



**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 Ltd ACN 010 794 957

**Responsible Entity**  
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ASX ANNOUNCEMENT (ASX code: IDR)

6 September 2016

The Manager  
Market Announcements Office  
ASX Limited  
Level 4, Rialto North Tower  
525 Collins Street  
Melbourne VIC 3000

**NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES**

Dear Sir/Madam

**RETAIL ENTITLEMENT OFFER BOOKLET**

Attached is a copy of the Retail Entitlement Offer Booklet and pro-forma Entitlement and Acceptance Form in relation to the retail component of Industria REIT's 1 for 4 accelerated non-renounceable entitlement offer as announced on Thursday, 1 September 2016.

The Retail Entitlement Offer Booklet will be dispatched to Eligible Retail Securityholders<sup>1</sup> today.

Yours sincerely

John Freemantle  
Company Secretary

**Important Notices**

This announcement does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any stapled securities in Industria. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Neither the entitlements nor the New Stapled Securities that will be offered and sold in the Entitlement Offer have been, nor will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, entitlements may not be issued to or exercised by, and the New Stapled Securities may not be offered or sold, directly or indirectly, to persons in the United States or persons acting for the account or benefit of persons in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities law. The entitlements and the New Stapled Securities to be offered and sold in the Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States, in each case, in "offshore transactions" in reliance on Regulation S under the Securities Act.

<sup>1</sup> The term "Eligible Retail Securityholder" is defined in the Retail Entitlement Offer Booklet

# RETAIL ENTITLEMENT OFFER BOOKLET INDUSTRIA REIT

Details of a 1 for 4 accelerated  
non-renounceable entitlement offer  
of Stapled Securities at an offer price  
of \$2.12 per New Stapled Security

Retail Entitlement Offer  
closes at 5.00pm (AEST) on  
**19 September 2016**



**INDUSTRIAREIT**

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

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This is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. If you have any questions, please contact your professional adviser or call the Industria Offer Information Line on 1300 222 378 (within Australia) or +61 1300 222 378 (outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer Period.



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## Important notices

This Retail Offer Booklet is issued by Industria Company No. 1 Limited (ACN 010 794 957) (**Industria Co**) and APN Funds Management Limited (ACN 080 674 479) (**APN Funds Management** or **Responsible Entity**) as responsible entity of Industria Trust No. 1, Industria Trust No. 2, Industria Trust No. 3 and Industria Trust No. 4 (**Trusts**) (Industria Co and APN Funds Management together the **Issuers** and Industria Co and the Trusts together Industria REIT (**Industria**)).

This Retail Entitlement Offer is being made pursuant to the requirements of sections 708AA and 1012DAA of the Corporations Act as modified by ASIC Instrument 2016/84. Accordingly, neither this Retail Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus or product disclosure statement for the Retail Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Industria, nor do they contain all the information which would be required to be disclosed in a prospectus or product disclosure statement. As a result, it is important for you to read and understand this Retail Offer Booklet in its entirety, along with the publicly available information on Industria and the Entitlement Offer (for example the information available on Industria's website <http://www.industriareit.com.au/> or on the ASX's website <http://www.asx.com.au/>) prior to deciding whether to accept your Entitlement and apply for New Stapled Securities.

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Industria. Please refer to the "Key risks" section of the Investor Presentation for details. When making an investment decision in connection with this Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Section 3 of this Retail Offer Booklet).

Investments in Industria are subject to investment risk, including delays in repayment and loss of income and capital invested. Industria does not guarantee any particular rate of return on the New Stapled Securities offered under the Retail Entitlement Offer or the performance of Industria, nor does it guarantee the repayment of capital from Industria.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Stapled Securities through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

### Future performance and forward-looking statements

Neither Industria nor any other person warrants or guarantees the future performance of the New Stapled Securities or any return on any investment made pursuant to the Entitlement Offer. This Retail Offer Booklet contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "could", "may", "target", "plan", "propose", "outlook", "guidance" and other similar expressions. Indications of, and guidance or outlook on, future earnings, distributions or financial position or performance are also forward-looking statements. The forward-looking statements contained in this Retail Offer Booklet involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Industria, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements may also be based on estimates and assumptions which are subject to change. Actual results, performance or achievements may vary materially for many projections because events and actual circumstances frequently do not occur as forecast and these differences may be material. These statements may assume the success of Industria's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Industria's control (including uncertainties described in the "Key risks" section of the Investor Presentation, as set out in Section 3), and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and, except as required by law, Industria assumes no obligation to update or revise such information to reflect any change in

expectations or assumptions. The inclusion of forward-looking statements in this Retail Offer Booklet should not be regarded as a representation, warranty or guarantee with respect to their accuracy or the accuracy of the underlying assumptions or that Industria will achieve, or is likely to achieve, any particular results.

### **Past performance**

Investors should note that the past stapled security price performance of Industria provides no guarantee or guidance as to future stapled security price performance. Past performance information included in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Retail Offer Booklet is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

### **Investor eligibility**

Determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and Retail Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of APN Funds Management in its capacity as responsible entity of Industria, Industria and Macquarie. APN Funds Management, Industria and Macquarie disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

### **Jurisdictions**

This Retail Offer Booklet, and any accompanying ASX announcements and Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or to any person acting for the account or benefit of any person in