plains, Queensland	$34,000,000
B4723	Lots 3 and 6 Brandl Street, Eight Mile Plains, Queensland	$1,985,000 (Both Lots)

Brief Description of Property

The table below highlights the main notable aspects of the subject properties:

Table 3

Job Number	Property Address	Property Description	Total NLA
B4678	37 Brandl Street, Eight Mile Plains	The land is improved with a two level commercial office building constructed circa 2011. The building comprises secure undercover, basement and open car parking, ground floor office accommodation and first level office accommodation. The property provides secure single and tandem car parking for 62 vehicles and open parking for 28 vehicles.	3,297 m^2
B4679	88 Brandl Street, Eight Mile Plains	The subject property is improved with a modern freestanding office building with a Net Lettable Area (NLA) of 3,283 square metres. The building is configured over two levels with undercover secure car parking for 68 vehicles and additional open car parking for 18 vehicles. The building was constructed circa 2011.	3,283 m^2
B4680	7 Brandl Street, Eight Mile Plains	The subject property is improved with two commercial office buildings. Building 1 has frontage to Brandl Street and is 100% occupied by Queensland Motorways and has net lettable area of 3,331 square metres configured over two levels with car parking for 93 vehicles. Building 2 is located at the rear of the site and has net lettable area of 1,933 square metres configured over two levels with car parking for 49 vehicles. Both buildings were constructed circa 2006.	5,264 m^2
B4681	53 Brandl Street, Eight Mile Plains	The subject property is improved with a freestanding building and is configured over two levels with car parking for 78 vehicles including 50 basement secure car parks. There are two entry points to the office with the current tenant configuration being four tenancies with the first level being vacant. The building was constructed circa 2004.	3,007 m^2
B4682	85 Brandl Street, Eight Mile Plains	The building comprises two levels of office accommodation with a small secured warehouse component at the rear of the building constructed circa 2007/2008. The building provides approximately 35 open car bays, 727m^2 of ground level office, 735m^2 of first level office and 165m^2 of warehouse. At the date of valuation the subject property is vacant.	1,627 m^2
B4683	BTP Central Site, 51 McKechnie Drive, Eight Mile Plains	The subject property is an amalgamation of four adjoining sites that are improved with commercial office buildings of varying levels of quality. The site is being progressively developed and is currently improved with two modern, two level office buildings, a pre committed office building currently under construction and an older office warehouse, part of which is to be demolished in the next month to be replaced by a multi-level car park. On completion, the BTP Central site will incorporate a further four multi level office buildings. The existing buildings are 26 Hi-Tech Court, 12 Electronics Street, and 33 McKechnie Drive. The building at 51 McKechnie Drive is currently under construction. The multi-level car park commencing construction in the next month is located at the rear of 26 Hi-Tech Court. Currently, most of the buildings are fully leased with 12 Electronics Street having the only existing vacancy of 398 square metres. The major tenant in the site is the new pre commitment to Queensland Health which will occupy on completion 100% of 51 McKechnie Street which represents approximately 37% of the total site. Upon completion there will be a total net lettable area of 7,632 square metres and car parking provision of 557 bays.	7,632 m^2 (On Completion)
B4685	8 Clunies Ross Court and 9 McKechnie Drive, Eight Mile Plains	The land is improved with two buildings constructed circa 2008, known as 8 Clunies Ross Court and 9 McKechnie Drive. The buildings comprise basement and open car parking and ground floor and upper level office accommodation. As currently let, 8 Clunies Ross Court provides basement car parking for 86 vehicles, open parking for 24 vehicles and 3,671 square metres of commercial office accommodation. As currently let, 9 McKechnie Drive provides basement car parking for 43 vehicles, open parking for 22 vehicles and 2,094 square metres of commercial office accommodation.	5,765 m^2
B4686	18 Brandl Street, Eight Mile Plains	The subject property is improved with a freestanding office building with rear warehouse constructed circa 2005. The office component is configured over two levels with the warehouse being located at the rear of the building. The site has car parking for 94 vehicles.	4,174 m^2
B4687	7 Clunies Ross Crt & 17-19 McKechnie Drive, Eight Mile Plains	The land is improved with two buildings constructed circa 2007/2008, known as 7 Clunies Ross Court and 17-19 McKechnie Drive. 7 Clunies Ross Court provides secure car parking for 111 vehicles, open and shaded podium parking for 83 vehicles, 279 square metres of retail accommodation and 4,443 square metres of commercial office accommodation. As currently let, 17-19 McKechnie Drive provides basement car parking for 86 vehicles, open parking for 20 vehicles and 4,162 square metres of commercial office accommodation.	8,884 m^2
B4723	Lots 3 & 6 Brandl Street, Eight Mile Plains	Both sites comprise vacant land only and are classified Special Purpose Centre (Major Educational and Research). Lot 3 has a total site area of 2,429m^2 with an access easement affecting 215m^2 of the subject property. This results in a developable land area of 2,214m^2. Lot 6 has a total site area of 2,264 m^2 with an easement affecting approximately 61m^2 of the subject property. This results in a developable land area of 2,203m^2.	Vacant Land

Rental Profile

The passing and market rental income profiles per annum for each property are detailed below:

Table 4

Job Number	Property	Gross Passing Income (Fully Leased)	Outgoings	Net Passing Income (Fully Leased)	Gross Market Income	Net Market Income
B4678	37 Brandl Street, Eight Mile Plains	$1,390,877	$205,454	$1,185,423	$1,390,877	$1,185,423
B4679	88 Brandl Street, Eight Mile Plains	$1,455,373	$199,962	$1,255,411	$1,446,784	$1,246,822
B4680	7 Brandl Street, Eight Mile Plains	$2,164,478	$303,625	$1,860,853	$2,175,468	$1,871,843
B4681	53 Brandl Street, Eight Mile Plains	$1,233,938	$166,475	$1,067,463	$1,232,983	$1,066,508
B4682	85 Brandl Street, Eight Mile Plains	$588,496	$43,416	$545,080	$588,496	$545,080
B4683	**Scenario 1** 'As Is' BTP Central Site, 51 McKechnie Drive, Eight Mile Plains*	$1,949,204	$321,188	$1,628,016	$1,993,965	$1,672,777
B4685	8 Clunies Ross Court and 9 McKechnie Drive, Eight Mile Plains	$2,746,119	$401,967	$2,344,152	$2,644,615	$2,242,648
B4686	18 Brandl Street, Eight Mile Plains	$1,284,132	$197,697	$1,086,435	$1,354,406	$1,156,709
B4687	7 Clunies Ross Crt and 17-19 McKechnie Drive, Eight Mile Plains	$3,806,710	$575,967	$3,230,742	$4,049,502	$3,473,535
B4723	Lots 3 & 6 Brandl Street, Eight Mile Plains	N/A	N/A	N/A	N/A	N/A

**Current income only, excluding 51 McKechnie and the multi-level car park income as currently under construction*

In addition, Scenario 2 and 3 'As if Complete' for BTP Central have been calculated and provide the following passing and market rental income profiles per annum as detailed below:

Table 5

Job Number	Property	Gross Passing Income (Fully Leased)	Outgoings	Net Passing Income (Fully Leased)	Gross Market Income	Net Market Income
B4683	**Scenario 2** 'As If Complete' BTP Central Site, 51 McKechnie Drive, Eight Mile Plains*	$3,305,609	$437,405	$2,868,204	$3,354,031	$2,916,626
B4683	**Scenario 3** 'As If Complete' BTP Central Site with Multi-Level Car Park	$3,799,049	$437,405	$3,361,644	$3,847,471	$3,410,066

**Income excluding the multi-level car park income*

Valuation Methodology

In determining the Market Value of the Property, CICV has examined the available market evidence and applied this analysis to the Capitalisation of Net Income and Discounted Cash Flow (DCF) Approaches. These approaches have in turn been checked by the Direct Comparison Approach on the basis of sales analysed as a rate per square metre of NLA.

The Capitalisation of Net Income Approach has been undertaken by applying a yield to both the potential fully let passing net income (initial yield) and the potential reversionary net income (equated reversionary yield). To the value derived, adjustments have been made for any rental reversions, vacancies, leasing costs and capital expenditure required over the first two (2) years.

The DCF has been undertaken over a 10-year time horizon discounting the net income over this period on a monthly basis together with the value of the property, net of selling expenses, in the 121st month. The net present value has been determined after allowing for capital expenditure and costs associated with the purchase of the property. Our valuation has been undertaken on a GST exclusive basis.

Valuation Analysis and Assumptions

The following criteria have been adopted:

Property	Adopted Initial Yield	Adopted Reversionary Yield	Adopted Discount Rate	Average Market Rent	Adopted Value	Resultant Initial Yield	Resultant Reversionary Yield	IRR	Capital Value
37 Brandl Street, Eight Mile Plains, Queensland	8.875%	8.875%	9.25%	$325/m^2 net	$13,250,000	8.94%	8.94%	9.18%	$4,019/m^2
88 Brandl Street, Eight Mile Plains, Queensland	8.750%	8.875%	9.25%	$347/m^2 net	$14,000,000	8.94%	8.90%	9.12%	$4,264/m^2
7 Brandl Street, Eight Mile Plains, Queensland	8.75%	8.75%	9.25%	$331/m^2 net	$21,250,000	8.69%	8.71%	9.24%	$4,037/m^2
53 Brandl Street, Eight Mile Plains, Queensland	9.25%	9.25%	9.75%	$329/m^2 net	$9,200,000	9.26%	9.25%	9.93%	$3,060/m^2
85 Brandl Street, Eight Mile Plains, Queensland	9.25%	9.25%	9.75%	$316/m^2 net	$5,000,000	9.23%	9.23%	9.66%	$3,073/m^2
Scenario 1 'As Is' BTP Central Site, Queensland	8.625%	8.625%	10.00%	$351/m^2 net	$28,000,000	8.49%	8.59%	10.11%	$3,669/m^2
Scenario 2 'As If Complete' BTP Central Site, Queensland	8.625%	8.625%	10.00%	$351/m^2 net	$35,000,000	8.61%	8.71%	10.04%	$4,586/m^2
Scenario 3 'As If Complete' BTP Central Site with Multi-Level Car Park, Queensland	8.625%	8.625%	9.75%	$351/m^2 net	$40,000,000	8.60%	8.70%	9.83%	$5,241/m^2
8 Clunies Ross Court and 9 McKechnie Drive, Eight Mile Plains, Queensland	9.375%	9.00%	9.25%	$342/m^2 net	$23,750,000	9.38%	9.03%	9.25%	$4,120/m^2
18 Brandl Street, Eight Mile Plains, Queensland	8.75%	9.25%	10.00%	$261/m^2 net	$11,500,000	8.83%	9.34%	9.98%	$2,755/m^2
7 Clunies Ross Court and 17-19 McKechnie Drive, Eight Mile Plains, Queensland	8.50%	9.00%	9.375%	$335/m^2 net (office) $352/m^2 net (retail)	$34,000,000	8.51%	9.02%	9.46%	$3,827/m^2
Lots 3 and 6 Brandl Street, Eight Mile Plains, Queensland	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sale History

In accordance with RP Data website and associated information, the properties that have transacted within the past 5 years are detailed below:

Job Number	Property	Sale History
B4678	37 Brandl Street, Eight Mile Plains	Lot 1 sold September 2011 for $1,075,000 (land only)
B4679	88 Brandl Street, Eight Mile Plains	The site sold May 2009 for $1,155,000 (land only)
B4680	7 Brandl Street, Eight Mile Plains	Has not transacted within the past 5 years
B4681	53 Brandl Street, Eight Mile Plains	Has not transacted within the past 5 years
B4682	85 Brandl Street, Eight Mile Plains	Has not transacted within the past 5 years
B4683	BTP Central Site, 51 McKechnie Drive, Eight Mile Plains	The site sold November 2008 for $13,000,000 (land only)
B4685	8 Clunies Ross Court and 9 McKechnie Drive, Eight Mile Plains	Has not transacted within the past 5 years
B4686	18 Brandl Street, Eight Mile Plains	Sold in April 2008 for $13,000,000.
B4687	7 Clunies Ross Crt and 17-19 McKechnie Drive, Eight Mile Plains	Has not transacted within the past 5 years
B4723	Lots 3 and 6 Brandl Street, Eight Mile Plains	Have not transacted within the past 5 years

Market Commentary

The most recent office market commentary and the most relevant recent sales and leasing evidence is summarised within the full valuation reports (Our Ref: B4678-B4723) as at 30 September 2013 held by APN Funds Management Limited.

Material Assumptions

Material assumptions are contained within the full valuation reports (Our B4678-B4723) as at 30 September 2013 held by APN Funds Management Limited.

Qualification and Warning

CICV has been engaged by APN Funds Management Limited to provide a valuation of the properties detailed in Tables 1-5. APN Funds Management Limited wishes to include the reports in the PDS and has requested that CICV Pty Ltd provide consent for this to occur.

CICV Pty Ltd consents to the inclusion of the reports in the PDS and to being named in the PDS, subject to the comments, terms and assumptions contained within our full valuation report, this summary letter and the further condition that APN Funds Management Limited includes this Qualification and Warning:

(i) The reports have been prepared for an Intending Mortgagee to be specifically approved in writing by Colliers International Consultancy and Valuation Pty Ltd on behalf of APN Funds Management Limited only and for the specific purposes outlined within the full valuation report and cannot be relied upon by any other party;

(ii) In the event that APN Funds Management Limited becomes the Responsible Entity for an investment vehicle with an interest in any of the subject properties CICV Pty Ltd does not extend reliance authority for this valuation to any party beyond the Responsible Entity and does not extend reliance authority for this valuation to any third parties which may have an interest in such an investment vehicle or any of the subject properties;

(iii) This letter is a summary of the valuation of the subject properties as detailed in Tables 1-5 as at 30 September 2013 and has not been prepared for the purpose of assessing the property as an investment opportunity;

(iv) CICV Pty Ltd has not been involved in the preparation of the PDS nor have the reports had regard to the other material contained in the PDS. The reports and associated content do not take into account any matters concerning the investment opportunity contained in the PDS;

(v) CICV Pty Ltd makes no representation or recommendation to a recipient in relation to the valuation of the property or the subsequent investment opportunity;

(vi) Recipients must seek their own advice in relation to the investment opportunities contained within the PDS;

(vii) The events of early 2008 including the initial sub-prime fallout in the United States and subsequent Global Financial Crisis (GFC) created uncertain times for both the equities and property markets in Australia which softened considerably during this period. This change in markets impacted to varying degrees upon a variety of participants. Whilst a degree of uncertainty still remains within these markets, the magnitude would appear to be less than that evident throughout 2008 and the majority of 2009. Improving levels of investor confidence and general market activity within Australian property markets were evidenced throughout 2010 and until early to mid-2011. Since this time the concerns regarding European sovereign debt crises re-introduced a layer of general market conservatism into domestic markets, somewhat setting back the momentum that appeared to be gaining throughout late 2010 and early 2011. We note that investment returns for good quality assets with secure cash flows generally stabilised over 2010, with a degree of yield compression evident for certain assets. We have seen this trend continue to date, although reinforce that healthy levels of demand are only evident for quality stock. In contrast, we note poorer quality assets and particularly those with considerable existing vacancy and / or short term major tenant expiry continue to be priced by the shallower market on an opportunistic basis, and thereby remain at risk of a prolonged period of softer investment fundamentals;

We further comment that demand and enquiry from investors looking for high quality assets with long weighted average lease durations is expected to continue to remain strong throughout 2013. Forecasts suggest that the weight of capital chasing quality assets will lead to a further tightening of Premium and A Grade yields by as much as 25 basis points over the next 12 months, aided by the continuing lack of available stock and attractiveness of the available returns relative to other forms of investment;

However, we note there has not been the required level of investment transactions to support a further tightening of yields. Whilst the weight of capital chasing quality assets is expected to remain high, the subdued leasing market and projected rental growth is expected to decrease the overall forecasted investment returns to below present levels; and

In the main, leasing markets remain subdued, with the outlook for effective rental growth currently weak. The degree of momentum in which improvement becomes evident in the leasing market is likely to be a key driver of future investment market fundamentals, along with the availability of funds from the major lending institutions.

Colliers International Consultancy and Valuation Pty Limited has prepared this letter on the basis of, and limited to, the financial and other information (including market information and third party information) referred to within the full valuation reports. We have assumed that the third party information is accurate, reliable and complete and confirm that we have not tested the information in that respect.

Liability Disclaimer

In the case of advice provided in this letter and our report which is of a projected nature, we must emphasise that specific assumptions have been made by us which appear realistic based upon current market perceptions. It follows that any one of our associated assumptions set out in the text of this summary may be proved incorrect during the course of time and no responsibility can be accepted by us in this event.
This report has been prepared subject to the conditions referred to in our Qualification & Warning. Neither CICV nor any of its Directors makes any representation in relation to the PDS nor accepts responsibility for any information or representation made in the PDS, apart from this letter.

CICV has prepared this summary which appears in the PDS. CICV was involved only in the preparation of this summary and the valuation referred to herein, and specifically disclaims any liability to any person in the event of any omission from, or false or misleading statement included in the PDS, other than in respect of the valuation and this summary. We confirm that this summary may be used in this PDS.

The valuation is current as at the date of the valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period as a result of general market movements or factors specific to the particular property. We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

CICV confirms that it does not have a pecuniary interest that would conflict with its valuation of the property.

CICV is not providing advice about a financial product, nor the suitability of the investment set out in the PDS. Such an opinion can only be provided by a person who holds an Australian Financial Services Licence. Colliers International does not, nor does the Valuer, hold an Australian Financial Services Licence and is not operating under such a licence in providing its opinion as to the value of the properties detailed in this report.

Experience and Interest of the Valuers

We advise that the Valuers nominated within this report, Craig Clayworth, Tim Kent and Trent Cropley are authorised under the relevant laws of QLD to practise as Valuers and have had continuous experience in the valuation of similar assets to that of the subject properties.

Further, we confirm that the nominated Valuers do not have a pecuniary interest that could conflict with the proper valuation of the properties, and we advise that this position will be maintained until the purpose for which this valuation is being obtained is completed.

APN Property Group Limited
APN Property Portfolio

We advise that Colliers International Consultancy and Valuation Pty Limited have received a total fee of $95,500 (GST Exclusive) for the preparation of the valuation report and this PDS letter.

Yours sincerely,

Colliers International Consultancy and Valuation Pty Limited

Dwight Hillier AAPI MRICS
Managing Director - Valuation & Advisory Services
23 September 2013

30 September 2013

Savills Valuations Pty Ltd
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The Boards of APN Funds Management Ltd and Industria Co Pty Ltd
Level 30, 101 Collins Street
Melbourne VIC 3000

Ref: 12235

Dear Directors

Properties: **Building A, 1 Homebush Bay Drive, Rhodes, NSW**
Building C, 1 Homebush Bay Drive, Rhodes, NSW
32-40 Garden Street, Kilsyth, VIC
80-96 South Park Drive, Dandenong South, VIC
34 Australis Drive, Derrimut, VIC
89 West Park Drive, Derrimut, VIC
140 Sharps Road, Tullamarine, VIC
5 Butler Boulevard, Adelaide Airport, SA

We refer to your instructions requesting Market Valuations of the abovementioned properties as at 30 September 2013. We have assessed the valuations on the basis of the Head Lessee's leasehold interest in the subject properties, except for the two Rhodes, NSW assets which are Freehold. The Head Lessee's interest in the properties comprises a 99 year leasehold interest with varying expiries across the portfolio with the exception of the Tullamarine and Adelaide Airport assets. From a valuation perspective, in our opinion the interest held by the Head Lessee's is tantamount to freehold.

It should be noted however that we have assessed the Leasehold interest in the subject properties located at 140 Sharps Road, Tullamarine, VIC and 5 Butler Boulevard, Adelaide Airport S.A. The Head Lessee's interest in the Tullamarine property comprises a 33.75 year (remaining) leasehold interest expiring 30 June 2047 with the Adelaide Airport comprising a 34.7 year (remaining) leasehold interest expiring 27 May 2048.

We understand that the valuations are required for acquisition, financial and internal reporting and first mortgage security purposes. We have prepared comprehensive full valuation reports for APN Funds Management Limited on each property (Ref: 12235 VIC, 505659 SA and 61251 NSW). The following is a summary of those reports which has been prepared for inclusion in a Product Disclosure Statement (PDS).

For the purpose of our valuations we have relied upon electronic copies of information, which have been provided by APN Property Group Limited via the AWPF online data room exchange. We have undertaken physical inspections of each of the subject properties.

Our assessment of value is undertaken in accordance with the Australian Property Institute's adopted definition of Market Value as follows:

'The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.'

savills

Property Overview

Building A, 1 Homebush Bay Drive, Rhodes, NSW
The subject property comprises a circa 2007 A Grade commercial office building known as Building A within the Rhodes Corporate Park. The building provides basement parking for 338 vehicles, ground floor accommodation (known as the "Podium" level) and six upper levels of office accommodation. The total net lettable area is approximately 14,640.6m² as presently leased and the building has a 5-star NABERS Energy rating.
Building C, 1 Homebush Bay Drive, Rhodes, NSW
The property comprises a circa 2001, A Grade commercial office building known as Building C within the Rhodes Corporate Park. The building provides basement parking for 254 vehicles, ground floor accommodation and 5 upper levels of office accommodation. The total net lettable area is approximately 10,647.4m² as presently leased and the building has a 3.5-star NABERS Energy rating.
32-40 Garden Street, Kilsyth, VIC
The subject property is located in Kilsyth, an established residential and industrial location approximately 30 radial kilometres east of the Melbourne Central Business District (CBD). The land is zoned 'Industrial 1' and the subject site has an area of approximately 3.714 hectares. Most of the older buildings on the site were demolished prior to a major expansion and renovation completed in December 2007. Only a modern two storey office building and an adjoining high clearance warehouse were retained. The office building and warehouse were constructed approximately 13 years ago and have now been supplemented by factory, warehouse and hardstand additions constructed by Australand in accordance with the requirements of RFS. Approximately 7,200m² of the Gross Lettable Area was constructed in 2007, representing approximately 68% of the total Lettable Area with the remaining buildings (the office and warehouse) being of a high standard and in very good condition for their age. There is approximately 5,202m² of concrete hardstand and approximately 11,500m² of vacant land available for future expansion to the rear of the property.
80-96 South Park Drive, Dandenong South, VIC
The subject property comprises two adjoining industrial facilities which were constructed in 2006 and are separated by a full height, insulated metal deck dividing wall. The facilities both incorporate a portal framed, high clearance warehouses attached to offices predominantly built within the warehouse roofline. Warehouse loading is provided to the eastern building elevation with associated canopies. Approximately 54 car spaces are situated to the southern site boundary and approximately 70 car spaces to the northern boundary. The front (southern) warehouse, designated as "Unit 1" is leased to Shriro Australia Pty Ltd and the rear (northern) warehouse, designated as "Unit 2" is leased to Ausmart International Pty Ltd. The buildings have a Gross Lettable Area of approximately 20,245m2 occupying an 'Industrial 2' zoned site of 35,940m2 within Australand's South Park Industrial Estate, being an established industrial precinct situated approximately 35 radial kilometres south-east of Melbourne's CBD.
34 Australis Drive, Derrimut, VIC
The subject property comprises a sprinklered distribution facility with a single level office attached to a large, high bay (9.5 metres springing line) warehouse facility with loading bays. A canopy extends along part of the eastern elevation. The improvements are erected on an "Industrial 1" zoned site of approximately 48,230m2, forming part of Australand's West Park Industrial Estate, in a developing industrial precinct situated approximately 16 radial kilometres west of Melbourne's CBD.
89 West Park Drive, Derrimut, VIC
The subject property comprises two adjoining industrial facilities which were constructed in 2007. The facilities both incorporate a portal framed, high clearance warehouse attached to an office. Warehouse loading is provided to the eastern boundary with associated hardstand and canopies. Approximately 146 car parks are situated to the northern and southern boundaries. Both warehouses are leased to The Dempsey Group Pty Ltd with three internal roller shutter doors having been recently constructed in the dividing tenancy wall within the warehouses. The improvements have a Gross Lettable Area of approximately 17,024m² occupying an 'Industrial 2' zoned site of 29,960m². The subject property forms part of Australand's West Park Industrial Estate in Derrimut, occupying a developing industrial location approximately 16 radial kilometres west of Melbourne's CBD.
140 Sharps Road, Tullamarine, VIC
The subject property comprises two adjoining industrial facilities which were constructed in 2007. The facilities both incorporate a portal framed, high clearance warehouse attached to an office. Warehouse loading is provided to the eastern boundary with associated hardstand and canopies. Approximately 146 car parks are situated to the northern and southern boundaries. Both warehouses are leased to The Dempsey Group Pty Ltd with three internal roller shutter doors having been recently constructed in the dividing tenancy wall within the warehouses. The improvements have a Gross Lettable Area of approximately 17,024m² occupying an 'Industrial 2' zoned site of 29,960m². The subject property forms part of Australand's West Park Industrial Estate in Derrimut, occupying a developing industrial location approximately 16 radial kilometres west of Melbourne's CBD.
5 Butler Boulevard, Adelaide Airport, SA
The property is located within a modern commercial and industrial precinct known as Burbridge Business Park in the north-western corner of Adelaide Airport, approximately 7 kilometres west of the Adelaide CBD. The development is constructed on lease-hold land from Adelaide Airport Ltd. on a 41 year lease expiring 28 May 2048. The subject property comprises 6 attached office/warehouses units constructed circa 2007 with a combined gross lettable area of 12,256.7 square metres on a site of 2.3383 hectares.

The approximate building areas are provided as follows:

Property	Proposed Use	Area	Total
Building A, 1 Homebush Bay Drive, Rhodes, NSW	Office Car Park	14,640.6m² 338 spaces	**14,640.6m²**
Building C, 1 Homebush Bay Drive, Rhodes, NSW	Office Car Park	10,647.4m² 254 spaces	**10,647.4m²**
32-40 Garden Street, Kilsyth, VIC	Industrial	10,647m²	**10,647m²**
80-96 South Park Drive, Dandenong South, VIC	Industrial	20,245m²	**20,245m²**
34 Australis Drive, Derrimut, VIC	Industrial	25,243m²	**25,243m²**
89 West Park Drive, Derrimut, VIC	Industrial	17,024m²	**17,024m²**
140 Sharps Road, Tullamarine, VIC	Industrial	10,508m²	**10,508m²**
5 Butler Boulevard, Adelaide Airport, SA	Industrial	12,256.7m²	**12,256.7m²**

Tenancy Overview

We have summarised the Lease details to each of the subject properties as follows:

Building A, 1 Homebush Bay Drive, Rhodes, NSW

Lessee: Link Market Services Limited	
Lessor	Australand Funds Management Limited
Commencement	15 December 2008
Remaining Lease Term	8.00 years

Lessee: Link Market Services Limited	
Lessor	Australand Funds Management Limited
Commencement	1 February 2013
Remaining Lease Term	8.00 years

Lessee: Christian Super Pty Limited	
Lessor	Australand Funds Management Limited
Commencement	1 May 2013
Remaining Lease Term	4.58 years

Lessee: Windsor Income Protection Pty Limited	
Lessor	Australand Funds Management Limited
Commencement	1 May 2013
Remaining Lease Term	4.58 years

Lessee: DHL Exel Supply Chain (Australia) Pty Limited	
Lessor	Australand Funds Management Limited
Commencement	4 August 2008
Remaining Lease Term	4.84 years

Building C, 1 Homebush Bay Drive, Rhodes, NSW

Lessee: Australand Holdings Limited	
Lessor	Australand Industrial (AWPT6) Pty Limited
Commencement	31 July 2013
Remaining Lease Term	2.83 years

Lessee: Australand Holdings Limited	
Lessor	Australand Industrial (AWPT6) Pty Limited
Commencement	31 July 2013
Remaining Lease Term	0.33 years

Lessee: National Australia Bank Limited	
Lessor	Australand Industrial (AWPT6) Pty Limited
Commencement	1 June 2009
Remaining Lease Term	6.67 years

Lessee: National Australia Bank Limited	
Lessor	Australand Industrial (AWPT6) Pty Limited
Commencement	1 June 2010
Remaining Lease Term	6.67 years

Lessee: Aussie Home Loans	
Lessor	Australand Industrial (AWPT6) Pty Limited
Commencement	30 September 2013
Remaining Lease Term	0.25 years applied

Lessee: Undisclosed	
Lessor	Australand Industrial (AWPT6) Pty Limited
Commencement	1 February 2014
Remaining Lease Term	20 years

Lessee: Undisclosed	
Lessor	Australand Industrial (AWPT6) Pty Limited
Commencement	1 November 2013
Remaining Lease Term	4 years

32-40 Garden Street, Kilsyth, VIC

Head Lessee: Australand Industrial (AWPT6) Pty Ltd	
Lessor	Australand Industrial No 91 Pty Ltd
Tenant	Australand Wholesale Property Fund No. 6 (AWPF6)
Commencement	1 July 2007
Lease Term	Ninety-nine (99) years
Consideration	$5,570,000 for the whole term (not a per annum amount)

Sub Lessee: Radio Frequency Systems Pty Ltd (RFS)	
Lessor	Australand Industrial No 91 Pty Ltd.
Commencement	21 December 2007
Remaining Lease Term	4.22 years

80-96 South Park Drive, Dandenong South, VIC

Head Lessee: Australand Industrial No. 109 Pty Ltd (now known as Australand Industrial (AWPT6) Pty Ltd	
Lessor	ACN 085 799 695 Pty Ltd
Commencement	21 December 2006
Lease Term	Ninety-nine (99) years
Current Passing Rental	$17,575,000 Total Rental (Paid in full on the lease commencement date)

Sub Lessee: Shriro Australia Pty Ltd	
Lessor	Australand Industrial (AWPT6) Pty Ltd
Commencement	1 March 2012
Remaining Lease Term	5.41 years

Sub Lessee: Ausmart International Pty Ltd	
Lessor	Australand Industrial (AWPT6) Pty Ltd
Commencement	23 October 2011
Remaining Lease Term	3.06 years

34 Australis Drive, Derrimut, VIC

Head Lessee: Australand Industrial (AWPT6) Pty Ltd	
Lessor	Australand West Park No. 1 Pty Ltd
Commencement	1 July 2007
Lease Term	Ninety-nine (99) years
Consideration	$6,270,000 for the whole term (not a per annum amount)

Sub Lessee: Mitre 10 Australia Ltd	
Lessor	Australand Industrial (AWPT6) Pty Ltd
Commencement	3 December 2007
Remaining Lease Term	9.17 years

89 West Park Drive, Derrimut, VIC

Head Lessee: Australand Industrial (AWPT6) Pty Ltd	
Lessor	Australand Industrial No. 69 Pty Ltd
Commencement	1 July 2007
Lease Term	Ninety-nine (99) years
Consideration	$4,200,000 for the whole term (not a per annum amount)

Sub Lessee: The Dempsey Group Pty Ltd	
Lessor	Australand Industrial (AWPT6) Pty Ltd
Commencement	28 August 2007
Remaining Lease Term	8.90 years.

Sub Lessee: The Dempsey Group Pty Ltd	
Lessor	Australand Industrial (AWPT6) Pty Ltd
Variation Effective Date	1 November 2012
Remaining Lease Term	9.08 years

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140 Sharps Road Tullamarine, VIC

Sub Lessee: Australand West Park No. 109 Pty Ltd (AWPT6)	
Lessor	Australia Pacific Airports (Melbourne) Pty Ltd (APAM)
Commencement	1 October 2007
Termination Date	30 June 2047
Current Base Rent	$320,417 per annum net ($9.53/m^2)

Sub Sub Lessee: AAE Retail Pty Ltd (Trading as Startrack Express)	
Lessor	Australand West Park No. 109 Pty Ltd
Lease Commencement	1 October 2011
Remaining Lease Term	9.00 years

5 Butler Boulevard, Adelaide Airport, SA

Sub Lessee: Australand Industrial (AWPT6) Pty Ltd	
Head Lessee	Adelaide Airport Limited
Commencement	The Head lease commenced 29 May 1998 The Underlease commenced 14 May 2007
Lease Term	Underlease is for forty one (41) years and Thirteen (13) days expiring 27 May 2048
Consideration	$303,410 per annum ($12.98/m^2 over the site area - as assessed for the subject site)

Sub Sub Lessee: Boart Longyear Australia Pty Limited	
Sub Lessee	Australand Industrial (AWPT6) Pty Ltd
Commencement	1 September 2012
Remaining Lease Term	2.92 years

Sub Sub Lessee: Adelaide Packaging Supplies	
Sub Lessee	Australand Industrial (AWPT6) Pty Ltd
Commencement	1 September 2012
Remaining Lease Term	3.92 years

Sub Sub Lessee: Provet SA Pty Limited	
Sub Lessee	Australand Industrial (AWPT6) Pty Ltd
Commencement	1 April 2008
Remaining Lease Term	4.50 years

Sub Sub Lessee: Miele Australia Pty Ltd	
Sub Lessee	Australand Industrial (AWPT6) Pty Ltd
Commencement	1 November 2012
Remaining Lease Term	4.08 years

Sub Sub Lessee: Bayer Material Science Pty Limited	
Sub Lessee	Australand Industrial (AWPT6) Pty Ltd
Commencement	14 May 2012
Remaining Lease Term	3.61 years

Sub Sub Lessee: Tyco Australia Pty Ltd	
Sub Lessee	Australand Industrial (AWPT6) Pty Ltd
Commencement	15 August 2007
Remaining Lease Term	0.87 years

Valuation Summary

We have arrived at our Market Value assessments after considering recent sales of comparable properties and having regard to each of the subject property's attributes. Full details of all property and market assumptions in relation to our valuations are contained in our Full Valuation Report (Ref: 12235 VIC, 505659 SA and 61251 NSW) held by APN Funds Management Limited. We have used both the Capitalisation and Discounted Cash Flow methods in arriving at our assessments of Market Value with the adopted analysis's and valuations being outlined as follows:

Building A, 1 Homebush Bay Drive, Rhodes, NSW	
Net Passing Income	\$5,993,888 net per annum (\$351/m^2)
Net Adopted Income	\$6,103,500 net per annum (\$352/m^2)
Adopted Outgoings	\$1,277,353 (\$87.25/m^2)
Adopted Capitalisation Rate	7.75%
Discount Rate	9.25%
Terminal Yield	8.00%
Ten Year Market Rental Growth	3.57% (annual average Compound Rate)
Acquisition Costs	5.60%
Disposal/Selling Costs	0.75%

Building C, 1 Homebush Bay Drive, Rhodes, NSW	
Net Passing Income	\$3,964,386 net per annum (\$351/m^2)
Net Adopted Income	\$4,292,783 net per annum (\$338/m^2)
Adopted Outgoings	\$1,073,710 (\$100.84/m^2)
Adopted Capitalisation Rate	8.00%
Discount Rate	9.25%
Terminal Yield	8.25%
Ten Year Market Rental Growth	3.57% (annual average Compound Rate)
Acquisition Costs	5.60%
Disposal/Selling Costs	0.75%

32-40 Garden Street, Kilsyth, VIC	
Net Passing Income	\$1,407,233 net per annum (\$132.17/m^2)
Net Adopted Income	\$1,131,010 net per annum (\$106.23/m^2)
Adopted Outgoings	\$170,106 p.a. (\$15.98/m^2)
Adopted Capitalisation Rate	9.00%
Discount Rate	9.50%
Terminal Yield	9.25%
Ten Year Market Rental Growth	3.35% (annual average compound rate)
Acquisition Costs	5.60%
Disposal/Selling Costs	1.00%

80-96 South Park Drive, Dandenong South, VIC	
Net Passing Income	$1,520,837 per annum ($75.12/m²)
Net Adopted Income	$1,535,343 per annum ($75.84/m²)
Adopted Outgoings	$254,905 ($12.59/m²)
Adopted Capitalisation Rate	8.50%
Discount Rate	9.50%
Terminal Yield	8.75%
Ten Year Market Rental Growth	3.35% (annual average compound rate)
Acquisition Costs	5.60%
Disposal/Selling Costs	1.00%

34 Australis Drive, Derrimut, VIC	
Net Passing Income	$1,555,239 per annum ($61.61/m²)
Net Adopted Income	$1,777,625 per annum ($70.42/m²)
Adopted Outgoings	$270,042 ($10.70/m²)
Adopted Capitalisation Rate	8.00%
Discount Rate	9.50%
Terminal Yield	8.50%
Ten Year Market Rental Growth	3.35% (annual average compound rate)
Acquisition Costs	5.60%
Disposal/Selling Costs	1.00%

89 West Park Drive, Derrimut, VIC	
Net Passing Income	$1,174,877 per annum ($69.01/m²)
Net Adopted Income	$1,235,470 per annum ($72.57/m²)
Adopted Outgoings	$188,670 ($11.08/m²)
Adopted Capitalisation Rate	8.00%
Discount Rate	9.50%
Terminal Yield	8.50%
Ten Year Market Rental Growth	3.35% (annual average compound rate)
Acquisition Costs	5.60%
Disposal/Selling Costs	1.00%

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140 Sharps Road, Tullamarine, VIC		
Net Passing Income	$1,558,308 net p.a.	building rental ($148.30/$m^2$)
	$320,416 p.a.	ground rental over the site area ($9.53/$m^2$)
	$1,237,892 p.a.	profit rental to the sub-lessee's leasehold interest ($117.80/$m^2$)
Net Adopted Income	$1,281,498 net p.a.	market building rental ($121.95/$m^2$)
	$268,880 p.a.	market ground rental over the site area ($8.00/$m^2$)
	$1,012,618 p.a.	market profit rental to the sub-lessee's leasehold interest ($96.37/$m^2$)
Adopted Outgoings	$264,648 ($25.19/m²)	
Adopted Capitalisation Rate	9.00%	
Discount Rate	10.25%	
Terminal Yield	10.00%	
Ten Year Market Rental Growth	3.35% (annual average compound rate)	
Acquisition Costs	5.60%	
Disposal/Selling Costs	1.00%	

5 Butler Boulevard, Adelaide Airport, SA		
Net Passing Income	$1,627,457 net p.a.	building rental ($132.78/$m^2$)
	$303,410 p.a.	ground rental over the site area ($12.98/$m^2$)
	$1,324,047 p.a.	profit rental to the sub-lessee's leasehold interest ($108.03/$m^2$)
Net Adopted Income	$1,627,457 net p.a.	building rental ($132.78/$m^2$)
	$303,410 p.a.	ground rental over the site area ($12.98/$m^2$)
	$1,324,047 p.a.	profit rental to the sub-lessee's leasehold interest ($108.03/$m^2$)
Adopted Outgoings	$350,683 ($28.61/m²) – this amount excludes ground rental	
Adopted Capitalisation Rate	10.00%	
Discount Rate	11.00%	
Terminal Yield	11.00%	
Ten Year Market Rental Growth	2.97% (annual average compound rate)	
Acquisition Costs	5.75%	
Disposal/Selling Costs	0.75%	

Our valuation calculations produce the following outputs:

Building A, 1 Homebush Bay Drive, Rhodes, NSW	
Market Value"	$78,000,000
Passing Initial Yield	7.68%
Equated Market Yield	7.75%
10 Year IRR	9.23%
WALE (By Income)	7.33 years
$/m² NLA	$5,328/m²

Building C, 1 Homebush Bay Drive, Rhodes, NSW	
Market Value"	$51,750,000
Passing Initial Yield	7.66%
Equated Market Yield	8.05%
10 Year IRR	9.16%
WALE (By Income)	4.65 years
$/m² NLA	$4,860/m²

32-40 Garden Street, Kilsyth, VIC	
Market Value"	$13,725,000
Passing Initial Yield	10.25%
Equated Market Yield	8.97%
10 Year IRR	9.58%
WALE (By Income)	4.22 years
$/m² GLA	$1,289/m²

80-96 South Park Drive, Dandenong South, VIC	
Market Value"	$18,200,000
Passing Initial Yield	8.36%
Equated Market Yield	8.48%
10 Year IRR	9.53%
WALE (By Income)	4.23 years
$/m² GLA	$899/m²

34 Australis Drive, Derrimut, VIC	
Market Value"	$20,750,000
Passing Initial Yield	7.50%
Equated Market Yield	7.93%
10 Year IRR	9.66%
WALE (By Income)	9.17 years
$/m² GLA	$822/m²

89 West Park Drive, Derrimut, VIC	
Market Value"	$15,175,000
Passing Initial Yield	7.74%
Equated Market Yield	7.93%
10 Year IRR	9.61%
WALE (By Income)	8.90 years
$/m² NLA	$891/m

140 Sharps Road, Tullamarine, VIC	
Market Value"	$12,700,000
Passing Initial Yield	9.75%
Equated Market Yield	9.01%
10 Year IRR	10.20%
WALE (By Income)	9.00 years (to AAE Retail Pty Ltd)
$/m² GLA	$1,209/m²

5 Butler Boulevard, Adelaide Airport, SA	
Market Value"	$12,800,000
Passing Initial Yield	10.34%
Equated Market Yield	10.13%
10 Year IRR	10.68%
WALE (By Income)	3.83 years
$/m² GLA	$1,044/m²

We estimate the Market Value of the subject property, subject to the details referred to in our full valuation report, to be:

Building A, 1 Homebush Bay Drive, Rhodes
$78,000,000 (*)
(Seventy Eight Million Dollars)

Building C, 1 Homebush Bay Drive, Rhodes
$51,750,000 (*)
(Fifty One Million, Seven Hundred & Fifty Thousand Dollars)

32-40 Garden Street, Kilsyth
$13,725,000 (*)
(Thirteen Million Seven Hundred and Twenty Five Thousand Dollars)

80-96 South Park Drive, Dandenong South
$18,200,000 (*)
(Eighteen Million Two Hundred Thousand Dollars)

34 Australis Drive, Derrimut
$20,750,000 (*)
(Twenty Million Seven Hundred and Fifty Thousand Dollars)

89 West Park Drive, Derrimut
$15,175,000 (*)
(Fifteen Million One Hundred and Seventy Five Thousand Dollars)

140 Sharps, Tullamarine
$12,700,000 (*)
(Twelve Million Seven Hundred Thousand Dollars)

5 Butler Boulevard, Adelaide Airport
$12,800,000 (*)
(Twelve Million Eight Hundred Thousand Dollars)

DCF Qualifications

We draw your attention to the fact that all DCF analysis are based on projections considered in the light of available data. However, market conditions will change over time influenced by internal and external factors against which a review of assumptions may be warranted. For this reason, we stress that reliance upon such projections must be made with full acceptance of their limited reliability and with due consideration of the commercial risks related to such forecasts. In particular, we stress the DCF exercise referred to herein have been undertaken for the sole purpose of assisting in the determination of the current market values of the properties and we make no guarantees or warranty as to the accuracy of future rental income stream projections insofar as they relate to market rental movements.

Liability Disclaimer

Savills has prepared this letter and the full valuations based upon information made available to us at the date of valuation. We believe that this information is accurate and complete, however we have not independently verified all such information. Savills is not providing advice about a financial product, nor the suitability of the investment set out in the PDS. Such an opinion can only be provided by a person who holds an Australian Financial Services Licence. Savills does not, nor do the Valuers, hold an Australian Financial Services Licence and is not operating under such a licence in providing its opinion as to the value of the property detailed in this report.

Savills has prepared this summary for inclusion in the PDS and has only been involved in the preparation of this summary and the valuation referred to therein. Savills specifically disclaim liability to any person in the event of any omission from, or false or misleading statements included in, the PDS, other than in respect of the Valuation and this summary.

This letter has been countersigned to verify the letter is issued by this Company. Any reliance upon this letter should therefore be based upon the actual possession or sighting of an original document duly signed and countersigned in the before-mentioned manner and read in conjunction with our full reports.

These Valuations are current at the date of valuation only. The values assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value are excluded as is liability where the valuation is relied upon after the date of the valuation.

We have assessed the market values of the properties in accordance with the Market Value definition contained within this letter summary and our full valuation report. In the event that, having regard to current economic conditions, a sale was to occur in circumstances not reflecting that Market Value definition, the price realised may be at a substantial discount to the Market Values assessed.

Savills Valuations Pty Ltd liability is limited by a scheme approved under Professional Standards Legislation.

Pecuniary Interest

We hereby certify that the Valuers and valuation firm does not have any direct, indirect or financial interest in the property or clients described herein that would conflict with the proper valuation of the property.

Savills Valuations Pty Ltd liability is limited by a scheme approved under Professional Standards Legislation.

Yours faithfully

Savills Valuations Pty Ltd

Ross Smillie AAPI
Certified Practising Valuer
Divisional Director
Valuation and Consultancy Division

Stuart Fox
Divisional Director
Valuation and Consultancy Division

The Divisional Director signatory verifies that this letter advice is genuine, and issued by, and endorsed by Savills Valuations Pty Ltd. However the opinion expressed in this letter advice has been arrived at by the prime signatory.

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9
RISKS

7 Brandl Street, Brisbane Technology Park, QLD

This Section describes what the Issuers believe to be the major risks associated with an investment in Industria.

It does not purport to be an exhaustive list of every risk that may be associated with an investment in Industria now or in the future. The consequences associated with each risk are partially or completely outside the control of the Issuers and, if they were to eventuate, may adversely affect the future operating performance of, and the value of an investment in, Industria.

Before applying for Securities, you should satisfy yourself that you have a sufficient understanding of the risks described in this Section 9 and consider whether the Securities are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Disclosure Document or are in any doubt as to whether to invest in the Securities, you should seek advice from your broker, solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to invest.

9.1 RISKS SPECIFIC TO AN INVESTMENT IN INDUSTRIA

Rental income risk

Distributions made by Industria are largely dependent on the rents received from tenants across its Portfolio and expenses incurred during operations, which may be affected by a number of factors, including:

- overall economic conditions;
- the financial condition of tenants;
- ability to extend leases or replace outgoing tenants with new tenants;
- increase in rental arrears and vacancy periods;
- reliance on a tenant which leases a material portion of the Portfolio;
- an increase in unrecoverable outgoings; and
- supply and demand in the property market.

Any negative impact on rental income has the potential to decrease the value of Industria and consequently have an adverse impact on Distributions or the value of Securities or both.

Re-leasing and vacancy risk

As shown in Section 3.1, Industria's leases come up for renewal on a periodic basis and there is a risk that expiring leases may not be renewed in accordance with Industria's assumptions in relation to let-up periods and rents. This may result in a reduction in Industria profits and Distributions and a decline in the value of the assets of Industria.

Property valuation risk

The value of the Properties held by Industria may be impacted by a number of risks affecting the property market generally, as well as Industria in particular including, but not limited to:

- changes in market rental rates;
- changes in property yields;
- fluctuating occupancy levels;
- tenants defaulting;
- a downturn in local property markets or property markets in general; and
- pricing or competition policies of any competing properties.

A reduction in the value of Properties may result in a reduction in the value of Securities and may impact on Industria's financing arrangements (see Financing risk below).

Industria will have its properties independently revalued regularly in accordance with its valuation policy; however, reported valuations represent only the analysis and opinion of qualified experts at a certain date, and are not guarantees of present or future values.

Reliance on third parties

As outlined in Sections 5.1, 13.4, 13.6, 13.7 and 13.8, Industria may rely on third parties such as APN and Graystone to provide a range of services (e.g. property management, asset management and leasing services). These services will be subject to contractual arrangements between Industria and the relevant third parties.

Failure of a third party to discharge its responsibilities as agreed may adversely affect the management and financial performance of Industria and therefore returns to Securityholders.

Development risk

Industria may be exposed to development risk in relation to the completion of the property at 51A McKechnie Drive and the multi level car park, BTP whereby completion of the asset may not be delivered in the timeframe or for the cost anticipated. Industria has entered into a Construction Indemnity Deed with the builder under which the builder warrants that the building will be constructed for a fixed price by a fixed time and which provides for liquidated damages in the event of default. This mitigates any development risk which Industria may be exposed to as a result of the development of this property.

Industria's policy is to acquire properties which are either completed, or where development or delivery risk to Industria has been substantially mitigated.

Any occurrence of a development risk may adversely affect the financial performance of Industria and therefore returns to Securityholders.

Financing risk

Industria will partially finance its Properties with debt. Borrowings magnify investment gains or losses and increase the volatility of returns to movements in interest rates and Property values.

As described in Sections 2.5 and 13.1, Industria's Debt Facility and the CBA Facility are subject to certain covenants. A decline in rental income, the Property value or the WALE profile of the Portfolio in the future may cause Industria to breach these covenants. A breach of these covenants may lead to a debt financier enforcing its security over the relevant assets of Industria, which in turn may result in the sale of a Property or Properties at a price less than the optimal sale price, additional equity being required or Distributions being reduced or suspended to accelerate pay down of the Debt Facility or CBA Facility. This may impact the financial performance of Industria or the value of Securities.

There is also a risk that Industria may not be able to repay or refinance the Debt Facility or CBA Facility on its maturity, which is expected to be four years on a weighted average. The ability of Industria to extend the Debt Facility and CBA Facility or to borrow money for refinancing, capital expenditure or acquisitions will depend on a range of factors including general economic conditions, debt and equity market conditions, as well as the financial position, financial performance and reputation of Industria. Changes in the above factors may impact the cost or availability of funding, and accordingly Industria's financial performance, financial position and returns to Securityholders.

While the JV Property (held as a $7.0 million equity accounted 'Other non-current asset' and $4.55 million in long-term borrowings) has been revalued at 30 September 2013 and the amount drawn under the CBA Facility is less than the available working capital capacity of Industria at Completion Date, the forecast LVR in relation to the CBA Facility at Completion Date is 65%, which is at the LVR covenant limit under the CBA Facility.

JV Property risk

At the Completion Date, Industria's pro forma combined balance sheet includes an aggregate 50% interest in the JV Property, which is equity accounted on the balance sheet as a $7.0 million 'Other non-current asset' and $4.55 million in long-term borrowings. Industria Co currently holds a 25% interest in the JV Property (which is intended to form part of the assets involved in the Transaction) and intends to acquire a further 25% interest (refer Section 13.5 for a summary of this agreement). These transactions will require the consent of third parties which cannot be unreasonably withheld. In the event that consent is withheld, both of these interests (i.e. the 50% interest in aggregate) may be excluded from the Transaction and in this case they would not form part of Industria's portfolio on the Completion Date. It is not guaranteed that Industria will be able to source another property of similar value that meets its investment policy which may reduce Industria's earnings during the Forecast Period.

Property liquidity risk

Property assets are, by their nature, illiquid investments. Should Industria be required to realise assets, for example in the event of a covenant breach or crystallisation of an unforeseen liability (e.g. a litigation), Industria may not be able to do so within a short period of time, or may not be able to realise Property assets for the amount at which they have been valued. This may adversely impact Industria's NTA or the value of Securities.

Capital expenditure risk

The Issuers have forecast capital expenditure to maintain the properties based on their current best estimates. There is a risk that, due to unforeseen circumstances, Industria may have to make additional capital expenditure on the Properties. Some examples of these circumstances include damage caused by fire, flood or other disaster, changes to laws or council requirements such as environmental, building or safety regulations, or Property defects or environmental issues which become apparent in the future. Additionally, unforeseen capital expenditure may be required to maintain the Properties in their current condition.

If Industria incurs unforeseen capital expenditure, this may affect returns available to Securityholders.

Insurance coverage risk

Industria intends to maintain appropriate insurance coverage in respect of each Property provided that insurance coverage is available on commercial terms and at acceptable prices. Insurance cover may not be available for certain types of losses (for example, losses caused by war, riots and civil commotion) or even if it is available it may be too expensive.

Any losses incurred due to uninsured risks, or a loss in excess of the insured amounts, may adversely affect the performance of Industria, and could lead to a loss of some of the capital invested by Industria. Increases in insurance premiums may also adversely affect Industria's financial performance.

Environmental risk

Certain asset classes to which Industria is exposed, in particular industrial assets, typically have a higher rate of environmental contamination than other commercial property asset classes. Industria is not aware of any environmental contamination at any of its Properties. There is a risk that a Property may be contaminated now or in the future. Government environmental authorities may require Industria to remediate such contamination and Industria may be required to undertake any such remediation at its own cost. Such an event would adversely impact Industria's financial performance.

In addition, environmental laws impose penalties for environmental damage and contamination which may be material.

If a person is exposed to a hazardous substance at a Property, they may make a personal injury claim against Industria. Such a claim could be for an amount that is greater than the value of the contaminated property.

An environmental issue may also result in interruptions to the operations of a Property. Any lost income caused by such an interruption to operations may not be recoverable.

Industria and the operations of Property tenants are subject to government environmental legislation. While environmental issues are continually monitored, there is no assurance that Industria's operations or those of a tenant of a Property will not be affected by an environmental incident or subject to environmental liabilities, which could impact the reputation, rental income or value of Industria.

Interest rate risk

Interest payable on the Debt Facility will depend on the interest rate which is comprised of a base interest rate plus a variable interest rate margin. In order to reduce exposure to the impact of moving interest rates, on or after the Completion Date Industria intends to enter into interest rate swaps in respect of approximately 75% of the drawn amount of the Debt Facility as at the Completion Date. Until the date that interest rate swaps are entered into by Industria, it will be exposed to interest rate movements on all of the drawn down amount of the Debt Facility. To the extent that, after the Completion Date, all or part of the drawn down amount of the Debt Facility is not hedged, Industria is exposed to movements in variable rates of interest on the amounts drawn down but unhedged. No hedging is in place for the CBA Facility.

Reliance on management risk

Industria is reliant on the expertise of the directors of APN FM and management capability provided by APN. In the event that the services of key individuals are no longer available, this may adversely affect the management and financial performance of Industria and therefore returns to Securityholders.

Compliance risk

APN FM is subject to strict regulatory and compliance arrangements under the Corporations Act and ASIC policy. If the Responsible Entity breaches the Corporations Act or the terms of its Australian Financial Services Licence, ASIC may take action to suspend or revoke the licence, which in turn may adversely impact the ability of Industria to operate.

Historical liabilities risk

Subject to completion of the transaction, APN FM will become the responsible entity of AWPF6 on or around 5 December 2013. APN FM has undertaken due diligence relating to past transactions of AWPF6; however, there is a risk that the Transaction may result in Industria being or becoming liable for costs or liabilities of AWPF6 in the future that Industria cannot recover. Such costs or liabilities could adversely impact the financial position of Industria.

Forecast Financial Information risk

This Disclosure Document contains Forecast Financial Information for the period ending 30 June 2014 and the full year ending 30 June 2015. The forward-looking statements, opinions and estimates provided in this Disclosure Document, including the Forecast Financial Information, rely on various factors, many of which are outside the control of the Issuers. There can be no guarantee that the assumptions on which the forward-looking statements, opinions and estimates are based, will ultimately prove to be valid or accurate including but not limited to rents, property costs and corporate expenses incurred in operating Industria. The Issuers can give no assurance that the Forecast Financial Information is indicative of Industria's future performance or that actual results will not materially differ from those presented in the Forecast Financial Information.

Change in Accounting Standards

The presentation of financial statements for stapled entities and specifically whether a stapled entity is permitted or required to present consolidated financial statements under AASB 10 Consolidated Financial Statements is currently under consideration by the relevant regulators and accounting bodies due to the identification of a potential conflict between AASB 3 Business Combinations and AASB 10 Consolidated Financial Statements. The Financial Information presented in the Disclosure Document reflects accounting for the Industria stapled group on a combined basis rather than a consolidated basis, based on management's belief that no one entity within the stapled group has 'control' as defined in AASB10. There is a risk that if this issue is clarified by the relevant accounting bodies and a requirement to present accounts on a consolidated basis is determined, then the Financial Information presented in this Disclosure Document may need to be restated (however this would impact accounting profit and not cash).

9.2 GENERAL RISKS OF AN INVESTMENT IN INDUSTRIA

General investment risks

There are risks associated with any stock market investment. These include, but are not limited to:

- **Dilution risk** – your proportional beneficial ownership in the underlying assets of Industria may be reduced if Industria issues Securities to new Investors. For example, if you do not participate in a future entitlement offer or choose not to reinvest your Distributions pursuant to any future distribution reinvestment plan, then your beneficial ownership in Industria may be diluted;
- **Pricing risk** – the Securities may trade on the stock market at, above or below the Offer Price or NTA per unit. The price of the Securities can fall as well as rise and, as the Securities have not previously been listed, there is no trading history for the Securities and therefore no indication of how the Securities will perform on ASX; and
- **Liquidity risk** – there can be no assurance that liquidity will be maintained in the market for the Securities as the number of buyers and sellers of Securities will vary from time to time. Changes in liquidity may affect the price at which Securityholders are able to sell their Securities. Significant blocks of Securities held by individual investors may reduce liquidity in the trade of the Securities.

Macroeconomic risks

Changes in the general economic outlook both in Australia and globally may impact the performance of Industria and the Properties. Examples include:

- changes in the Australian and international economic outlook;
- performance of comparable listed entities;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and costs of compliance therewith;
- changes in inflation, interest rates and rental capitalisation rates;
- changes in operating expenses (to the extent they are payable by Industria and to the extent that they impact the ability of Portfolio premises tenants to make rental payments);
- civil unrest, acts of war, terrorist attacks, acts of God and natural disasters, including earthquakes and floods, which may result in uninsured and insured losses; and
- significant industrial, contractual or political disturbances impacting entities comprising Industria or the continuity of its business.

No guarantee of Distributions or capital returns

None of the Issuers, APN or any other person gives a guarantee as to the amount of any income or capital return from the Securities or the performance of Industria, nor do they guarantee the repayment of capital from Industria.

Taxation and legal risks

The information in this Disclosure Document assumes that the Trusts will not be subject to tax on their net income before that net income is distributed to Securityholders. However, the Trusts would lose this 'flow through' status if:

- there was a legislative change which removed the 'flow through' status of property trusts; or
- any of the Trusts engaged in activities which lead to their being taxed on their net income at the corporate tax rate for Australian income tax purposes.

Depending on Securityholders' individual circumstances, a loss of the tax transparency of any of the Trusts may adversely affect the after tax investment returns.

In addition, the taxation treatment for Securityholders is dependent upon the tax law as currently enacted in Australia. Changes in tax or stamp duty law or changes in the way tax or stamp duty law is expected to be interpreted in Australia may adversely impact Industria's returns, the Distributions made to Securityholders or the outcomes outlined in Section 11.

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10
DETAILS OF OFFER

18 Brandl Street, Brisbane Technology Park, QLD

10.1 BACKGROUND OF THE OFFER

On 25 September 2013, APN FM and Industria Co entered into a binding Merger Implementation Deed with, among other parties, AFML, the responsible entity of AWPF6 in relation to the Transaction.

Under the Merger Implementation Deed, APN FM, Industria Co and AFML agreed to a stapling of Industria Co and the Trusts to create Industria. The stapling is subject to a number of conditions including AWPF6 Securityholder approval, which is being sought at an AWPF6 Securityholder Meeting. AWPF6 Securityholders and underlying Securityholders in Trust 3, Trust 4 and Industria Co will be offered the opportunity to either sell their Securities through the Sale Facility pursuant to the Offer or hold Securities in Industria.

10.2 PURPOSE OF THE OFFER

The Offer is an initial public offering of up to 112.5 million Securities in Industria at an Offer Price of $2.00 per Security (or Broker Firm Retail Offer Price of $1.97 per Security). The Offer is expected to raise up to $225.0 million. The amount raised under the Offer may be reduced to the extent that Existing Securityholders elect to retain their Securities.

As outlined in the table below, the proceeds of the Offer will be applied to:

- fund the purchase of Securities from Existing Securityholders who exit through the Sale Facility;
- refinance existing bank debt; and
- pay for Industria's share of the Transaction Costs.

Table 11: Sources and uses of funds

Sources of funds		Uses of funds	
Offer proceeds	Up to $225.0 million[1]	Repayment of Existing Securityholders	Up to $175.8 million
		Repayment of existing bank debt	$36.5 million
		Industria's share of Transaction Costs	Up to $12.2 million[1]
		Working capital	$0.5 million
Total sources	**Up to $225.0 million**	Total uses	**Up to $225.0 million**

In conjunction with the Offer, Industria will refinance approximately $127.7 million[2] resulting in Industria having Gearing of approximately 33.8%, which is within Industria's target Gearing range of 30% to 40%.

The funds required to repay existing investors may be less than $175.8 million to the extent that Existing Securityholders elect to retain their Securities.

APN intends to subscribe for 6.25 million Securities, in Industria, representing 5.0% of Securities on issue following the Offer.

APN securities funds will hold 12.5 million Securities, representing 10.0% of Securities on issue following the Offer. APN Direct Property Fund will hold 2.1% of these Securities and APN Unlisted Property Fund will hold 7.9% of the Securities. These funds may transfer their holdings to one or more of the APN Funds after completion of the Offer.

Total Transaction Costs are $13.9 million and APN FM will make a contribution of $1.7 million to the establishment costs incurred by Industria, thereby reducing Industria's share of the Transaction Costs to $12.2 million.

Details of the expected ownership of Securities following the Offer are set out below:

Table 12: Expected ownership of Industria

	Securities (million)	% Holding
APN Unlisted Property Fund	9.88	8%
APN	6.25	5%
APN Direct Property Fund	2.62	2%
Securityholders under the Offer	Up to 106.25	Up to 85%

1. The proceeds from the Offer received by the issuers will equal the number of Securities made available multiplied by the Offer Price per Security, less the $0.03 per Security Broker Service Fee multiplied by the number of Securities issued under the Broker Firm Retail Offer. The Broker Service Fee does not affect the forecast financial position or performance of Industria.
2. The debt refinance of $127.7 million includes $126.9 million of long-term borrowings and $0.8 million of capitalised debt costs.

10.3 STRUCTURE OF THE OFFER

The Offer is structured as follows:

- the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia, New Zealand and certain other overseas jurisdictions (excluding the US) to bid for Securities;
- the Broker Firm Offer, which comprises:
  - a Broker Firm Retail Offer which is open to Australian resident Retail Investors who have received a firm allocation from their Broker; and
  - a Broker Firm Sophisticated Offer which is open to Australian resident Sophisticated Investors who have received a firm allocation from their Broker; and
- the Priority Offer, which is open to Eligible Securityholders in Industria Co and the Trusts and Eligible APN FM Clients who have a registered address in Australia and have received a Priority Invitation.

No general public offer of Securities will be made. Members of the public wishing to subscribe for Securities under the Offer (who are not eligible under the Priority Offer) must do so through a Broker with a firm allocation.

The Issuers reserve the right to not proceed with the Offer at any time before the issue of Securities to successful Applicants.

10.4 NO UNDERWRITING

The Offer is not Underwritten. The Offer will not proceed unless the total value of the Securities issued in connection with the Transaction (valued at the $2.00 Offer Price per Security) equals $225.0 million, including the Securities that Existing Securityholders elect to retain.

The Issuers and the Joint Lead Managers have entered into an Offer Management Agreement in respect of the management of the Offer. Under the Offer Management Agreement, in addition to the management of the Offer by the Joint Lead Managers, the Bookrunners have agreed to conduct the bookbuild and provide settlement support for the Offer. The Offer Management Agreement provides for a number of circumstances under which the Joint Lead Managers may terminate the Offer Management Agreement and associated obligations. A summary of the key terms of the Offer Management Agreement is provided in Section 13.2.

10.5 CO-LEAD MANAGER AND CO-MANAGERS

The Bookrunners have appointed Evans & Partners Pty Ltd (**Evans & Partners**) to act as a Co-Lead Manager. The Bookrunners will pay Evans & Partners a broker firm fee of 1.5% of the gross proceeds of the Securities allocated to that broker under the Broker Firm Sophisticated Offer and subject to Evans & Partners complying with their obligations, the Issuers will pay Evans & Partners a fee of $250,000.

The Bookrunners have appointed Bell Potter Securities Limited, Macquarie Equities Limited and UBS Wealth Management Australia Limited to act as Co-Managers for the Offer. The Bookrunners will pay the Co-Managers a broker firm fee of 1.5% of the dollar amount of the Securities allocated to that broker under the Broker Firm Sophisticated Offer.

10.6 ALLOCATION POLICY

The allocation of Securities between the Institutional Offer, Broker Firm Offer and Priority Offer will be determined by the Issuers in consultation with the Bookrunners, having regard to the following factors:

- desire to foster a stable, long-term Securities register;
- desire for a liquid and informed trading market for the Securities;
- ability of Institutional Investors and Retail Investors to participate in potential future equity raisings;
- overall level of demand for Securities between the Institutional Offer, Broker Firm Offer and Priority Offer; and
- any other factors that the Bookrunners and the Issuers consider appropriate.

The Issuers have absolute discretion regarding the allocation of Securities to Applicants in the Offer (subject to Brokers in the Broker Firm Retail Offer having sole discretion in respect of the allocation of Securities to their clients) and may reject an Application, or allocate fewer Securities than applied for, in their absolute discretion. The Issuers may also aggregate Applications if they wish to do so.

10.7 BROKER FIRM OFFER

(a) Broker Firm Retail Offer

Who can apply in the Broker Firm Retail Offer

The Broker Firm Retail Offer is only open to Retail Investors who have a registered address in Australia and have received a firm allocation from their Broker.

If you have been offered a firm allocation by a Broker, you will be treated as a Broker Firm Retail Offer Applicant in respect of that allocation. You should contact your Broker to determine whether they may allocate Securities to you under the Broker Firm Retail Offer.

How to apply in the Broker Firm Retail Offer

If you have received an allocation of Securities from your Broker and wish to apply for Securities under the Broker Firm Retail Offer, you should contact your Broker for information about how to submit your Broker Firm Retail Offer Application Form and for payment instructions.

Broker Firm Retail Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Broker Firm Offer Application Form.

Applicants under the Broker Firm Retail Offer will pay the Broker Firm Retail Offer Price of $1.97 per Security (rather than $2.00 per Security). A Broker Service Fee of $0.03 per Security, including GST, will also be payable by Applicants under the Broker Firm Retail Offer. Applicants must pay (or consent to pay) both the Broker Firm Retail Offer Price and the Broker Service Fee to be allotted Securities under the Broker Firm Retail Offer.

The Broker Service Fee is payable by you to your Broker in respect of services your Broker provides to you in connection with the Offer. The Broker Service Fee you pay may be split between the individual Broker advising you and the firm they represent. You should discuss the Broker Service Fee, as well as any allocation of it between your individual Broker and the firm they represent, with your Broker.

Application Monies and the Broker Service Fee must be paid in accordance with instructions from your Broker. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Broker Firm Retail Offer Application Form and Application Monies are received before 5:00pm (Melbourne Time) on the Closing Date or any earlier closing date as determined by your Broker.

The Issuers and the Bookrunners may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

Applicants under the Broker Firm Retail Offer must not send their Broker Firm Retail Offer Application Forms to the Registry.

By making an Application, you declare that you were given access to the Disclosure Document, together with a Broker Firm Retail Offer Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Disclosure Document or the complete and unaltered electronic version of this Disclosure Document.

Minimum and maximum Application size

If you apply in the Broker Firm Retail Offer, you must apply for a minimum of $2,000 of Securities and in increments of $500 of Securities thereafter. There is no maximum number or value of Securities that may be applied for under the Broker Firm Retail Offer.

Allocation policy under the Broker Firm Retail Offer

Securities that have been allocated to Brokers for allocation to their Australian resident Retail Clients will be issued to the Applicants nominated by those Brokers.

It will be a matter for the Broker as to how they allocate firm stock among their Retail Clients and if any Application Monies need to be refunded. Brokers (and not the Issuers and the Bookrunners) will be responsible for ensuring that clients who have received a firm allocation from them receive the relevant Securities.

The Issuers expect to announce the final allocation policy under the Broker Firm Retail Offer on or about Tuesday, 3 December 2013. It is expected that this information will be advertised in The Sydney Morning Herald, The Melbourne Age, The Australian and The Australian Financial Review.

Applicants in the Broker Firm Retail Offer should confirm their allocation with the Broker from whom they received their allocation.

(b) Broker Firm Sophisticated Offer

Who can apply in the Broker Firm Sophisticated Offer

The Broker Firm Sophisticated Offer is only open to Sophisticated Investors who have a registered address in Australia and have received a firm allocation from their Broker.

If you have been offered a firm allocation by a Broker, you will be treated as a Broker Firm Sophisticated Offer Applicant in respect of that allocation. You should contact your Broker to determine whether they may allocate Securities to you under the Broker Firm Sophisticated Offer.

How to apply in the Broker Firm Sophisticated Offer

If you have received an allocation of Securities from your Broker and wish to apply for Securities under the Broker Firm Sophisticated Offer, you should contact your Broker for information about how to submit your Broker Firm Sophisticated Offer Application Form and for payment instructions.

Broker Firm Sophisticated Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Broker Firm Sophisticated Offer Application Form.

Applicants under the Broker Firm Sophisticated Offer will pay the Offer Price of $2.00 per Security. Application Monies must be paid in accordance with instructions from your Broker.

Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Broker Firm Sophisticated Offer Application Form and Application Monies are received before 5:00pm (Melbourne Time) on the Closing Date or any earlier closing date as determined by your Broker.

The Issuers and the Bookrunners may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

Applicants under the Broker Firm Sophisticated Offer must not send their Broker Firm Sophisticated Offer Application Forms to the Registry.

By making an Application, you declare that you were given access to the Disclosure Document, together with a Broker Firm Sophisticated Offer Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Disclosure Document or the complete and unaltered electronic version of this Disclosure Document.

Minimum and maximum Application size

If you apply in the Broker Firm Sophisticated Offer, you must apply for a minimum of $2,000 of Securities and in increments of $500 of Securities thereafter. There is no maximum number or value of Securities that may be applied for under the Broker Firm Sophisticated Offer.

Allocation policy under the Broker Firm Sophisticated Offer

Securities that have been allocated to Brokers for allocation to their Australian resident Sophisticated Clients will be issued to the Applicants nominated by those Brokers.

It will be a matter for the Broker as to how they allocate firm stock among their Sophisticated Clients and if any Application Monies need to be refunded. Brokers (and not the Issuers and the Bookrunners) will be responsible for ensuring that Sophisticated Clients who have received a firm allocation from them receive the relevant Securities.

The Issuers expect to announce the final allocation policy under the Broker Firm Sophisticated Offer on or about Tuesday, 3 December 2013. It is expected that this information will be advertised in The Sydney Morning Herald, The Melbourne Age, The Australian and The Australian Financial Review.

Applicants in the Broker Firm Sophisticated Offer should confirm their allocation with the Broker from whom they received their allocation.

10.8 PRIORITY OFFER

Who can apply in the Priority Offer

The Priority Offer is open to Existing Securityholders in Industria Co and the Trusts and Eligible APN FM Clients.

How to apply in the Priority Offer

Applicants under the Priority Offer will pay the Offer Price of $2.00 per Security. Applicants must pay by BPAY using the offer biller code and the unique customer reference number provided to you or by cheque by following the instructions on the paper or online Priority Offer Application Form. The Priority Offer Application Form is available at www.industriareit.com.au. It is the responsibility of the Applicant to ensure payments are received by 5.00pm (Melbourne Time) on the Closing Date.

If you make a BPAY payment, your bank, credit union or building society may impose a limit on the amount that you can transact on BPAY and policies with respect to timing for processing BPAY transactions, which may vary between bank, credit union or building society.

If you are paying by cheque, you may send a cheque for your Application Monies to the Registry. Cheques must be drawn on an Australian financial institution in Australian dollars, be made payable to 'Industria IPO Account' and crossed 'Not Negotiable'. You should ensure that sufficient funds are held in the relevant account(s) to cover your cheque. Cash will not be accepted. Receipts for payments will not be issued.

If the amount of your cheque or BPAY payment for Application Monies (or the amount for which those cheque or BPAY payments clear in time for allocation) is insufficient to pay for the amount you have applied for, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for or your Application may be rejected.

There are instructions set out on the online Priority Offer Application Form to help you complete it. Application Monies must be received by the Registry in cleared funds by the Closing Date.

Minimum and maximum Application size

Applicants under the Priority Offer will receive a guaranteed minimum allocation of $20,000 of Securities (or such lower number of Securities applied for, subject to the minimum application size of $2,000 of Securities and in multiples of $500 of Securities thereafter). There is no maximum value of Securities which may be applied for under the Priority Offer.

Allocation policy

The Issuers will consult with the Bookrunners regarding the allocation of Securities. The Issuers have absolute discretion regarding the allocation of Securities to Applicants in the Priority Offer and may reject an Application, or allocate fewer Securities than applied for, in their absolute discretion, subject to the terms of the guaranteed minimum allocation described above.

Pending the issue of Securities, Application Monies under the Priority Offer will be held in a trust account that complies with the Corporations Act. Application Monies will be fully or partially refunded where an Application is rejected or accepted in part only, subject to the guaranteed minimum allocation, the Offer is withdrawn and/or cancelled, or ASX does not grant permission for Securities to be quoted within three months after the date of this Disclosure Document. No interest will be paid on refunded amounts.

Refund cheques will be sent following completion of the Offer or as otherwise applicable in the circumstances outlined above.

No refund will be made in the event the refund amount is less than or equal to five Australian dollars. In this event, the Application Monies will be applied to a charitable organisation nominated by the Issuers in their absolute discretion.

The Issuers expect to announce the final allocation policy under the Priority Offer on or about Tuesday, 3 December 2013. It is expected that this information will be advertised in The Sydney Morning Herald, The Melbourne Age, The Australian and The Australian Financial Review. Applicants in the Priority Offer may also call the Industria Information Line on 1800 132 009 between 9:00 am and 5:30 pm (Melbourne Time) Monday to Friday.

10.9 INSTITUTIONAL OFFER

Invitations to bid

The Institutional Offer will comprise an invitation to Australian and New Zealand resident Institutional Investors and Institutional Investors in certain other overseas jurisdictions (excluding the US) to bid for Securities under this Disclosure Document.

Institutional Offer process

The Institutional Offer will be conducted using a bookbuild process managed by the Bookrunners. Further details of how to participate will be separately provided to eligible Institutional Investors by the Bookrunners in due course.

Institutional Investors can only bid into the bookbuild through the Bookrunners. The bookbuild will be a fixed price bookbuild at the Offer Price of $2.00 per Security.

Any bid in the Institutional Offer at close of the Institutional Offer is an irrevocable offer by the relevant bidder to subscribe or procure subscribers for the Securities bid for (or such lesser number as may be allocated) at the Offer Price, on the terms and conditions set out in this Disclosure Document (including any supplementary or replacement document) and in accordance with any bidding instructions provided by the Bookrunners to participants. Bids can be accepted or rejected in whole or in part without further notice to the bidder. Acceptance of a bid will give rise to a binding contract on allocation of Securities to successful Applicants conditional on the settlement and listing of Securities on ASX.

Details of the arrangements for notification and settlement of allocations applying to participants in the Institutional Offer will be provided to participants in the Bookbuild.

Allocations under the Institutional Offer

The allocation of Securities among bidders in the Institutional Offer will be determined by the Issuers in consultation with the Bookrunners.

The allocation policy will be influenced, but not constrained, by the following factors:

- the volume of Securities bid for;
- the timeliness of bids lodged during the bookbuild;
- Industria's desire for an informed and active trading market in Securities following the Offer;
- the size and investment mandate of particular bidders;
- the desire to have a wide spread of Institutional Investors on Industria's register;
- the likelihood the bidder will be a long-term Securityholder in Industria; and
- any other factors that the Bookrunners, by agreement with the Issuers, consider appropriate in their absolute discretion.

10.10 OFFER DISCRETION

The Issuers reserve the right to:

- close the Offer or any part of it early;
- extend the Offer or any part of it;
- accept late Applications either generally or in particular cases;
- reject any Application; and
- allocate any Applicant fewer Securities than their Application.

10.11 NO COOLING OFF

Applicants should note there will not be a cooling off period in relation to Applications.

Once an Application has been lodged, it cannot be withdrawn. Should quotation of the Securities be granted by ASX, Securityholders will have the opportunity to sell their Securities at the prevailing market price, which may be different to the Offer Price.

10.12 TRADING OF SECURITIES ON ASX

Industria will apply for admission to the Official List of ASX and quotation of the Securities on ASX within seven days of lodgement of this Disclosure Document. Industria's expected ASX code will be IDR.

If the required approvals from ASX are not given within three months after the application was made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

It is expected that, subject to receipt of the required approvals from ASX, trading of Securities will commence on or about Tuesday, 3 December 2013 initially on a conditional and deferred basis.

The contracts formed on acceptance of applications will be conditional on:

- the Stapling of the units in the Trusts and shares in Industria Co occurring;
- the Securities held by Securityholders who have elected to sell their Securities through the Sale Facility having been transferred to APN FM; and
- APN FM having sold the Securities held by Exiting Securityholders to successful applicants under the Offer; and
- settlement under the Institutional Offer and Broker Firm Offer having occurred.

Trades occurring on ASX before Stapling and settlement under the Institutional Offer will also be conditional on these conditions having been satisfied.

Conditional trading will continue until Industria has advised ASX that these conditions have been satisfied, which is expected to be on or about Thursday, 5 December 2013. Trading will then be on an unconditional but deferred settlement basis until Industria has advised ASX that holding statements have been dispatched to Securityholders. Normal settlement trading is expected to commence on or about Tuesday, 10 December 2013.

If settlement has not occurred within 14 days (or such longer period as ASX allows) after the day Securities are first quoted on ASX, the Offer and all contracts arising on acceptance of the Offer will be cancelled and of no further effect and all Application Monies will be refunded (without interest). In these circumstances, all purchases and sales made through ASX participating organisations during the conditional trading period will be cancelled and of no effect.

It is the responsibility of each person who trades in Securities to confirm their holding before trading in Securities. If you sell Securities before receiving a holding statement, you do so at your own risk. The Issuers, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Securities before receiving your holding statement, even if you obtained details of your holding from the Industria Information Line or confirmed your firm allocation through a Broker.

10.13 ASX

Neither ASX nor any of its officers takes any responsibility for the content of this Disclosure Document or for the investment in Industria.

The fact that ASX may admit Industria to the Official List should not be taken as an endorsement by ASX of the merits of Industria or any investment in Industria.

10.14 ASX ADMISSION AND QUOTATION

Following the issue of Securities under the Offer (expected to occur on or about Friday, 6 December 2013) the Registry will send successful Applicants a holding statement detailing the number of Securities issued to them under the Offer. It is expected that holding statements will be dispatched on or about Monday, 9 December 2013. It is the responsibility of Applicants to confirm their allocation of Securities prior to trading in Securities. Applicants can confirm their allocation of Securities by contacting their Broker or calling the Industria Information Line on 1800 132 009 (within Australia) or +61 1800 132 009 (outside Australia). A Securityholder who sells Securities before they receive their holding statements does so at their own risk.

10.15 CHESS

The Issuers will apply for the Securities to participate in CHESS, in accordance with the ASX Listing Rules and the ASTC Settlement Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in a paperless form.

The Issuers will also, in accordance with the ASX Listing Rules and the ASTC Settlement Rules, maintain an electronic CHESS sub-register (for Securityholders who are participants in CHESS or sponsored by such a participant) and an electronic issuer sponsored sub-register (for all other Securityholders). These two sub-registers will together make up Industria's principal register of Securityholders. Following allocation of the Securities to successful Applicants, Securityholders will be sent an initial statement of holding that sets out the number of Securities that have been allocated and the Securityholder's Holder Identification Number, or in the case of issuer sponsored holders, the Securityholder Reference Number.

Securityholders will subsequently receive statements showing any changes to their holding of Securities. Certificates will not be issued for Securities.

10.16 CONTROL IMPLICATIONS OF THE OFFER

APN will hold 5.0% of Securities in Industria on completion of the Offer. In addition, APN securities funds will hold 10.0% of Securities in Industria on completion of the Offer.

10.17 WORKING CAPITAL

The Issuers are of the opinion that following completion of the Offer, Industria will have sufficient working capital to carry out its stated objectives.

10.18 BROKERAGE, COMMISSION AND STAMP DUTY

No brokerage, commission or stamp duty is payable by Applicants who apply for Securities under the Offer, except in the case of Retail Investors who apply for Securities through the Broker Firm Retail Offer. These Applicants must pay a $0.03 Broker Service Fee (including GST) per Security to their Broker. Retail Investors should discuss the payment of this fee with their Broker.

Various fees in relation to the Offer may be payable by Industria to the Bookrunners and Joint Lead Managers and Brokers under the Broker Firm Sophisticated Offer. See Sections 12.5, 13.2 and 14.8 for further details.

Investors who buy or sell Securities on ASX may be subject to brokerage and other transaction costs. Under current legislation, there is no stamp duty payable on the sale or purchase of Securities on ASX provided that no investor (together with any related or associated persons or any other persons in an associated transaction, for the purposes of stamp duty law) holds 90% or more of the interests in Industria.

10.19 TAXATION ISSUES

A summary of Australian tax consequences of investing in Industria is contained in Section 11.

However, the summary provides general information only. Applicants should make their own enquiries in relation to the taxation consequences of investing, taking into account their own circumstances.

Applicants should obtain and only rely on professional taxation advice if they are in doubt about the consequences of investing in Industria, from a taxation perspective.

10.20 FOREIGN INVESTORS

International Offer Restrictions

No action has been taken to register or qualify this document, the Securities or this Offer, or otherwise to permit a public offering of the Securities in any jurisdiction outside Australia.

This document does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. Securities may not be offered or sold in any country outside Australia except to the extent permitted below.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to US Persons (as defined in Regulation S under the US Securities Act of 1933). Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States or to US Persons except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.

Hong Kong

WARNING: This document has not been, and will not be, authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand). The Securities are not being offered or sold in New Zealand, or allotted with a view to being offered for sale in New Zealand, and no person in New Zealand may accept a placement of Securities other than to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ$500,000 for Securities in a single transaction before the allotment of such Securities and such allotment was not more than 18 months prior to the date of this document.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore (**MAS**) and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the SFA) in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The issuer is not authorised or recognised by the MAS and the Securities are not allowed to be offered to the retail public. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to 'institutional investors' (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an 'institutional investor' (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

10.21 ENQUIRIES

If you have enquiries or questions about this Disclosure Document or the Offer, you should contact the Industria Information Line or one of the Bookrunners.

If you have any queries or uncertainties relating to aspects of this Disclosure Document or the Offer, please consult your Broker, accountant or other independent financial adviser before deciding whether to invest.

11
TAXATION IMPLICATIONS

37 Brandl Street, Brisbane Technology Park, QLD

This taxation commentary comprises a brief guide to the Australian income tax, GST and stamp duty consequences for Existing Securityholders and Investors in Industria. These comments are necessarily general in nature and do not attempt to address all of the Australian tax consequences relevant to Existing Securityholders or Investors.

The comments outline the Australian income tax, GST and stamp duty consequences only as relevant to an Australian resident individual, company (other than a life insurance company) or complying superannuation fund who hold their Existing Securities or Securities on capital account. It does not address other Australian tax consequences or the tax consequences under any foreign law, including foreign tax law. These comments are not relevant to taxpayers who:

- are exempt from income tax in Australia;
- invest or trade in securities in the ordinary course of their business; or
- are subject to Division 230 of the Income Tax Assessment Act 1997 (i.e. Taxation of Financial Arrangements).

The Australian tax treatment and consequences of the Transaction or a proposed investment in Industria will vary depending on the particular circumstances of each Existing Securityholder or Investor. Existing Securityholders or Investors should obtain, and only rely upon, their own independent taxation advice, having regard to their specific circumstances.

The comments set out below are based on current Australian judicial and administrative interpretations of the Income Tax Assessment Act (1997), the Income Tax Assessment Act (1936) and the Taxation Administration Act (1953) (collectively referred to as the Tax Act), the A New Tax System (Goods and Services Tax) Act 1999 (GST Act) and the relevant stamp duty legislation. However, Existing Securityholders and Investors should be aware that the ultimate interpretation of the Australian tax law rests with the Australian courts, and that the law, and the way that the Australian Taxation Office (ATO) and state revenue offices interpret or administer the law, may change over time.

This taxation commentary should be read in conjunction with the remainder of the Product Disclosure Statement and Prospectus.

11.1 EXISTING SECURITYHOLDERS

Taxation implications of the Transaction

The Stapling of the Trusts and Industria Co will be implemented via a series of steps. The Australian income tax consequences of each of these steps should be as set out below. We understand that an illustrative example of the taxation consequences arising from the series of steps will be provided by APN FM on the Industria website.

Returns of capital and subscription for new securities

Existing Securityholders in AWPF6 will receive a return of capital from Trust 1 and Trust 2, which will be compulsorily applied on behalf of the Investor to subscribe for new units in Trust 3 and Trust 4 and shares in Industria Co.

Existing Securityholders in Trust 3 will receive a return of capital, which will be compulsorily applied on behalf of the Investor to subscribe for new units in Trust 1, Trust 2 and Trust 4 and shares in Industria Co.

Existing Securityholders in Trust 4 and Industria Co will receive a return of capital from these entities, which will be compulsorily applied on behalf of the Investor to subscribe for new units in Trust 1, Trust 2 and Trust 3.

Through this Section 11, a reference to a unit in a Trust will be a 'Unit' and a reference to a share in Industria Co will be a 'Share'.

Existing Securityholders will be required to reduce the tax cost base of their Units or Shares in the relevant entity making the return of capital by the amount of the capital return. Where the return of capital exceeds the current Capital Gains Tax (**CGT**) tax cost base of the Investor's Units or Shares, a capital gain will arise equal to the excess amount. Existing Securityholders may be entitled to claim the CGT discount on any capital gain (please see below for details of the CGT discount).

On subscription for new Units or Shares, the first element of cost base for Australian income tax purposes for the relevant Units and Shares will be equal to the proportion of the return of capital attributable to the new Units or Shares, allocated on the basis of the proportionate market value of the relevant entity. Existing Securityholders will be deemed to acquire the new Units or Shares at the time they become the owner of the new Units or Shares.

Subdivisions of Units in the Trusts and Shares in Industria Co

The subdivisions will result in Existing Securityholders holding a revised number of Units or Shares (as relevant) in the relevant entities. The subdivisions of Units or Shares should not result in any tax liability for Existing Securityholders. The Existing Securityholders total tax cost base across the Units or Shares will not be affected by the subdivisions. As a result of the subdivisions, each Existing Securityholder's tax cost base for Australian income tax purposes will be reallocated proportionately across the revised number of Units or Shares in the relevant entity.

Stapling of Units in the Trusts and Shares in Industria Co

As part of the Transaction, the Trusts and Industria Co will enter into a stapling deed to create the Securities. The Stapling of the Units and Shares should not give rise to any Australian income tax consequences for Existing Securityholders.

Further comments regarding income received from the Securities and the consequences of a disposal of Securities are provided below.

Sale of Securities by Existing Securityholders

Where Existing Securityholders have elected to sell their Securities (through the Sale Facility Agent) as part of the Offer, this will represent a disposal for Australian income tax purposes. Please see the commentary below regarding the income tax consequences arising from a disposal of Securities.

11.2 NEW INVESTORS

Underlying Units and Shares

The Securities in the Fund will be stapled securities. Each Security will consist of a Unit in each of the Trusts and a Share in Industria Co.

Acquisition of Securities under the Offer

Where Investors acquire or subscribe for Securities under the Offer, the cost base for Australian income tax purposes of each Security will be allocated to the underlying Units and Share, on the basis of the proportionate market value of the relevant entity comprising the Security on the date of allotment of new Securities. The first element of tax cost base for the Units and Share will be equal to the proportion of the issue price attributable to them. Investors will be notified of this at the time of allotment.

Distributions from Securities

Distributions from Industria may comprise distributions from the Trusts or dividends paid by Industria Co. The income tax treatment of these is different and is considered separately below.

Distributions from the Trusts

A unit trust is taxed in a similar manner to a company if it is classified as a 'corporate unit trust' under Division 6B or a 'public trading trust' under Division 6C of Part III of the Tax Act. Based on the Trusts' expected circumstances and operations, none of the Trusts should fall under either of these Divisions. We would expect the same conclusions to apply in future income years, but observe that the Division 6C test for a public trading trust is undertaken on a yearly basis and looks at the activities of the Trusts and any entities they control at all times in each income year. Accordingly, we expect that each of the Trusts should continue to be 'flow-through' entities for Australian income tax purposes.

Australian resident Investors will be required to include their proportion of each of the Trusts' net income in their assessable income.

Any capital gain included in each of the Trusts' net income should be grossed up to the pre-discount amount. To the extent that an Investor is entitled to a CGT discount, the discount should be applied (please see below for details of the CGT discount).

(a) Calculating a Trust's net income

The net income of a Trust should include rental income derived from properties and any interest income received. Capital allowances deductions, management fees paid by the Trust to the Responsible Entity and generally other routine expenses should be deducted from the income to determine the net income of a Trust.

If a Trust disposes of an Australian investment property, whether the disposal is on capital or revenue account is a question of fact. On the basis that the Trust intends to hold its investment properties for an extended period and derive rental income from the properties, the Trust should be considered to hold its properties on capital account. As such a Trust will derive a capital gain to the extent that the consideration received on disposal of a property exceeds the tax cost base of the property. A Trust will incur a capital loss on the disposal of a property to the extent that the consideration on disposal is less than the reduced tax cost base of the property.

To the extent that there is a capital gain, the Trust should apply the CGT discount to reduce the capital gain included in its net income (please see below for details of the CGT discount). If the Trust incurs a capital loss, it can carry the loss forward to recoup against any future capital gains it derives. The Trust cannot distribute the loss to Investors.

(b) Tax-deferred distributions

At times, an Investor may receive distributions from a Trust that exceed the Investor's share of the net income of that Trust. These excess distributions are called tax-deferred distributions and may arise due to different accounting and taxation treatments of certain income and expense items of the Trusts.

If Investors receive a tax-deferred amount, the Investor is required to reduce the tax cost base of its Units in the Trust paying the tax-deferred distribution by the relevant amount. Where the tax-deferred distribution exceeds the current CGT cost base of the Investor's Units, a capital gain will arise equal to the excess amount. Investors may be entitled to claim the CGT discount on any capital gain (please see below for details of the CGT discount).

(c) Completion of Australian income tax returns

Investors should wait until receipt of a tax statement each year before completing an income tax return. The tax statement will provide Investors with full details of the Investors' proportionate share of net income for each Trust for an income tax year.

Dividends from the Company

Australian resident individuals and complying superannuation entities

Australian resident Investors will be required to include dividends received from Industria Co in their assessable income. To the extent the dividends are franked (either fully or partly), Investors should also include the amount of the franking credit in their assessable income. In these circumstances, Australian resident Investors will generally be entitled to a tax offset against their assessable income equal to the amount of the associated franking credit. To the extent this tax offset exceeds the Investor's tax payable as assessed, an Investor who is an individual or a complying superannuation fund may be entitled to a refund of the excess.

Corporate Investors

Corporate Investors are also required to include both the dividend and associated franking credit in their assessable income. A tax offset is then allowed up to the amount of the franking credit on the dividend.

An Australian resident corporate Investor should be entitled to a credit in its own franking account to the extent of the franking credit on the dividend received. Such corporate Investors can then pass on the benefit of the franking credits to their own shareholder(s) on the payment of dividends.

Excess franking credits received cannot give rise to a refund, but may be able to be converted into carry-forward tax losses.

Shares held at risk

The benefit of franking credits can be denied where an Investor is not a 'qualified person', in which case the Investor will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a qualified person, an Investor must satisfy the holding period rule and, if necessary, the related payment rule. The holding period rule requires an Investor to hold the Shares 'at risk' for more than 45 days continuously, measured as the period commencing the day after the Investor acquires the Shares and ending on the 45th day after the Shares become ex-dividend. The date on which the Shares are acquired and disposed of are ignored for the purposes of determining the 45 day period. Any day on which an Investor has a materially diminished risk or loss of opportunity for gain (through transactions such as granting options or warrants over Shares or entering into a contract to sell the Shares) will not be counted as a day on which the Investor held the Shares 'at risk' This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed A$5,000. Special rules apply to trusts and beneficiaries.

11.3 DISPOSAL OF SECURITIES

For CGT purposes, the disposal of a Security will be treated as the disposal of five separate assets; a Unit in each of the Trusts and a Share in Industria Co. The CGT rules will apply separately to each asset. As the components of the Securities cannot be acquired or traded separately, an apportionment of the sale proceeds between the five assets will be required based on the relative market value of each at the time of the disposal.

Australian resident Investors will derive a capital gain on the disposal of a Unit or Share to the extent that the consideration received on disposal exceeds the cost base of the Unit or Share. Australian resident Investors will incur a capital loss on the disposal of a Unit or Share to the extent that the consideration on disposal is less than the reduced cost base of the Unit or Share. Cost base adjustments may be required (and capital gains may arise) where the Trusts make a tax-deferred distribution on Units. In general terms, the cost base in each of the Units will be the amount paid to acquire the Unit (inclusive of any incidental costs) less any adjustments for tax-deferred distributions, and the cost base in the Shares will be the amount paid to acquire the Shares (inclusive of any incidental costs).

All capital gains and capital losses arising in a financial year are added together to determine whether an Investor has derived a net capital gain or incurred a net capital loss in a year.

If an Investor derives a net capital gain in a year, this amount, subject to the comments below, is included in the Investor's assessable income. If an Investor incurs a net capital loss in a year, this amount is carried forward and may be available to offset capital gains derived in the same income year or subsequent years, subject in some cases to the Investor satisfying certain rules relating to the recoupment of carried forward losses.

CGT discount

An Australian resident Investor (either an individual or a complying superannuation fund) may be entitled to a CGT discount in respect of a taxable capital gain realised on the ultimate disposal of Securities, if the Securities are disposed of at least 12 months after the date of acquisition. The CGT discount applies to reduce capital gains made by individuals by 50% and capital gains made by complying superannuation funds by 33 1/3%. The CGT discount is not available for companies.

11.4 TAX FILE NUMBER AND AUSTRALIAN BUSINESS NUMBER

An Australian investor may quote their Tax File Number (TFN) or, where relevant, Australian Business Number (ABN) to APN. If a TFN or ABN is not quoted, tax may be deducted from any assessable amount paid to Investors. The rate of withholding is 46.5% being the highest marginal tax rate plus Medicare levy.

PricewaterhouseCoopers (**PwC**) has prepared Sections 11.1 to 11.4 above. Those Sections should be read as being subject to the general commentary above under the heading 'Taxation implications' to the extent that commentary relates to Australian income tax consequences. PwC is not licensed to provide financial product advice under the Corporations Act. Taxation is only one of the matters that must be considered when making a decision on a financial product. Existing Securityholders and Investors should consider taking advice from the holder of an Australian Financial Services Licence before making a decision on a financial product.

11.5 GOODS AND SERVICES TAX

The acquisition of Securities and the ultimate disposal of Securities will generally be financial supplies and, consequently, no GST should be payable in respect of these transactions.

The ability of an Australian resident that is registered or required to be registered for GST to claim input tax credits on related transaction costs (if any) may be restricted. This is a complex area of the GST Law and hence we recommend that such Australian residents seek their own independent tax advice in this regard.

11.6 STAMP DUTY

No stamp duty should be payable by Existing Securityholders or Investors under the proposed Transaction.

12
FEES

53 Brandl Street, Brisbane Technology Park, QLD

12.1 CONSUMER ADVISORY WARNING

Under Australian Government regulations, all product disclosure statements are required to include the following standard consumer advisory warning as set out below. It is not specific to information on fees and costs in this Fund.

Consumer advisory warning

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask Industria or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

12.2 FEES AND OTHER COSTS IN PRESCRIBED FORM

This Section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from Industria Assets as a whole. The fees and costs are provided inclusive of GST less a full input tax credit or reduced input tax credit (RITC), as applicable. You should read all information about fees and costs as it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves		
Establishment fee The fee to open your investment.	Nil	Not applicable
Contribution fee[1] The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment.	Nil	Not applicable
Termination fee The fee to close your investment.	Nil	Not applicable

1 This fee is also referred to as the buy/sell spread.

Type of fee or cost	Amount	How and when paid
Management costs		
The fees and costs for managing your investment[1]	APN FM will charge: ■ 0.55% per annum of the Gross Asset Value of Industria up to a Gross Asset Value of $750 million; ■ 0.50% per annum for Gross Asset Value of Industria between $750 million and $1,500 million; ■ 0.45% per annum for Gross Asset Value of Industria in excess of $1,500 million; and ■ expense recoveries estimated to be approximately 0.14% per annum of the Gross Asset Value of Industria.	The base management fee is calculated and payable quarterly in arrears out of the Assets within five Business Days of the end of each quarter. Expenses are reimbursable from the Assets when incurred from time to time.
Acquisition fee	Nil	Not applicable
Disposal fee	Nil	Not applicable
Other expenses	Nil	Not applicable
Service fees[2]		
Investment switching fee The fee for changing investment options.	Nil	Not applicable
Adviser service fee	$0.03 per Security	Payable by Applicants under the Broker Firm Retail Offer to their Broker on making an Application[2]

12.3 EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the fees and costs in Industria can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example	Amount	Balance of $50,000[3] with a contribution of $5,000 during the year
Contribution fees	Nil	
Plus Management costs		For every $50,000 you have invested, you will be charged the following amounts each year
Management fees	0.55% of Gross Asset Value	For every $50,000 you have invested, you will be charged $424.00[4]
Operating expenses	~0.14% of Gross Asset Value	For every $50,000 you have invested, you will be charged $111.60[5]
Equals Cost of Fund	0.69% of Gross Asset Value	If you had an investment of $50,000 at the beginning of the year and you invested an additional $5,000 at the beginning of the year, you would be charged fees and expenses of $589.16[2,3]

1. See 'Management costs' in Section 12.4 for further details.
2. Additional service fees are described in Section 12.4 'Additional explanation of fees and costs'.
3. This table assumes that a total of $50,000 is invested under the Offer (i.e., to acquire 25,000 Securities at $2.00 each). If you were to invest $50,000 in Securities subsequent to the Offer, the amount of fees applicable to that investment may differ from the amounts set out in this table if more or less than 25,000 Securities are acquired (even if Industria's Gross Asset Value and the operating expenses were as estimated). This table also assumes that the additional $5,000 contribution is used to acquire Securities at $2.00 each on the Completion Date. There is no guarantee that Securities will be able to be acquired for $2.00 subsequent to the Offer.
4. This amount has been estimated based on Industria's expected Gross Asset Value on the Completion Date of $385.5 million (i.e. less than $750 million). This is an estimate only and it is likely that both the expenses and Industria's Gross Asset Value will change over time.
5. This amount is an estimate only based on the expected costs of managing and administering Industria. See Section 12.4 for more information.

12.4 ADDITIONAL EXPLANATION OF FEES AND COSTS

(a) Management costs

Following is further information on the management costs section in the table at Section 12.2.

(i) Base management fee

Under the Trust Constitutions, APN FM is entitled to receive a management fee of:

- 0.4% per annum of the gross asset value of Trust 1 and Trust 2; and
- up to 1% per annum of the gross asset value of Trust 3 and Trust 4.

Under the Industria Co Management Agreement, APN FM is entitled to receive a management fee of up to 2% per annum of the gross asset value of Industria Co.

APN FM will charge Industria a management fee of:

- 0.55% per annum of the Gross Asset Value of Industria up to a Gross Asset Value of $750.0 million;
- 0.50% per annum of the Gross Asset Value of Industria between $750.0 million and $1,500.0 million; and
- 0.45% per annum of the Gross Asset Value of Industria in excess of $1,500.0 million.

(ii) Operating expenses

APN FM is entitled to recover all expenses incurred in the proper performance of its duties in respect of Industria. APN FM estimates that Industria will incur expenses of approximately 0.14% per annum of the Gross Asset Value of Industria. This estimate has been included in the table set out above.

(iii) Adviser service fee

A fee of $0.03 per Security is payable by Applicants under the Broker Firm Retail Offer to their Broker in respect of services provided by the Broker to the Applicant in connection with the Offer. This fee is a one off fee payable at the time of an Applicant's initial investment in Securities. See Section 10.7(a) for further detail.

(b) Indirect cost ratio

The indirect cost ratio is the ratio of the annual ongoing management costs of Industria to the total average net assets of Industria. The 0.69% per annum shown in the 'Example of annual fees and costs' table in this Section is a measure of the estimated annual costs charged against the Gross Asset Value of Industria determined for a year from the first issue of Securities. The indirect cost ratio (which is a percentage of net assets) is initially 1.12% of the net asset value of Industria. The indirect cost ratio increases as the gearing level increases, and will decrease when the gearing level decreases.

(c) Service fees

An adviser service fee of $0.03 per Security is payable by Applicants under the Broker Firm Retail Offer to their Broker in respect of services provided by the Broker to the Applicant in connection with the Offer. This fee is a one-off fee payable at the time of an Applicant's initial investment in Securities.

12.5 FEES AND COSTS ASSOCIATED WITH THE TRANSACTION

Total Transaction Costs are $13.9 million and APN FM will make a contribution of $1.7 million, thereby reducing Industria's share of the Transaction Costs to $12.2 million. These costs are one-off in nature and have not been included in the forecast management costs of Industria in subsequent years. These amounts will be paid by Industria from the proceeds raised under the Offer and Industria's Debt Facility.

The following table sets out the fees and costs expected to be incurred in connection with the Transaction.

Type of fee or cost	Expected total
Stamp duty costs	$2.5 million
Debt establishment costs	$0.8 million
Offer management fees and costs (as described in the summary of the Offer Management Agreement in Section 13.2)	$7.1 million
Advisers' and consultants' fees	$2.4 million
Other transaction costs	$1.1 million
Total fees and costs	**$13.9 million**
APN contribution	$1.7 million
Industria's share of fees and costs	**$12.2 million**

12.6 OTHER EXPENSES

Industria will enter into agreements with third parties (which may include APN or wholly owned subsidiaries) to provide property management and other services to Industria from time to time. All such arrangements will be entered into on arm's length terms. The material agreements that have been, or will be, initially entered into are summarised in Section 13.4. Under these agreements, certain fees and expenses may be paid from the assets of Industria to APN (including pursuant to the APN Property Management Agreement). These amounts, which are summarised below, are not included in the above tables as 'management costs'. as they are of a kind that would typically be incurred if investors acquired the relevant properties directly and not through Industria.

Agreement	Parties	Fees
APN Property Management Agreement	APN and the Issuers	A fee of up to 3% of the annual gross income plus a leasing fee equal to current market rates will be payable.

13
MATERIAL AGREEMENTS

Building A, Homebush Bay Drive, Rhodes, NSW

13.1 FACILITY AGREEMENTS

Industria will have exposure to two debt facilities:

- a new Debt Facility with a total commitment of $140.0 million which will refinance the existing debt of the Trusts and Industria Co; and
- the existing CBA Facility in respect of the JV Property with a total commitment of $9.1 million (Industria's 50% share of this debt, or $4.55 million, is recorded in 'Long-term borrowings' in the pro forma combined balance sheet).

Debt Facility

(a) Overview of Debt Facility

The Lenders have provided credit approved commitment letters and terms sheets to provide funding to Industria with a Term Facility of up to $130.0 million and a Working Capital Facility of up to $10.0 million.

The Term Facility may be used to assist with refinancing the existing debt of the Trusts and Industria Co, as well as the payment of associated transaction costs. The Working Capital Facility may be used for general corporate and working capital purposes, including payment of property operating expenses, holding costs, capital expenditure and development costs.

The Debt Facility does not apply to the JV Property, as this is covered by the CBA Facility described further below in this Section.

(b) Conditions to commitment under commitment letters

Each Lender's commitment to provide the Debt Facility is made under a commitment letter with a terms sheet attached. Each commitment is made subject to satisfactory documentation of the Debt Facility, no material adverse change occurring and the satisfaction of the conditions precedent listed in the terms sheet.

The Debt Facility must be documented by 10 December 2013. Once documented, the Lenders' commitment will expire if it is not drawn by the earlier of 31 December 2013 and 30 days from the date of the facility agreement.

The prior execution of binding documentation and satisfaction of all conditions precedent in relation to the Debt Facility will be a condition precedent to the Offer.

(c) Conditions precedent under the Debt Facility

Once the Debt Facility is documented, the provision of funds by the Lenders will be subject to satisfaction of conditions precedent which APN FM considers customary and usual for a financing of this nature. The material conditions precedent to drawdown under the Debt Facility include:

- providing property due diligence reports to the Lenders;
- completion of other legal due diligence satisfactory to the Lenders;
- providing valuations of the Properties to the Lenders;
- legal opinions required by the Lenders;
- minimum equity of $230.0 million;
- confirmation of an interest rate hedging policy approved by the Lenders;
- providing the Lenders with a verification certificate with the usual attachments (including constitutions, trust deeds and specimen signatures) and confirmation of solvency and that no event of default is subsisting;
- releasing any security which is not permitted by the terms of the Debt Facility and providing security documents in registrable form to the Lenders;
- obtaining insurance required by the Lenders; and
- additional conditions precedent required by the Lenders or their legal advisers for a facility of this nature.

There are a number of other conditions precedent to drawdown under the Debt Facility. These are considered by APN FM to be mechanical and within its control, and APN FM is not aware of any reason why these conditions precedent will not be satisfied.

(d) Availability period

The Lenders' commitments will be available for a range of tenors of between three and five years. The weighted average tenor of the Debt Facility is expected to be approximately four years. There is a drawstop under the Debt Facility if the loan to value ratio exceeds 45%, calculated in the same way as the loan to value ratio financial undertaking below.

(e) Undertakings

The Debt Facility will contain a number of standard undertakings which APN FM considers customary and usual for a financing of this nature. In addition, the Debt Facility will contain the following financial undertakings:

- the loan to value ratio must not exceed 55%, calculated as the ratio of total financial indebtedness owing under the Debt Facility to the most recent valuation of the Properties (excluding the JV Property and the debt under the CBA Facility);
- the gearing ratio must not exceed 55%, calculated as the ratio of total liabilities of Industria to total tangible assets of Industria, in each case excluding the mark-to-market value of derivatives;
- the interest coverage ratio must be more than 2.0 times, calculated as the ratio of net property operating income derived from the Properties (excluding the JV Property) to net interest expense incurred in respect of the Properties (excluding the JV Property); and
- the weighted average lease expiry must be more than 2.5 years, calculated as the average remaining term to expiry of each lease of the Properties (excluding the JV Property), weighted by the gross rental income of the relevant lease divided by the gross rental income of all Properties (excluding the JV Property).

(f) Events of default

The Debt Facility will be subject to certain events of default which APN FM considers customary and usual for a financing of this nature. Such events include:

- failure to pay amounts due under a loan document;
- a representation or warranty is materially incorrect;
- a breach of a financial undertaking;
- a breach of an undertaking (subject to cure periods);
- cross default of financial indebtedness in excess of a threshold;

- change of the responsible entity;
- material adverse effect; or
- an insolvency event occurs.

(g) Review events

The Debt Facility will be subject to review events which APN FM considers customary and usual for a financing of this nature. A review event entitles the Lenders to review and renegotiate the terms of the Debt Facility. If these negotiations are not successful, it may result in the funds lent to Industria under the Debt Facility being repayable. The review events include:

- a change in control of Industria or the Responsible Entity; or
- suspension from trading for more than three business days.

(h) Security

The Debt Facility is a secured facility, and the Lenders will be granted the following securities which APN FM considers customary and usual for a financing of this nature:

- first ranking real property mortgages over the Properties (excluding the JV Property); and
- general security deed over all present and subsequently acquired property granted by APN FM (as Responsible Entity of Industria), each subtrust and asset owning entity (other than McKechnie Drive Pty Ltd).

CBA Facility

Industria's 50% share of the debt incurred under the CBA Facility is $4.55 million. This is included in 'Long-term borrowings' in the pro forma balance sheet. Industria's 50% share of the JV Property is equity accounted as a $7.0 million 'Other non-current asset'.

(a) Overview of the CBA Facility

The current facility provided by Commonwealth Bank of Australia to McKechnie Drive Pty Ltd and Harvest Zernike JV Pty Ltd (the **Borrowers**) under a letter of offer dated 25 July 2013 for a facility limit of $9.1 million will remain in place. This CBA Facility has a maturity date of 25 August 2016.

(b) Undertakings and events of default

The CBA Facility contains standard undertakings and is subject to events of default which APN FM considers customary and usual for a financing of this nature. The financial undertakings under the CBA Facility are:

- the interest coverage ratio must not be less than 1.50 times, calculated as the ratio of EBITDA to interest expense; the interest coverage ratio is forecast to be approximately 2.9 times for the seven month period ending 30 June 2014 and approximately 2.9 times for the full year ending 30 June 2015; and
- the loan to value ratio must not exceed 65%, calculated as the ratio of the aggregate sum of all facilities made available by CBA to the Borrowers to the most recent valuation of the JV Property. The LVR as at Completion Date is forecast to be approximately 65%.

(c) Security

The securities granted in favour of CBA under the CBA Facility are:

- first registered company charges granted by the Borrowers over the whole of their assets and undertakings; and
- first registered mortgage over the JV Property.

13.2 OFFER MANAGEMENT AGREEMENT

The Offer is being managed by the Joint Lead Managers pursuant to the Offer Management Agreement dated 28 October 2013 between the Issuers and the Joint Lead Managers.

Under the Offer Management Agreement, the Joint Lead Managers have agreed to manage the Offer. The Bookrunners have agreed to conduct the bookbuild and provide settlement support for the Institutional Offer and the Broker Firm Offer.

(a) Fees and expenses

The Issuers must pay to:

- Macquarie Capital (Australia) Limited, a base fee of $750,000;
- UBS AG, Australia Branch, a base fee of $600,000;
- each of ANZ Securities Limited and RBS Morgans Corporate Limited a base fee of $250,000; and
- each Bookrunner, an offer management fee equal to 2.00% of the total gross proceeds of the Offer (calculated as if Securities allocated under the Broker Firm Retail Offer were issued at $2.00) (which excludes any amount invested or remaining invested by APN Property Group Limited and its related bodies corporate and funds managed by APN Funds Management Limited), less $0.03 multiplied by the number of Securities allocated under the Broker Firm Retail Offer, in equal proportions, and

may pay, at their sole discretion, to:

- each of ANZ and RBS Morgans, an additional discretionary fee of $130,000;
- each Bookrunner, an additional discretionary fee of 0.25% of the total gross proceeds of the Offer (which excludes any amount invested or remaining invested by APN Property Group Limited and its related bodies corporate and funds managed by APN Funds Management Limited) in equal proportions.

The above fees will become payable (subject to the Issuers' discretion in respect of the incentive fee) by the Issuers on settlement.

All fees payable by the Issuer to the Joint Lead Managers and the Bookrunners are exclusive of GST.

Subject to receipt by the Bookrunners of the above fees (excluding the discretionary fee), the Bookrunners must also pay a broker firm fee of 1.5% of the amount of all final allocations made to participating brokers in connection with the Broker Firm Sophisticated Offer. Fees payable by the Bookrunners to participating brokers are inclusive of GST.

The Issuers have also agreed to reimburse the Joint Lead Managers for certain reasonable costs, including all legal costs agreed to by the Issuers, certain out-of-pocket costs and any stamp or transfer duties or withholding taxes payable in respect of the Offer Management Agreement.

(b) Representations and warranties

The Offer Management Agreement contains common representations, warranties and undertakings provided by the Issuers to the Joint Lead Managers.

The representations and warranties relate to matters such as the nature of the Issuers, the conduct of the Issuers (including in respect of their businesses, due diligence, disclosure, and compliance with applicable laws and the ASX Listing Rules), information provided, material adverse change, insurance, insolvency, material contracts, licences, litigation and this Disclosure Document and the conduct of the Offer.

The Issuers' undertakings include that they will not, during the 120 day period after the issue and allotment of Securities under the Offer, allot or agree to allot any Securities without the prior written consent of the Joint Lead Managers and will, during the period until 120 days after the issue and allotment of Securities under the Offer, carry on their businesses in the ordinary course and not dispose of any material part of their business or property except in the ordinary course or as disclosed in this Disclosure Document.

(c) Indemnity

The Issuers agree to keep the Joint Lead Managers and certain affiliated parties indemnified from losses suffered in connection with the Offer, subject to customary exclusions (including fraud and gross negligence).

(d) Termination events

If any of the following events occurs at any time from the date of execution of the Offer Management Agreement until the Allotment Date or such other time as specified below, each Joint Lead Manager may terminate their obligations under the Offer Management Agreement:

- (**APN FM**) APN FM seeks to retire or is removed as the responsible entity of a Trust or another person makes an application for appointment of a temporary responsible entity;
- (**disclosures in Disclosure Document**) in the Joint Lead Manager's reasonable opinion, a statement contained in the Disclosure Document is misleading or deceptive or likely to mislead or deceive, or a matter required by the Corporations Act is omitted from the Disclosure Document, or the Disclosure Document otherwise fails to comply with the Corporations Act, the ASX Listing Rules or other applicable laws;
- (**compliance with law**) any aspect of the Offer does not comply with the Corporations Act, all regulations under the Corporations Act, the ASX Listing Rules or any other applicable law or regulation;
- (**legal proceedings**) any of the following occurs: a Director of an Issuer or any Group Member or any person who is anticipated to become a Director of an Issuer or a Group Member engages in fraudulent activity with respect to the Offer or is charged with an indictable offence or is disqualified from managing a corporation;
- (**market fall**) at any time following successful completion of the bookbuild, the S&P/ASX 200 A-REIT Index falls by 10% or more below the level of that index as at the close of trading of ASX immediately before successful completion of the bookbuild and remains below that level for three consecutive Business Days, or on the Business Day immediately prior to the settlement date;
- (**supplementary Offer document**) in the reasonable opinion of a Joint Lead Manager, the Issuers are required to issue a supplementary Disclosure Document to comply with section 719 or section 1016E of the Corporations Act or the Issuers lodge a supplementary Disclosure Document in a form that has not been approved by the Joint Lead Managers;
- (**listing approval**) approval is refused or not granted by ASX to:
  - the admission of the Trusts and Industria Co to the Official List of ASX on or before the approval date for listing; or
  - the official quotation of all of the Securities on ASX or for the Securities to be cleared through CHESS on or before the quotation date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld, or the ASX indicates to the Issuers that approval is likely to be withdrawn, qualified (other than by customary conditions) or withheld;
- (**events**) any of the following events occur in respect of the Offer:
  - ASIC holds a hearing under section 739(2) or 1020E(4) of the Corporations Act;
  - ASIC issues an order (including an interim order) under section 739(1A) or 1020E(2) of the Corporations Act;
  - an application is made by ASIC for an order under Part 9.5 in relation to the Offer or the Disclosure Document and such application becomes public or is not withdrawn within two Business Days after it is made or by 5 December 2013;
  - ASIC commences any inquiry or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Offer or the Disclosure Document and such investigation or hearing becomes public or is not withdrawn within two Business Days after it is commenced or by 5 December 2013;
  - any person (other than a Joint Lead Manager) who has previously consented to the inclusion of their name or any statement in the Disclosure Document withdraws that consent; or
  - any person (other than a Joint Lead Manager) gives a notice under section 730 or section 1021J of the Corporations Act in relation to the Disclosure Document;
- (**withdrawal**) the Issuers withdraw the Disclosure Document or any part of the Offer;
- (**insolvency**) a Group Member is insolvent, or there is an act or omission made which is likely to result in a Group Member becoming insolvent;
- (**certificate not given**) a closing certificate is not given by the time required by, and in accordance with, the Offer Management Agreement; or
- (**unable to issue or transfer Securities**) the Issuers are prevented from allotting, issuing or transferring the Securities within the time required by the ASX Listing Rules, the ASX, ASIC, applicable laws, an order of a court of competent jurisdiction or a governmental agency.

If any of the following events occur at any time before the Allotment Date or such other time as specified below, then a Joint Lead Manager may terminate its obligations if, in the reasonable opinion of the Joint Lead Manager the event is material and adverse and makes it impracticable to proceed with the Offer, sale or delivery of the Securities; has, or is likely to have a materially adverse effect on the ability of the Joint Lead Managers to market or promote or settle the Offer; or gives rise to, or is likely to give rise to, any liability on the part of a Joint Lead Manager under any law or regulation:

- (**breach of laws**) there is a contravention by a Group Member of the Corporations Act, the Competition and Consumer Act 2010 (Cth) or the Australian Securities and Investments Commission Act 2001 (Cth), its constituent documents or any of the ASX Listing Rules;
- (**future matters**) any statement or estimate in the Disclosure Document (or other Offer documents) which relates to a future matter is, in the reasonable opinion of the Joint Lead Manager unlikely to be met in the projected timeframe;
- (**change of law**) a new law is or is proposed to be introduced or a new policy is or is proposed to be adopted;
- (**disclosures in Offer documents**) in the Joint Lead Managers' reasonable opinion, a statement contained in any materials used by the Issuers in marketing the Offer (other than the Disclosure Document) are misleading or deceptive or likely to mislead or deceive, or a matter required by the Corporations Act is omitted from an Offer document, or an Offer document otherwise fails to comply with the Corporations Act, the ASX Listing Rules or other applicable laws;
- (**Transaction steps**) any Transaction step fails to occur in accordance with the Merger Implementation Deed;
- (**disclosures in due diligence report**) the report produced by the due diligence committee established in connection with the Offer, or any other information supplied by or on behalf of the Issuers or any Group Member to the Joint Lead Managers in relation to the Group or the Offer is or is found to be misleading or deceptive or likely to mislead or deceive;
- (**material contracts**) a material contract: is altered without the consent of the Joint Lead Managers (such consent not to be unreasonably withheld, is terminated, withdrawn, rescinded, avoided or repudiated; is breached or is otherwise not capable of being performed in accordance with its terms; ceases to have effect, otherwise than in accordance with its terms; or is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and effect, or its performance is or becomes illegal;
- (**change in management**) a change to certain members of management, or of the Board of Directors of an Issuer occurs without the prior written consent of the Joint Lead Managers (not to be unreasonably withheld or delayed);
- (**breach**) an Issuer fails to perform or observe any of its obligations under the agreement;
- (**representations and warranties**) a representation or warranty contained in the agreement on the part of an Issuer is not true or correct;
- (**adverse change to the Group**) an event occurs which is or is likely to give rise to:
  - an adverse change in the assets, liabilities, financial position or performance, forecasts or prospects of the Group from those disclosed in any Offer document; or
  - an adverse change in the nature of the business conducted by the Group as disclosed in any Offer document;
- (**trading, banking moratorium or hostilities**) any of the following occurs:
  - trading is suspended or materially limited on the ASX, the London Stock Exchange, the Hong Kong Stock Exchange or the New York Stock Exchange;
  - a general moratorium on commercial banking activities is declared in Australia, the United Kingdom or the United States, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - an outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis in Australia, Japan, Singapore, Hong Kong, Russia, North Korea, South Korea, Syria, the United Kingdom, the United States or a member state of the European Union, or a major terrorist act is perpetrated on any of those countries;
- (**Offer timetable**) an event specified in the Offer timetable is delayed for more than three Business Days, unless otherwise agreed with the Joint Lead Managers (who must act reasonably).

13.3 MERGER IMPLEMENTATION DEED

On 25 September 2013, APN FM, AFML, APN, Industria Co and BTP Central entered into a Merger Implementation Deed pursuant to which the parties agreed to enter into a transaction involving the stapling of the shares in Industria Co with the units in the Trusts to create Industria and the offering of Securities in Industria pursuant to the Offer (**Merger and IPO**).

The Merger Implementation Deed sets out the parties' obligations in connection with the implementation of the Merger and IPO. A summary of the key elements of the Merger Implementation Deed is set out below.

(a) Conditions precedent

Implementation of the Merger and IPO is subject to conditions precedent which must be satisfied or waived before the Merger and IPO can be implemented. The conditions precedent are as follows:

- (**resolutions**) all resolutions of AWPF6 Securityholders in connection with the AWPF6 Transaction being passed by the requisite majorities at the AWPF6 Securityholder Meetings;
- (**third party consents**) all third party consents to effect the Merger and IPO are obtained on terms reasonably acceptable to APN FM;

- (**registration as managed investment scheme**) the registration of Trust 3 and Trust 4 with ASIC as managed investment schemes under the Corporations Act is obtained;
- (**admission**) admission of Industria to the Official List of the ASX and quotation and trading on a conditional and deferred settlement basis having commenced;
- (**regulatory approvals**) all approvals, waivers, modifications and exemptions which are necessary to implement the Merger and IPO having been obtained from each regulatory authority (e.g. ASIC and ASX) on the Business Day that the Securities commence trading on the ASX on a conditional and deferred settlement basis (**Stapling record date**);
- (**no adverse ruling**) no person takes any action or makes any preliminary or final order or decree (or commences or threatens to do so) which restrains or prohibits the implementation of the Merger and IPO;
- (**representations and warranties**) each of the representations and warranties given by the parties remains true and correct in all material respects;
- (**no prescribed events in respect of AWPF6 or APN FM**) no AWPF6 Prescribed Event or APN FM Prescribed Event (each as described below) occurring on or after the date of the Merger Implementation Deed (unless it is remedied within the required period);
- (**no AWPF6 material adverse change**) no AWPF6 Material Adverse Change (as described below) occurring (unless it is remedied within the required period); and
- (**IPO capital raise**) APN FM has provided AFML with written evidence that it holds in trust net proceeds from the Offer that are sufficient to discharge APN FM's obligation to pay Exiting Securityholders an amount equal in aggregate to at least $0.983 per AWPF6 Security.

The term '**AWPF6 Prescribed Event**' is defined in the Merger Implementation Deed. It covers events such as changes to AWPF6's capital structure, acquisitions or disposals of assets by AWPF6, entry into material contracts on behalf of AWPF6, deregistration of AWPF6 as managed investment schemes and AFML having its Australian Financial Services Licence suspended or cancelled.

The term '**APN FM Prescribed Event**' is defined in the Merger Implementation Deed. It covers events such as changes to the capital structure of Trust 3, Trust 4 or Industria Co.

The term '**AWPF6 Material Adverse Change**' is defined in the Merger Implementation Deed and means any event which is likely to reduce the net asset value of AWPF6 in AWPF6's financial statements for the year ended 30 June 2013 or which reduces the value of consolidated annual net profit after tax of AWPF6 by $350,000 or more.

(b) Exclusivity

During the period between the date of the Merger Implementation Deed and 31 December 2013 (or such later date agreed between APN FM and AFML) (**Exclusivity Period**), AFML must not:

- solicit or facilitate any offers from another person which would reasonably be expected to encourage or lead to a Competing Transaction (**No Shop Obligation**);
- negotiate or enter into any discussions with another person which would reasonably be expected to encourage or lead to a Competing Transaction (**No Talk Obligation**);
- enable any person to undertake due diligence investigations on the AWPF6 group for the purposes of obtaining, or which might reasonably be expected to lead to, a Competing Transaction (**No Due Diligence**).

The No Talk Obligation and the No Due Diligence Obligation do not apply to the extent that they restrict AFML or the AFML Board from taking any action with respect to a Competing Transaction if the AFML Board has determined that such Competing Transaction could become a Superior Proposal (defined below) and that failing to take such action would be reasonably likely to constitute a breach of the AFML Board's fiduciary or statutory obligations.

During the Exclusivity Period, AFML must use its best endeavours to procure that none of the Independent Directors of AFML change their recommendation in favour of the resolutions in connection with the AWPF6 Transaction to publicly recommend a Competing Transaction unless the AFML Board determines that the Competing Transaction would reasonably be likely to be a Superior Proposal and AFML has given APN FM the opportunity to provide a matching or superior proposal.

The term '**Competing Transaction**' is defined in the Merger Implementation Deed as any proposal, arrangement or transaction which is not proposed or supported by APN FM and which would result in:

- a person acquiring 10% or more of the AWPF6 Securities or all or a substantial part of the assets or business of AWPF6;
- AWPF6 merging with, being acquired by or becoming controlled by another entity or entities;
- the acquisition of AFML or the replacement of AFML as Responsible Entity of AWPF6; or
- the Directors of AFML being required to change or withdraw their recommendation in respect of the Merger or the Offer.

A Competing Transaction does not include any transaction relating to the acquisition of any of the securities in, or other assets of, entities in the Australand Property Group.

The term '**Superior Proposal**' is defined in the Merger Implementation Deed as a publicly announced bona fide Competing Transaction which the AFML Board determines:

- is reasonably capable of being completed taking into account all aspects of the Competing Transaction (including timing considerations and any conditions precedent); and
- would, if completed, be more favourable to AWPF6 Securityholders than the Merger and IPO.

(c) Termination

Termination on certain events

A party may terminate the Merger Implementation Deed by notice in writing to the other parties in the following circumstances:

- where another party is in material breach of the Merger Implementation Deed and the breach has not been remedied;
- where a condition has been breached or has not been fulfilled or where completion of the Merger and IPO has not occurred on or before 31 December 2013;
- by agreement in writing at any time;
- following the delivery of a notice by APN FM to AFML that the APN FM Board has determined that the Merger or IPO cannot proceed substantially on the terms contemplated by the Merger Implementation Deed; or
- if any step set out in the timetable contained in the Merger Implementation Deed for completion of the Merger and IPO is not achieved or met by more than four weeks after the date specified for that step in the timetable.

Termination by AFML
AFML may, by notice in writing to APN FM, terminate the Merger Implementation Deed if:

- the Independent Directors of AFML change their recommendation to AWPF6 Securityholders in relation to the resolutions that will be considered at the AWPF6 Securityholder Meeting; or
- any of APN FM, AFML, APN, Industria Co and BTP Central becomes insolvent.

Termination by APN FM
APN FM may, by notice in writing to AFML, terminate the Merger Implementation Deed if:

- an Independent Director of AFML changes his or her recommendation to AWPF6 Securityholders; or
- AFML or a member of the AWPF6 group becomes insolvent; or
- there is a shortfall in the net asset value of AWPF6 that is not remedied by AFML.

(d) Representations and warranties

Under the Merger Implementation Deed, the parties have given representations and warranties to each other which are considered to be normal for an agreement of this kind.

13.4 PROPERTY MANAGEMENT

(a) APN Property Management Agreement

Under this agreement, APN (or a wholly owned subsidiary) will have the option to provide property management and leasing services to Industria in respect of all properties held by Industria (subject to the Graystone Property Management Agreement). If APN opts to provide such services, it may sub-contract or novate certain services or all services in respect of a part or the whole of the property portfolio to one or more third parties.

The services that may be provided under this agreement include:

- promoting the properties and procuring new leases for vacant properties;
- managing existing leases and tenants;
- managing outgoings, expenses and capital requirements; and
- reporting to the Responsible Entity.

The APN Property Management Agreement may be terminated by Industria on 24 months' notice (or payment in lieu of notice), subject to early termination on default.

APN may terminate the APN Property Management Agreement on three months' notice.

A fee of up to 3% of the annual gross income plus a leasing fee equal to current market rates will be payable.

(b) Graystone Property Management Agreement

Under this agreement, an entity within the Graystone Group has been appointed as property manager in respect of any property owned by Industria in the BTP. If Industria acquires a new property in the BTP, Graystone is entitled to require that it also be appointed to manage that property. The services to be provided are the same as those being provided under the APN Property Management Agreement. The term of the agreement is five years, although it can be terminated earlier by Industria by the giving of three months' notice in writing.

A fee equal to 2.5% of the annual gross income plus a leasing fee based on current market rates is payable.

13.5 ACQUISITION OF INTEREST IN JV PROPERTY

The JV Property at 88 Brandl Street, BTP is owned by a joint venture comprising Harvest Zernike JV Pty Ltd and McKechnie Drive Pty Ltd, who hold the land in equal shares as tenants in common. Industria Co currently holds a 50% interest in McKechnie Drive Pty Ltd. The joint venturers share equally in the profit derived from the development.

Industria Co has entered into a conditional share sale and purchase agreement to acquire an additional 25% economic interest in the JV Property for market value consideration, by acquiring the balance of the shares in McKechnie Drive Pty Ltd. The agreement is conditional on the successful completion of the Offer and the receipt of any third party consents required. See Section 9.1 for further detail regarding the risks in respect of the JV Property.

Following completion of the acquisition, Industria Co will wholly own McKechnie Drive Pty Ltd and therefore hold a 50% economic interest in the JV Property.

13.6 APN CO-OPERATION DEED

APN and Industria have entered into the APN Co-operation Deed.

Under the APN Co-operation Deed, APN agrees that it will provide Industria with the first right of refusal in respect of any investment opportunity that meets the Industria investment mandate.

APN also agrees to provide ongoing support to Industria, including in relation to accounting and compliance, finance, capital transactions, investor relations, financial management and investment evaluation and implementation.

The APN Co-operation Deed terminates on the retirement or removal of APN FM as responsible entity of the Trusts.

13.7 GRAYSTONE CO-OPERATION AGREEMENT

The Graystone Co-operation Agreement relates to the provision of development management, property management and certain other services in respect of the land Industria owns in the BTP. It is for a term of five years, but may be terminated earlier by APN FM or Industria Co upon the giving of three months' notice in writing.

Under the agreement:

(a) Graystone must:

(i) formulate and submit to Industria proposals to develop its land within the BTP;

(ii) at Industria's cost, apply for and use its reasonable endeavours to obtain any approval, consent or permit necessary to subdivide the properties within the BTP which are capable of subdivision into smaller or discrete parcels; and

(iii) use its best endeavours to identify other investment opportunities within the BTP.

(b) In relation to certain undeveloped land within Industria's portfolio, Industria grants Graystone an option to acquire a property in the event that Graystone formulates a reasonable proposal in good faith but that proposal is rejected by Industria, or in respect of any property or properties subject to the agreement which have not been developed at the expiry of three years from the date the agreement commenced, or in the event of APN FM terminating the agreement early within the first three years of the term. If Graystone does not exercise its call option in respect of any undeveloped property at the end of the three year period, then Industria has the power to put any relevant property to Graystone and require it to purchase the property. The mechanism for setting the price in the event of either the put or the call option being exercised is detailed in the agreement and is based on an assessment of initial market value adjusted by 8% per annum.

(c) Industria agrees to enter into an agreement with Graystone to provide property management services to any property owned by the owner within the BTP. The Graystone Property Management Agreement is described above.

The Graystone Co-operation Agreement provides that the development of any specific parcel of BTP land will need to be documented in a separate development agreement. The separate agreement must accord with the conditions contained in the Graystone Co-operation Agreement but be adapted to suit the circumstances of each development, including the price to be paid, whether a put and call option arrangement should apply and the special conditions that will apply to the specific development.

Industria grants Graystone a first right of refusal to enter into an agreement on the same substantial terms as the Graystone Property Management Agreement in respect of any new properties added to its property portfolio which are located within the BTP and Graystone offers to give Industria a first right in relation to investment opportunities that it identifies as being available for purchase within the BTP.

13.8 INDUSTRIA CO MANAGEMENT AGREEMENT

Industria Co has entered into the Industria Co Management Agreement with APN FM for the provision by APN FM of management services to Industria Co in relation to Industria.

Pursuant to the Industria Co Management Agreement:

- APN FM is appointed to manage the assets of Industria Co on a day-to-day basis in accordance with the investment strategy of Industria;
- APN FM is appointed as Industria Co's intermediary with respect to the offer of securities by Industria Co to the extent that such offer may require an AFSL; and
- Industria Co is appointed as APN FM's authorised representative with respect to the provision of any financial services that might be provided by Industria Co which require Industria Co to hold an AFSL or be an authorised representative of an AFSL holder.

The term of the Industria Co Management Agreement will be for 10 years, with the agreement to continue, unless terminated, upon the giving of two years' notice at any time after the initial term, or on default. Further, in the event that APN FM is no longer the Responsible Entity of Industria, the Industria Co Management Agreement may be terminated by giving 12 months' notice or (at Industria Co's election) paying to APN FM the equivalent of 12 months' management fees.

Industria Co will pay APN FM a fee of up to 2% of its Gross Asset Value per annum in consideration for the provision of the management services.

13.9 CONSTRUCTION INDEMNITY DEED

Graystone has entered into the Construction Indemnity Deed with Industria, pursuant to which it guarantees performance under the building contracts in respect of 51A McKechnie Drive and the multi level car park, for a fixed price and a fixed term. The Construction Indemnity Deed prescribes that in the event of default, the builder will be liable for liquidated damages as a consequence of the buildings not being ready on time. Any liquidated damages due to Industria can be set off against any payments due under the building contracts including the retention sum. This mitigates any development risk which Industria may incur as a result of the development of property.

The construction involves building an office building and associated car park. The required completion dates are 29 September 2014 for the car park and 30 September 2014 for the office building. An agreement to lease has been entered into with the State of Queensland (Queensland Health) to lease the buildings upon completion for a term of six years with one option for a further term of four years and expected commencing rent of $1,280,270, with fixed increases of 3.5% annually.

14 ADDITIONAL INFORMATION

Building C, Homebush Bay Drive, Rhodes, NSW

14.1 ASX LISTING AND CHESS

The Issuers will apply to participate in the ASX's Clearing House Electronic Sub-register System (CHESS) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Securities become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register.

For all successful applicants, the Securities of a Securityholder who is a participant in CHESS or a Securityholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Securities will be registered on the issuer sponsored sub-register.

Following completion of the Offer, Securityholders will be sent a holding statement that sets out the number of Securities that have been allocated to them. This statement will also provide details of a Securityholder's Holder Identification Number for CHESS holders or, where applicable, the Securityholder Reference Number of issuer sponsored holders. Securityholders will subsequently receive statements showing any changes to their Securityholding. Certificates will not be issued.

Securityholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Securityholder's sponsoring broker, in the case of a holding on the CHESS sub-register, or through the Registry in the case of a holding on the issuer sponsored sub-register. The Issuers and the Registry may charge a fee for these additional issuer sponsored statements.

14.2 SALE FACILITY

Securityholders in the Trusts and Industria Co will receive Securities following the Stapling. These Securityholders have the option to elect to sell all or some of their Securities through the Sale Facility. The Securityholders who make this election and the Securityholders who make no election (**Exiting Securityholders**), together with each foreign AWPF6 Securityholder, will have their Securities sold by APN FM (or its nominee) as Sale Facility Agent to Investors who successfully apply for Securities pursuant to the Offer. Exiting Securityholders and foreign AWPF6 Securityholders will receive cash as consideration for the sale of their Securities.

Exiting Securityholders will make their election to sell their Securities by completing an election form and appointing APN FM (or its nominee) as their agent to sell the Securities on their behalf.

The final number of Securities to be sold by APN FM (or its nominee) through the Sale Facility will depend on the final level of selldown by Exiting Securityholders and the number of foreign AWPF6 Securityholders whose securities are sold. This will not be known until on or about 27 November 2013.

14.3 TRUST CONSTITUTIONS

Each of the Trusts has been separately constituted and has a Constitution. To the extent possible (without creating a new trust), the operative provisions of the Constitutions of Trust 3 and Trust 4 have been amended to be substantially similar to the operative provisions of the Constitutions of Trust 1 and Trust 2.

Some of the main provisions of the Trust Constitutions have been summarised below. Copies of the Trust Constitutions are available free of charge from APN FM's offices during normal business hours. The Constitutions are lengthy and complex documents and the following summary is not intended to be exhaustive.

(a) Units

The beneficial interest in each of the Trusts is divided into units. Each unit confers on the member a beneficial interest in the relevant trust as an entirety and does not confer an interest in a particular part of the trust or the trust's assets.

The Responsible Entity may issue units, options or other financial instruments in accordance with the Trust Constitutions. The Responsible Entity may accept or refuse, in whole or in part, any application for units without being bound to give any reason. Following the Completion Date, an issue of one Trust's units will not be permitted unless an equivalent number of attached securities in the other entities to be Stapled are also issued. The Responsible Entity may also create different classes of units.

(b) Issue price of units

The Trust Constitutions contain provisions for calculating the issue price of units. The Trust Constitutions also allow the Responsible Entity to determine a different issue price in relation to some units, a class of units or all units to the extent that it is permitted to do so by the Corporations Act, the ASX Listing Rules and any applicable ASIC exemption or modification. Generally, the Constitutions allow the Responsible Entity to issue listed Securities:

- as part of an IPO, at a price which is not less than 90% of the net asset value of the Securities;
- at market price other than in the case of rights offers, placements and distribution reinvestment;
- in the case of a rights offer, at a price which is not less than 50% of the market price;
- in the case of a placement, at a price determined by the Responsible Entity provided that it complies with any ASIC Relief; and
- in the case of a distribution reinvestment, at a price which is not less than 90% of the market price.

(c) Stapling

The Trust Constitutions provide that the Responsible Entity of a Trust may staple the securities of another entity to units in that Trust. Generally the stapling provisions provide as follows:

- the provisions in the Constitutions relating to Stapling take effect on and from the Completion Date;
- each unit in a Trust will remain stapled to a security of a stapled entity for so long as the stapling provisions apply;
- as far as the law permits, a unit and another security may be traded as one security;
- the Responsible Entity may take any action to have the units unstapled from an attached security;
- on and from the unstapling, stapled securities will cease to be stapled; and
- a transfer of a Trust unit will only be accepted as a proper transfer if the transfer is accompanied by a transfer of the security stapled to the Trust.

(d) Income

The Responsible Entity must, in each financial year, determine the distributable income of a Trust. Unless determined otherwise, the distributable income for a financial year is the amount which, if distributed, would prevent the Responsible Entity being liable to tax on the income of the Trust under section 99 and 99A of the Tax Act for a financial year as if the period is a year of income and any additional amount which the Responsible Entity considers appropriate for a distribution period.

(e) Redemption and transfer

No redemptions are permitted whilst units or securities are quoted on the ASX. Transfers of units or securities stapled to units while they are quoted on the ASX must be made in accordance with the operating rules of the relevant clearing and settlement operator.

(f) Responsible Entity's powers and duties

The Responsible Entity holds each Trust's assets on trust and may manage the assets as if it were the absolute and beneficial owner of them acting in its personal capacity.

In the exercise of its powers, the Responsible Entity may, without limitation:

- borrow or raise money (whether or not on security);
- enter into any swap or other hedging arrangements;
- mix assets with the assets of any other person or trust; and
- give guarantees and indemnities.

The Responsible Entity may appoint delegates or agents to perform any act or exercise any of its powers.

(g) Responsible Entity liability and indemnity

The Responsible Entity is not liable in contract, tort or otherwise to members for any loss suffered in any way relating to a Trust except to the extent that the Corporations Act imposes such liability.

The Responsible Entity has a right to be indemnified out of the assets of each Trust in respect of any liability incurred by it in properly performing its duties.

(h) Member liability

The liability of members is generally limited to the amount (if any) that remains unpaid in relation to a member's subscription for units in a Trust. However, the Responsible Entity is indemnified by members for any tax, bank fees or charges of the member paid out of the Trust, except to the extent that the Responsible Entity is reimbursed out of the Trust.

(i) Interested dealings

The Responsible Entity and/or any of its associates may hold units or options in each Trust in any capacity. Subject to the Corporations Act, nothing in the Constitutions restricts the Responsible Entity and/or any of its associates from:

- dealing with the Responsible Entity (as Responsible Entity of the Trust or in another capacity), an associate of the Responsible Entity or with any member;
- being interested in any contract or transaction with the Responsible Entity (as Responsible Entity of the Trust or in another capacity), any stapled entity, an associate of the Responsible Entity or with any member, or retaining for its or their own benefit any profits or benefits derived from any such contract or transaction; or
- being interested in any contract or transaction with itself (as trustee of the Trust or in another capacity), any stapled entity, an associate, any member or with any other person, or retaining for its own benefit any profits or benefits derived from any such contract or transaction; or
- acting in the same or a similar capacity in relation to any other trust or managed investment scheme.

(j) Restructure proposal

The Trust Constitutions grant broad powers to the Responsible Entity to implement a scheme of arrangement, a merger arrangement or a similar proposal in relation to a Trust.

If, in the Responsible Entity's opinion, the proposal might adversely affect the rights of members, the proposal may only be implemented with the approval of an ordinary resolution.

If the proposal involves stapling, the Trust Constitutions provide that members will be taken to have consented, and accordingly no approval will be required, in relation to stapling, provided that each Security issued to members has a market price equal to or greater than the net asset value price immediately prior to the stapling; and the members will be taken to have consented to each provision in the constituent documents.

The Responsible Entity is also empowered to give effect to any necessary modifications or variations to the terms of any proposal which are not expressly provided for in the terms of the proposal. Members are taken to have authorised the Responsible Entity to make these amendments to the Trust Constitutions and are taken to have agreed that their rights under the Trust Constitutions are not adversely affected by these amendments.

(k) Amendment of a Constitution

The Responsible Entity of a Trust may amend a Trust Constitution if it considers that the amendment will not adversely affect the rights of members. Members may amend a Trust Constitution by a special resolution.

(l) Meetings

Members' rights to requisition, attend and vote at meetings are generally as prescribed by the Corporations Act.

(m) Winding up

The Trusts will generally terminate and commence winding up on the earlier of:

- the date determined by the Responsible Entity;
- 80 years less one day from the commencement date of the Trust; or
- the date that the Trust is otherwise terminated in accordance with the Constitution or by law.

(n) Fees

The Trust 1 and Trust 2 (AWPF6) Constitutions provide that the Responsible Entity is entitled to a management fee of 0.4% per annum of the value of the assets.

The Trust 3 and Trust 4 Constitutions provide that the Responsible Entity is entitled to a management fee of up to 1% per annum of the value of the assets.

All expenses incurred by the Responsible Entity in relation to the proper performance of its duties in respect of each Trust are payable or reimbursable out of the Trust assets.

A further discussion of the fees is contained in Section 12.

(o) AWFP6 Constitutions

The AWPF6 Constitutions contain a provision:

- requiring the Responsible Entity to hold meetings every fifth calendar year to consider an extraordinary resolution to terminate the Trust; and
- entitling the Responsible Entity to a performance fee of 35% of the portion of the returns which exceeds an internal rate of return exceeding 11%.

APN FM intends to put resolutions to Securityholders to remove these provisions from the AWPF6 Constitutions at the first meeting after Industria is listed on the ASX. It may be that other constitutional amendments are also put to Securityholders at this meeting.

14.4 INDUSTRIA CO CONSTITUTION

The rights attached to the Industria Co shares are set out in the Industria Co Constitution. Some of the main provisions of the Industria Co Constitution have been summarised below. A copy of the Industria Co Constitution is available free of charge from APN FM's offices during normal business hours in the Offer Period. The Industria Co Constitution is a lengthy and complex document and the following summary is not intended to be exhaustive.

(a) Directors

Industria Co must have at least three Directors but must not have more than 10 Directors.

(b) Indemnification of the Industria Co Directors

To the extent permitted by law, Industria Co is required to indemnify each current and former Director, company secretary or executive officer of Industria Co against all liabilities incurred by them in that capacity, as well as against any legal costs incurred in defending or resisting proceedings in which that person becomes involved because of that capacity. Industria Co may pay a premium on an insurance policy that insures such a person against liability incurred by that person in that capacity.

(c) Issuing shares

The Directors of Industria Co may, subject to the Industria Co Constitution, the Corporations Act and the ASX Listing Rules, from time to time, issue further shares on such terms and conditions as they see fit. While Stapling applies, no ordinary shares may be issued without a corresponding issue of Securities in the Stapled entity.

(d) Variation of rights

Subject to the ASX Listing Rules, the rights attached to shares may be varied with the consent in writing of shareholders holding three quarters of the shares or by a special resolution passed at a separate meeting of the holders of the shares in accordance with the Corporations Act.

(e) Meeting and notices

Each shareholder and Director of Industria Co is entitled to receive (including by electronic means) notice of general meetings of Industria Co and to attend and vote at those meetings. Three shareholders must be present to constitute a quorum for a general meeting, and no business may be transacted at any meeting (except, the election of a Chairman and, in certain cases, an adjournment), unless the quorum required is present at the start of the meeting when that business is transacted.

(f) Voting

Subject to restrictions on voting from time to time affecting the shares and any restrictions imposed by the Corporations Act or the ASX Listing Rules, each shareholder has the right to cast one vote on a show of hands and, on a poll, one vote for each share held.

(g) Dividends

Where the Industria Co Board determines that a dividend is payable, it will be paid on all shares proportionally in accordance with the number of shares held (assuming those shares are fully paid). The Board has the power to decide whether to pay shareholders an interim dividend on account of the next forthcoming dividend.

(h) Transfer

Shares may be transferred in any manner required or permitted by the ASX Listing Rules or the relevant settlement rules and by any instrument in writing in any usual or common form or in any other form that the Board approves. The Board may only refuse to register a transfer of shares (or other securities in Industria Co) as permitted by the ASX Listing Rules or the relevant settlement rules.

(i) Stapling

The following provisions of the Industria Co Constitution apply to shares stapled to other securities:

- once shares and other securities are stapled, they must only be issued, transferred or otherwise dealt with together;
- meetings of shareholders must be held in conjunction with meetings of holders of securities attached to the shares; and
- a shareholder cannot transfer their shares unless the attached security or securities are also transferred.

14.5 APN FM AND INDUSTRIA CO DIRECTORS' INTERESTS AND REMUNERATION

Director remuneration

APN FM and Industria Co Directors receive arm's length Directors' fees in relation to their role, which are paid by APN on a Group wide basis. These fees do not relate specifically to Industria. The remuneration of Directors of APN FM is borne by APN out of its own funds and not out of the assets of Industria.

Deeds of access, indemnity and insurance for Directors

Each APN FM and Industria Co Director is indemnified under a Deed of Access, Indemnity and Insurance on standard terms. To the extent permitted by law, each Director is indemnified against any liability incurred in connection with their role. The indemnity provided by APN FM may be enforced against APN FM only if the liability for which a Director seeks to be indemnified was incurred in connection with an entity of which APN FM is trustee or responsible entity and only to the extent that APN FM's liability to the Director can be satisfied out of the assets of the relevant fund. Under the terms of the Deed of Access, Indemnity and Insurance, APN is also required to ensure that adequate Directors' and officers' insurance is maintained in favour of the Directors.

Directors' holdings

Directors are not required under the Constitutions to hold any Securities in Industria. The Directors (and their associates) are entitled to apply for Securities in the Offer.

Directors do not currently hold any Securities in the Trusts or Industria Co and will not acquire Securities in connection with the Offer.

14.6 RELATED PARTY HOLDINGS/ TRANSACTIONS

Related party transactions can carry a risk that they could be assessed and monitored less rigorously than arm's length third party transactions. It is important for investors to be able to assess whether APN FM takes an appropriate approach to related party transactions.

APN FM manages related party transactions and conflicts of interest issues through the application of its governance arrangements, which include Board consideration or investment committee approval of all investment related transactions. All related party transactions are scrutinised to ensure they are in compliance with regulatory requirements. APN FM has adopted the APN Related Party Transaction and Conflicts of Interest Policy, which provides guidance on the management of related party transactions and conflicts of interest.

Whenever a transaction presents an actual or potential conflict of interest for Industria, it will be conducted in accordance with this policy. Under this policy and the law, APN FM is required to act in the best interests of investors and to ensure that principal and agent transactions with a related party are conducted at arm's length and on commercial terms or better.

APN FM has controls in its related party transaction policy management system including:

- monitoring and assessing transactions by staff regarding related party transactions;
- ensuring that any relevant transaction is on 'arm's length' terms;
- monitoring and reviewing transactions by the compliance officer for compliance with this policy; and
- referring transactions to the Independent Directors of APN FM for compliance with this policy.

APN and its related parties and associates (including APN FM managed funds) will collectively hold 15% of the Securities on issue after completion of the Offer. Any new investment will be made on an arm's length basis on the same terms as those applicable to other Investors in Industria. Securityholder approval of APN's and its related parties' and associates' investment in Industria will not be sought, as those investments will be made on arm's length terms. The investment by APN and its related parties and associates complies with APN's Related Party Transaction and Conflicts of Interest Policy and does not carry any risk for other investors in Industria.

All other agreements entered into by APN FM and related parties in relation to Industria are on arm's length terms or better from the perspective of Industria and comply with the APN Related Party Transaction and Conflicts of Interest Policy.

14.7 CONSENTS

The persons listed in the following table have given and have not, before the lodgement of this Disclosure Document with ASIC, withdrawn their written consent to:

(a) be named in the Disclosure Document in the form and context in which they are named;

(b) the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in the Disclosure Document; and

(c) the inclusion of other statements in this Disclosure Document which are based on or referable to statements made in those reports or statements, or which are based or referable to other statements made by those persons in the form and context in which they are included.

Table 13: Consents

Name of person	Named as	Report or Statement
Deloitte Corporate Finance Pty Ltd	Investigating Accountant	Investigating Accountant's Report in Section 7
Macquarie Capital (Australia) Limited	Bookrunner and Joint Lead Manager	
UBS AG, Australia Branch	Bookrunner and Joint Lead Manager	
ANZ Securities Limited	Joint Lead Manager	
RBS Morgans Corporate Limited	Joint Lead Manager	
Evans and Partners Pty Ltd	Co-Lead Manager	
Bell Potter Securities Limited	Co-Manager	
Macquarie Equities Limited	Co-Manager	
UBS Wealth Management Australia Limited	Co-Manager	
Savills	Valuer	Independent Market Report in Section 4
Savills	Valuer	Independent Property Valuations in Section 8
Colliers	Valuer	Independent Property Valuations in Section 8
Herbert Smith Freehills	Legal Adviser	
Hall & Wilcox	Legal Adviser	
PricewaterhouseCoopers	Taxation Adviser	Sections 11.1 to 11.4
Reid Advisory	Consultant	
Link Market Services Limited	Registry	
Deloitte Touche Tohmatsu	Auditor	
Graystone	Party to Graystone Co-operation Agreement	

None of the persons referred to above has made any statement that is included in this Disclosure Document or any statement on which this Disclosure Document is based, other than any statement or report included in this Disclosure Document with the consent of that person as specified above.

Each of the persons referred to above:

- has not authorised or caused the issue of this Disclosure Document, and makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in this Disclosure Document; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Disclosure Document other than references to its name or a statement or report in this Disclosure Document with the consent of that person as specified above.

Each Director of APN FM and Industria Co has given and has not, before lodgement of this Disclosure Document with ASIC, withdrawn their consent to be named in this Disclosure Document as a Director in the form and context in which they are named and for the statements made by and on behalf of them to be included in this Disclosure Document.

14.8 INTERESTS OF ADVISERS

The Issuers have engaged the following professional advisers:

- Macquarie Capital (Australia) Limited, UBS AG, Australia Branch, RBS Morgans Corporate Limited and ANZ Securities Limited are acting as Joint Lead Managers, and Evans and Partners as Co-Lead Manager. The Issuers have agreed to pay the Joint Lead Managers and the Co-Lead Manager the fees described in Sections 10.5 and 13.2, respectively, for those services. In addition, the Issuers have agreed to pay Macquarie Capital (Australia) Limited and UBS AG, Australia Branch, in their capacity as Bookrunners, the fees described in Section 13.2 for those services.
- Herbert Smith Freehills has acted as Australian legal adviser to the Issuers in relation to the Offer (other than in respect of the matters for which Hall & Wilcox has been engaged and taxation matters). The Issuers have paid, or agreed to pay, approximately $656,250 (excluding disbursements and Goods and Services Tax (**GST**)) for these services in respect of the Offer.
- Hall & Wilcox has acted as Australian legal adviser to the Issuers and APN in relation to the Offer in respect of legal due diligence, stamp duty, APN Fund restructuring and approvals, preparation of management and other agreements, debt financing and various other matters. The Issuers have paid, or agreed to pay, approximately $795,000 (excluding disbursements and GST) for these services in respect of the Offer.
- Deloitte Corporate Finance Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report and has performed work in relation to due diligence enquiries. The Issuers have paid, or agreed to pay, approximately $330,000 (excluding disbursements and GST) for the above services in respect of the Offer.
- PwC has prepared sections 11.1 to 11.4 of this Disclosure Document in its capacity as the Issuer's Taxation Adviser. The Issuers have paid, or agreed to pay, approximately $160,000 (excluding disbursements and GST) for the services PwC has provided to the Issuers in connection with this Disclosure Document.
- Reid Advisory has provided various consulting services to APN FM in respect of the Offer, including project management. The Issuers have paid, or agreed to pay, approximately $130,000 (excluding disbursements and GST) for the above services in respect of the Offer.

Further amounts may be paid to one or more of the parties above based on time based charges following the date of this Disclosure Document.

14.9 INTERESTS OF EXPERTS

- Savills has prepared the Independent Market Report. APN FM has paid, or agreed to pay, approximately $4,000 (excluding GST) to Savills for the provision of the Independent Market Report.
- Savills has prepared the Independent Property Valuations in respect of certain properties in the Portfolio. APN FM has paid, or agreed to pay, approximately $75,500 (excluding GST) to Savills for the provision of the Independent Property Valuations in respect of these properties.
- Colliers has prepared the Independent Property Valuations in respect of certain properties in the Portfolio. APN FM has paid, or agreed to pay, approximately $95,500 (excluding GST) to Colliers for the provision of the Independent Property Valuations in respect of these properties.

These expenses will be paid out of funds raised under the Offer.

14.10 ACCESSING INFORMATION ABOUT INDUSTRIA

APN FM will regularly communicate with Securityholders through:

- audited annual financial reports;
- reviewed half-year financial reports; and
- any continuous disclosure notices given by Industria.

There will also be a website that will provide information on Industria, including access to half-year and annual reports and distribution statements.

Industria, as a disclosing entity, will be subject to regular reporting and disclosure obligations.

14.11 ETHICAL CONSIDERATIONS

While APN FM intends to conduct itself in an ethical and sound manner in relation to Industria, Industria's investment criteria do not give additional weight to labour standards or environmental, social or ethical considerations when making or realising an investment of Industria.

14.12 ASX RELIEF

In order to conduct the Offer, the Issuers have sought, and been granted, the following waivers to the Listing Rules by ASX:

- confirmation that the structure and operations of Industria are appropriate for a listed entity; and
- customary stapling waivers in relation to Listing Rules 1.1 (condition 7 and condition 8), 2.1 (condition 2) and 8.10 to allow the stapled schemes and company to be treated as a single stapled economic entity.

14.13 ASIC RELIEF

The Issuers have sought from ASIC customary stapling relief modifying Parts 5C.2 and 5C.7, 6D.2 and 7.9, as well as section 601GAA of the Corporations Act to allow the Trusts and Industria Co to be treated as a single stapled economic entity.

The Issuers have also sought from ASIC relief in connection with section 1015C to permit the Disclosure Document to be sent to AWPF6 Securityholders together with the Notice of Meeting, and relief in connection with Division 5A of Part 7.9 of the Corporations Act to confirm that Division 5A does not apply to the extension of the Sale Facility to AWPF6 Securityholders.

14.14 AML AND CTF

By applying for Securities, you are taken to agree to the following terms:

- you warrant that you comply with all applicable anti-money laundering laws and regulations, including but not limited to the anti-money laundering laws and regulations of Australia (in force from time to time);
- you are not aware and have no reason to suspect that:
  - the money used to fund your investment in Industria has been or will be derived from or related to any money laundering or other activities deemed illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement ('illegal activities'); or
  - the proceeds of your investment in Industria will be used to finance illegal activities; and
- you agree to promptly provide us with all information that we reasonably request in order to comply with all applicable laws and regulations relating to money laundering.

14.15 COMPLAINTS HANDLING

If you have a complaint, then please contact us directly. APN FM has a complaints handling and dispute resolution procedure which it follows to acknowledge, investigate, respond to and resolve complaints by Securityholders.

APN FM will endeavour to acknowledge both written and verbal complaints immediately and in any event within five Business Days following receipt. APN FM will investigate the complaint with a view to resolving it and advise you as soon as possible. APN FM will finally resolve the complaint within 45 days of receipt of the complaint.

If you are not satisfied with APN FM's response, you can refer your complaint to the Financial Ombudsman Service (FOS), an external complaints handling body that provides an independent assessment of your complaint.

FOS' contact details are:

GPO Box 3, Melbourne, VIC, 3001
Telephone: 1300 78 08 08
Email: info@fos.org.au
Website: www.fos.org.au

14.16 COSTS OF OFFER

If the Offer proceeds, the total estimated net costs to Industria in connection with the Offer, including advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses, are currently estimated to be approximately $12.2 million. This includes the fees payable to the advisers as set out in Section 14.8.

14.17 PRIVACY

The Broker Firm Retail Offer Application Form, the Broker Firm Sophisticated Offer Application Form and the Priority Offer Application Form require you to provide information that may be personal information for the purposes of the Privacy Act 1988 (Cth) (as amended) (Privacy Act). APN FM as the Responsible Entity and manager of Industria (and the Registry on its behalf) collects, holds and uses that personal information to assess your Application, service your needs as an Investor, provide facilities and services that you request and to administer Industria. The Corporations Act requires certain particulars of securityholders to be collected and maintained in a public register.

Access to information may also be provided to APN FM's agents and service providers on the basis that they deal with such information as required by law. If you do not provide the information requested of you in the Application Form, the Registry may not be able to process your Application for Securities appropriately.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) APN FM. You can request access to your personal information by telephoning or by writing to the Registry.

14.18 APPLICATION FORM

Returning the Application Form will be taken to constitute a representation by the applicant that they:

- have received a printed or electronic copy of the Disclosure Document (and any supplementary or replacement document) accompanying the Application Form and have read them all in full;
- agree that their Application is completed and lodged in accordance with this Disclosure Document and subject to the declarations and statements on the Application Form;
- declare that all details and statements in the Application Form are complete and accurate;
- acknowledge that once the Application Form is returned, it may not be withdrawn;
- agree to be issued the number of Securities referable to the value they apply for (or a lower number as determined in accordance with this Disclosure Document);
- if natural persons, are at least 18 years old and do not suffer from any legal disability preventing them from applying for Securities; and
- authorise the Issuers, and the Joint Lead Managers and their officers and agents, to do anything on their behalf necessary for Securities to be issued to them, including to act on instructions received by the Registry using their contact details in the Application Form.

14.19 LITIGATION AND CLAIMS

As far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Issuers are directly or indirectly concerned which are likely to have a material adverse effect on the business or financial position of Industria or the Issuers.

14.20 GOVERNING LAW

This Disclosure Document and the contracts that arise from the acceptance of the Applications and bids are governed by the law applicable in Victoria, and each applicant under this Disclosure Document submits to the non-exclusive jurisdiction of the courts of Victoria.

14.21 INDIVIDUAL INCOME STATEMENT RECONCILIATIONS

A reconciliation between the actual income statements of each of the entities which make up Industria to the pro forma income statement for the year ended 30 June 2013 is shown below:

Table 14: Individual entity pro forma income statements

	Notes	Industria Co	Trust 1	Trust 2	Trust 3	Trust 4	Aggre-gated actual	Pro forma adjust-ments	Pro forma com-bined Group
		$M	$M	$M	$M	$M	$M	$M	$M
Income									
Net rental income		6.5	16.0	1.9	3.0	1.0	**28.4**		**28.4**
Share of equity accounted profit/(loss)		0.1	-	-	-	-	**0.1**		**0.1**
Expenses									
Fund management fee	(1)	-	(0.8)	-	(0.5)	-	**(1.3)**	(0.7)	**(2.1)**
Recurring fund costs	(2)	-	(0.7)	-	(0.1)	-	**(0.7)**	0.1	**(0.6)**
Net operating income (EBIT)		**6.6**	**14.6**	**1.9**	**2.4**	**1.0**	**26.5**		**25.9**
Interest income		-	-	-	0.1	-	**0.1**	(0.1)	**-**
Interest expense	(3)	(3.5)	(4.7)	-	(1.5)	(0.6)	**(10.3)**	4.0	**(6.2)**
Net income before tax		**3.1**	**9.9**	**1.9**	**1.0**	**0.5**	**16.3**		**19.7**
Income tax expense	(4)	(1.6)	-	-	-	0.2	**(1.4)**	0.4	**(1.1)**
Net income after tax (before other items)		**1.5**	**9.9**	**1.9**	**1.0**	**0.6**	**14.9**		**18.6**
Other items									
Unrealised gains in fair value of investment properties/derivatives	(5)	2.2	5.7	1.2	(1.0)	(1.1)	**7.1**	(7.1)	**-**
Losses on disposal of investment properties	(6)	-	-	-	(0.7)	-	**(0.7)**	0.7	**-**
Net income after tax		**3.8**	**15.6**	**3.1**	**(0.6)**	**(0.4)**	**21.3**		**18.6**

Notes:

Pro forma adjustments have been made to reflect the following:

- Adjustments to reflect the stapled group, capital and cost structure:

1. Fund management fee – the pro forma adjustment reverses actual management fees and applies the new management fee of 0.55% using the book value of assets at 30 June 2013.
2. Recurring fund costs – the pro forma adjustment reverses actual recurring fund costs and reflects the forecast recurring fund costs for Industria.
3. Interest expense – pro forma adjusted to eliminate actual net interest expense incurred and reflect pro forma interest expense based on the forecast interest rates and assuming debt levels consistent with the new capital structure (assuming an LVR of 35% based on the value of investment property assets at the end of the respective financial year).
4. Income tax expense – the pro forma adjustment reverses the actual income tax expense and applies a pro forma income tax expense that would have been payable under the proposed Industria structure (refer to Section 6).

- Other adjustments:

5. Reversal of mark-to-market adjustments to the fair value of investment properties and other financial assets recognised in the historical income statements.
6. Reversal of the loss made on the disposal of an investment property.

14.22 RECONCILIATION OF INDIVIDUAL BALANCE SHEETS TO THE PRO FORMA COMBINED BALANCE SHEET AT COMPLETION DATE

A reconciliation of the actual balance sheets of the individual entities which comprise Industria as at 30 June 2013 and the pro forma combined balance sheets as at Completion Date is shown below:

Table 15: Individual entity pro forma balance sheets

	Industria Co	Trust 1	Trust 2	Trust 3	Trust 4	Aggre-gated actual	Adjustments A	B	C	Comple-tion
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Assets										
Cash and cash equivalents	1.5	1.5	0.1	2.3	0.2	5.7	0.1	(2.5)	0.5	3.8
Trade and other receivables	5.3	9.0	0.1	0.1	0.1	14.7	(13.9)			0.8
Other current assets	0.1	0.2	-	-	-	0.4				0.4
Total current assets	**7.0**	**10.7**	**0.2**	**2.5**	**0.4**	**20.8**				**5.0**
Investment property	85.0	188.0	24.0	32.8	26.4	356.2		17.1		373.3
Other non-current assets	0.1	0.1	-	-	-	0.2	7.0			7.2
Total non-current assets	**85.2**	**188.1**	**24.0**	**32.8**	**26.4**	**356.4**				**380.4**
Total assets	**92.1**	**198.8**	**24.2**	**35.3**	**26.8**	**377.2**	**(6.8)**	**14.6**	**0.5**	**385.5**
Liabilities (excl. liabilities attributable to unitholders)										
Trade and other payables	(11.2)	(3.5)	(9.0)	(0.4)	(6.0)	(30.1)	23.0	(1.0)		(8.1)
Derivative instruments	-	-	-	(0.1)	-	(0.1)				(0.1)
Short-term borrowings	(0.8)	-	-	-	-	(0.8)			0.8	-
Distribution payable	-	(2.6)	(0.5)	(0.4)	-	(3.5)		3.5		-
Total current liabilities	**(12.0)**	**(6.1)**	**(9.5)**	**(0.9)**	**(6.0)**	**(34.5)**				**(8.2)**
Trade and other payables	(0.4)	(0.1)	(0.1)	-	-	(0.6)				(0.6)
Deferred tax liability	(3.9)	-	-	-	(1.8)	(5.7)	2.2	0.2		(3.2)
Long-term borrowings	(53.7)	(69.0)	-	(21.2)	(15.0)	(158.8)	(4.6)	(4.5)	36.4	(131.4)
Total non-current liabilities	**(57.9)**	**(69.1)**	**(0.1)**	**(21.2)**	**(16.8)**	**(165.0)**				**(135.2)**
Total liabilities (excl. liabilities attributable to unitholders)	**(69.9)**	**(75.2)**	**(9.6)**	**(22.1)**	**(22.7)**	**(199.5)**	**20.6**	**(1.8)**	**37.2**	**(143.5)**
Liabilities attributable to unitholders	**-**	**-**	**-**	**(13.2)**	**-**	**(13.2)**	**13.2**			**-**
Net assets	**22.2**	**123.5**	**14.6**	**-**	**4.1**	**164.4**	**27.0**	**12.8**	**37.8**	**242.0**
Equity										
Contributed equity	-	138.0	15.4	-	-	153.4	29.3		41.2	223.9
Retained earnings	22.2	(14.5)	(0.8)	-	4.1	11.0	(2.3)	12.8	(3.4)	18.1
Equity	**22.2**	**123.5**	**14.6**	**-**	**4.1**	**164.4**	**27.0**	**12.8**	**37.8**	**242.0**

The pro forma balance sheet as at Completion Date is based on the following information and material assumptions:

A. Adjustments to reflect the company structure at Completion Date

- The acquisition and subsequent consolidation of the remaining 50% of McKechnie Drive Pty Ltd which Industria Co currently does not own as well as the revaluation to fair value of the underlying property. These adjustments are reflected in the following line items: cash (up $0.1 million), other non-current assets (up $7.0 million), trade and other payables (up $1.0 million), deferred tax liability (up $0.6 million) and retained earnings (up $0.8 million).
- The conversion of a $10.1 million intercompany loan from APN DF1 Holdings (the single shareholder of Industria Co) into contributed equity. This adjustment reduces trade and other payables ($10.1 million) and increases contributed equity ($10.1 million).
- Elimination of intercompany balances between entities that comprise Industria. These adjustments reduce trade and other receivables by $13.8 million and reduce trade and other payables by $13.8 million.
- Adjustments to deferred tax liability of Trust 4 which is derecognised once Trust 4 becomes a standalone trust and a reduction in the deferred tax liability for transaction costs that relate to Industria Co. This adjustment reduces the deferred tax liability ($2.8 million) and increases retained earnings ($2.8 million).
- Reclassification of units in Trust 3 from liability to equity, reflecting the change in Constitution that will be effected as part of the transaction. It should be noted that in the accounts of Trust 3, the net position of $13.2 million comprises contributed equity of $19.2 million and retained losses of $6.0 million. This adjustment eliminates liabilities attributable to unitholders ($13.2 million) and reinstates/increases contributed equity of $19.2 million and reinstates retained losses of $6.0 million.

B. Adjustments to reflect significant balance sheet movements in the period from 30 June 2013 to Completion Date

- Increase in valuations. The adjustment relates to net property revaluation gains between 30 June 2013 and 30 September 2013 in relation to properties owned by: Industria Co $0.8 million (decrease), Trust 1 $9.8 million (increase), Trust 2 $1.3 million (increase), Trust 3 $2.7 million (increase) and Trust 4 $0.4 million (decrease). These adjustments are reflected in the following line items: investment property ($12.6 million) and retained earnings ($12.6 million). Associated with the devaluation in Industria Co, there is also a decrease to Industria's deferred tax liability of $0.2 million and a corresponding increase in retained earnings.
- Capex on 51A McKechnie Drive and the multi level car park. The adjustment relates to forecast expenditure from 1 July 2013 to Completion Date on 51A McKechnie Drive and the multi level car park (BTP assets) that are currently under construction. This adjustment increases investment property ($4.5 million) and long-term borrowings ($4.5 million).
- Trade and other payables. An increase in accrued but unpaid incentives arising post 30 June 2013 of $1.0 million.
- Payment of distributions. The adjustment relates to the assumed payment of the distribution accruals in respect of 30 June 2013 in accordance with the Merger Implementation Deed. This adjustment reduces cash ($3.5 million) and distribution payable ($3.5 million).

C. Adjustments to reflect the new equity and debt structure

- The raising of $225.0 million under the Offer through the issue of 112.5 million Securities at an Offer Price of $2.00 per Security, with proceeds applied as follows:
  - $175.8 million to fund the purchase of Securities via the Sale Facility;
  - $36.5 million to partially fund the repayment of existing debt facilities which are expected to be $164.2 million excluding debt associated with the JV. The balance of $127.7 million will be refinanced with new drawn debt;
  - $12.2 million to fund Industria's share of Transaction costs (which are reduced from $13.9 million as a result of APN FM making an upfront contribution of $1.7 million to the establishment costs incurred by Industria), of the total costs of $12.2 million, $8.0 million has been charged to equity, $3.4 million has been charged to the income statement and $0.8 million has been capitalised as borrowing costs; and
  - $0.5 million retained as working capital.

14.23 STATEMENT OF DIRECTORS

Each Director of APN FM and Industria Co as at the date of this Disclosure Document has consented to the lodgement of this Disclosure Document with ASIC and has not withdrawn that consent.

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GLOSSARY

88 Brandl Street, Brisbane Technology Park, QLD

Term	Definition
ABN	Australian Business Number
ACN	Australian Company Number
ADF1	APN Development Fund No. 1 ARSN 113 737 652
AFML	Australand Funds Management Limited ABN 64 122 477 776
AFSL	Australian Financial Services Licence
Allotment Date	The date of allotment of Securities, expected to be 6 December 2013
AML/CTF Act	Anti-Money Laundering and Counter-Terrorism Financing Act 2006
Application	An application for Securities under the Offer described in this Disclosure Document
Application Form	Each of the paper and electronic application forms attached to, or accompanying this Disclosure Document upon which an Application may be made
Application Monies	Monies received by the Issuers from Investors in respect of subscribing for Securities in Industria
APN	APN Property Group Limited ACN 109 846 068, a company listed on the ASX (ASX code APD)
APN Co-operation Deed	The co-operation deed entered into between APN and Industria as summarised in Section 13.6
APN DF1 Developments	APN DF1 Developments (Qld) Pty Limited (ABN 61 010 794 957) (which has been renamed Industria Company No. 1 Pty Limited)
APN DF1 Holdings	APN DF1 Holdings (Qld) Pty Limited (ABN 91 010 794 644)
APN FM	APN Funds Management Limited ABN 60 080 674 479 (also referred to in this Disclosure Document as 'APN FM', 'the Responsible Entity', 'we', 'us' and 'our'). APN FM is the holder of AFSL Number 237500
APN FM Board	The board of directors of APN FM
APN Funds	APN Property for Income Fund (ARSN 090 467 208), APN Property for Income Fund No.2 (ARSN 113 296 110) or APN AREIT Fund (ARSN 134 361 229)
APN Property Management Agreement	Property management agreement to be entered into between APN FM as responsible entity and manager of Industria and APN (or its wholly owned subsidiary), as summarised in Section 13.4
ARSN	Australian Registered Scheme Number
Assets	The assets of Industria, including the Properties of Industria
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Guidelines	ASX Corporate Governance Principles and Recommendations (amended 2010)
Australand Property Group	The listed stapled entities comprising Australand Holdings Limited, Australand Property Limited in its capacity as responsible entity of Australand Property Trust (ARSN 115 338 513) and Australand Investments Limited in its capacity as responsible entity of Australand Property Trust No. 4 (ARSN 108 254 413) and Australand Property Trust No. 5 (ARSN 108 254 771)
AWPF6	Australand Wholesale Property Fund No. 6 being the stapled group comprising Australand Wholesale Property Trust No. 6 (ARSN 125 862 875) and Australand Wholesale Property Trust No.6A (ARSN 125 862 491)
AWPF6 Securityholders	Holders of securities in AWPF6
AWPF6 Securityholder Meeting	The meeting of AWPF6 Securityholders, scheduled to occur in December 2013
AWPF6 Transaction	The transaction described in the Notice of Meeting, including the proposed Stapling and the replacement of AWPF6's current responsible entity with APN FM
Bookrunners	Macquarie Capital (Australia) Limited and UBS AG, Australia Branch
Broker	A broker appointed by the Joint Lead Manager to act as a participating broker to the Broker Firm Offer

Term	Definition
Broker Firm Offer	The offer under this Disclosure Document open to Retail and Sophisticated Investors who have received a firm allocation from their Broker
Broker Firm Retail Offer	The offer under this Disclosure Document to Retail Investors who are a resident in Australia and have received a firm allocation from their Broker, and does not include the Broker Firm Sophisticated Offer
Broker Firm Sophisticated Offer	The offer under this Disclosure Document to Sophisticated Investors who are a resident in Australia and have received a firm allocation from their Broker, and does not include the Broker Firm Retail Offer
Broker Service Fee	The fee of $0.03 per Security (including GST) payable by an Applicant under the Broker Firm Retail Offer to their Broker in respect of services provided by the Broker to the Applicant in connection with the Offer
BTP	Brisbane Technology Park
Business Days	A day other than a public holiday in Victoria, a Saturday or Sunday
Capitalisation Rate or Cap Rate	A valuer's assessment of the market level of net rent for a property divided by its assessed market value before adjustments
CBA Facility	The $9.1 million facility with CBA for the JV Property described in Section 13.1
Closing Date	27 November 2013
Completion Date	The date of completion of the Offer, estimated to be Thursday 5 December 2013
Constitution	A constitution of a Trust and the constitution of Industria Co, as the context requires
Construction Indemnity Deed	The indemnity deed between APN FM and the entity within the Graystone Group as summarised in Section 13.9
Continuing Securityholders	Existing Securityholders who elect to retain their Securities, excluding funds managed by APN FM
Corporations Act	Corporations Act 2001 (Cth)
Debt Facility	The Term Facility and the Working Capital Facility
Directors	The directors of the Responsible Entity or Industria Co, or both, as the case may be
Disclosure Document	This Disclosure Document dated 28 October 2013 comprising a product disclosure statement and a prospectus
Distributable Earnings	Net income before tax (excluding Transaction Costs) adjusted for fees paid, tax paid, straight lining of rental income, rent free periods and lease incentives, valuation adjustments and mark-to-market adjustments for derivatives and other non-cash items such as amortisation of debt establishment fees
Distributions	The amount payable to Securityholders at the discretion of the Boards of APN FM and Industria Co
Eligible APN FM Clients	An Australian resident investor who has received a Priority Invitation from APN to participate in the Priority Offer
Eligible Securityholders in Industria Co and the Trusts	An Australian resident unitholder or shareholder (as applicable) of the Trusts and Industria Co as at the date of this Disclosure Document
Existing Securityholder	A holder of a unit in a Trust or a holder of a share in Industria Co, as at the date of this Disclosure Document
Exiting Securityholder	An Existing Securityholder who wishes to exit their investment in Securities through the Sale Facility
Exposure Period	The seven day period after the date of lodgement of the Disclosure Document with ASIC, which ASIC may extend by a further seven days
Financial Information	Financial information as defined in Section 6.1 of this Disclosure Document
Forecast Financial Information	The forecast financial information set out in Section 6.4 of this Disclosure Document
Forecast Period	The period from the Completion Date until 30 June 2015
Fund	Industria REIT, comprising the Trusts and Industria Co
Gearing	Industria's share of debt less cash divided by the value of the Portfolio

Term	Definition
GLA	Gross Lettable Area
Graystone	Graystone Pty Ltd ACN 010 246 189 and, where the context permits, an entity in the Graystone Group or a director of Graystone
Graystone Group	Stonehold Property Group Pty Ltd ACN 152 604 969, Milestone Property Management Pty Ltd ACN 146 370 603 and Graystone Pty Ltd ACN 010 246 189
Graystone Co-operation Agreement	Co-operation agreement between APN FM, Industria Co and entities within the Graystone Group as summarised in Section 13.7
Graystone Property Management Agreement	The property management agreement between APN FM, Industria Co and an entity in the Graystone Group, as summarised in Section 13.4
Gross Asset Value	Total asset value of Industria including Properties and any other current or non-current assets
Gross Lettable Area or GLA	The gross lettable area of a Property or Properties as the context requires
Group	The Issuers, the Trusts, and their relevant subsidiaries
Group Member	Each member of the Group
GST	Goods and Services Tax
GST Law	GST law as defined in section 195-1 of the A New Tax System (Goods and Services Tax) Act 1999
ICR	Interest coverage ratio
Industria	Industria REIT, comprising the Trusts and Industria Co
Industria Co	Industria Company No. 1 Pty Limited (formerly APN DF1 Developments (Qld) Pty Limited) (ABN 61 010 794 957)
Industria Co Management Agreement	The management agreement between Industria Co and APN FM pursuant to which APN FM is appointed as an intermediary of Industria Co and APN FM agrees to provide management services to Industria Co in relation to Industria, as summarised in Section 13.8
Institutional Investor	A person to whom offers and issues of Securities may lawfully be made without the need for disclosure under Part 7.9 of the Corporations Act or without any other lodgement, registration or approval with or by a government agency (other than one with which Industria, in its absolute discretion, is willing to comply)
Institutional Offer	The Offer under this Disclosure Document to certain Institutional Investors to apply for Securities
Investor	A person who acquires Securities
Issuers	APN FM and Industria Co
Joint Lead Managers	Macquarie Capital (Australia) Limited, UBS AG, Australia Branch, RBS Morgans Corporate Limited and ANZ Securities Limited
JV Property	The Property at 88 Brandl Street, BTP, in which Industria will have a 50% interest, held in a joint venture with Harvest Zernike JV Pty Ltd (subject to the consents listed in Section 9.1)
Lenders	Australia and New Zealand Banking Group Limited and National Australia Bank Limited
LVR	Loan to value ratio
Management Fee	The management fee charged by the Responsible Entity for providing management services to Industria as described in Section 12
Melbourne Time	Time observed in Melbourne, Australia
Merger and IPO	The stapling of the shares in Industria Co with the units in the Trusts to create Industria and the offering of Securities in Industria pursuant to the Offer
Net Lettable Area or NLA	The net lettable area of a Property or the Properties (as set out in Section 3), as the context requires
Net Tangible Assets or NTA	Total assets of Industria less any current and non-current liabilities and less any intangible assets
Notice of Meeting	The notice of meeting and explanatory memorandum to be sent by AFML to AWPF6 Securityholders
NPR	Net passing rent being a valuer's assessment of annualised rent of a Property at the valuation date
Offer	The offer of Securities under this Disclosure Document

Term	Definition
Offer Management Agreement	The offer management agreement between APN FM, Industria Co, Macquarie Capital (Australia) Limited, UBS AG, Australia Branch, RBS Morgans Corporate Limited and ANZ Securities Limited dated 28 October 2013
Offer Period	The period from the Broker Firm Offer opening date to the Broker Firm Offer closing date
Offer Price	The price at which each Security is issued to Investors under the Broker Firm Sophisticated Offer, the Priority Offer and the Institutional Offer
Official List	The official list of ASX
Passing Yield	The NPR for a property divided by its assessed value (where NPR reflects the valuer's assessment of annualised rent as at the valuation date)
Portfolio or Properties	Industria's interests in the portfolio of properties described in Sections 3 and 6.3.2
Priority Invitation	An invitation to apply for Securities under the Priority Offer
Priority Offer	The Offer under this Disclosure Document to those who have received a Priority Invitation
Pro Forma Historical Information	The pro forma historical information as defined in Section 6.1 of the Disclosure Document
RBP	Rhodes Business Park
Registry	Link Market Services Limited
Responsible Entity	APN FM
Retail Client	A Retail Investor who is a client of a Broker
Retail Investor	A person who is a resident of Australia and is not otherwise treated as a Sophisticated Investor
Sale Facility	The sale facility to be conducted by APN FM on behalf of Exiting Securityholders and foreign AWPF6 Securityholders
Sale Facility Agent	The agent under the Sale Facility, being APN FM or its nominee
Security	One unit in each of the Trusts and one share in Industria Co to be issued on Stapling
Securityholder	A holder of Securities
Sophisticated Client	A Sophisticated Investor who is a client of a Broker
Sophisticated Investor	A person who is a resident of Australia and is a wholesale investor as defined in section 761G of the Corporations Act
Stapled or Stapling	In the case of two or more securities, being on the Official List together so that one security may not be dealt with without the others being dealt with in an identical manner and at the same time and with such restriction on dealing being denoted on the register of each such Security and, in the context of this Disclosure Document, it means the Stapling of the units in Trust 1, Trust 2, Trust 3, Trust 4 and shares in Industria Co
Term Facility	The term facility of up to $130.0 million provided by the Lenders to Industria
Transaction	The transaction comprising the Stapling and the Offer and the various other transactions contemplated by this Disclosure Document
Transaction Conditions	The conditions to the Transaction as described in this Disclosure Document
Transaction Costs	The costs of the Transaction details which are set out in Sections 12.5 and 14.16
Trust	Any of AWPF6 (to be renamed Trust 1), AWPF6A (to be renamed Trust 2), Trust 3 or Trust 4
Trust 1	Following implementation of the Offer, Industria Trust No. 1 (currently Australand Wholesale Property Trust No. 6) (ARSN 125 862 875)
Trust 2	Following implementation of the Offer, Industria Trust No. 2 (currently Australand Wholesale Property Trust No. 6A) (ARSN 125 862 491)
Trust 3	Industria Trust No. 3 (formerly APN Wholesale Direct Property Pool) (ARSN 166 150 938)
Trust 4	Industria Trust No. 4 (formerly BTP Central Trust) (ARSN 166 163 186)
Trusts	Trust 1, Trust 2, Trust 3 and Trust 4
WALE	Weighted average lease expiry being the average time to expiry of each lease of the Properties weighted by the income or lettable area of the Properties
Working Capital Facility	The working capital facility of up to $10.0 million provided by the Lenders to Industria

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CORPORATE DIRECTORY

INDUSTRIA REIT

Comprising Industria Trust No. 1 (ARSN 125 862 875)
Industria Trust No. 2 (ARSN 125 862 491)
Industria Trust No. 3 (ARSN 166 150 938)
Industria Trust No. 4 (ARSN 166 163 186)
Industria Company No. 1 Pty Ltd (ACN 010 794 957)

APN FUNDS MANAGEMENT LIMITED

ABN 60 080 674 479
AFSL 237500
Level 30, 101 Collins Street
Melbourne VIC 3000

INDUSTRIA COMPANY NO. 1 PTY LIMITED

ABN 61 010 794 957
Level 30, 101 Collins Street
Melbourne VIC 3000

LEGAL ADVISERS

Herbert Smith Freehills
Level 42, 101 Collins Street
Melbourne VIC 3000

Hall & Wilcox
Level 30, 600 Bourke Street
Melbourne VIC 3000

TAXATION ADVISER

PricewaterhouseCoopers
Freshwater Place, 2 Southbank Boulevard
Southbank VIC 3006

INVESTIGATING ACCOUNTANT

Deloitte Corporate Finance Pty Ltd
Grosvenor Place, 225 George Street
Sydney NSW 2000

AUDITOR

Deloitte Touche Tohmatsu
550 Bourke Street
Melbourne VIC 3000

REGISTRY

Link Market Services Limited
Level 1, 333 Collins Street
Melbourne VIC 3000

BOOKRUNNERS AND JOINT LEAD MANAGERS

Macquarie Capital (Australia) Limited
Level 9, 1 Martin Place
Sydney NSW 2000

UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

JOINT LEAD MANAGERS

ANZ Securities Limited
ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands VIC 3008

RBS Morgans Limited[1]
Level 29, 123 Eagle St
Brisbane QLD 4000

CO-LEAD MANAGER

Evans & Partners
Mayfair Building, 171 Collins Street
Melbourne VIC 3000

CO-MANAGERS

Bell Potter Securities Limited
Level 38, Aurora Place
88 Phillip Street
Sydney NSW 2000

Macquarie Equities Limited
1 Shelley Street
Sydney NSW 2000

UBS Wealth Management Australia Limited
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

CONSULTANT

Reid Advisory
Level 25, 360 Collins Street
Melbourne VIC 3000

INDUSTRIA INFORMATION LINE

Within Australia 1800 132 009
Outside of Australia +61 1800 132 009

INDUSTRIA WEBSITE

www.industriareit.com.au

1 On 4 November 2013, RBS Morgans is changing its name to Morgans Financial Limited.

Responsible Entity
APN Funds Management Limited
ABN 60 080 674 479 AFSL No 237500

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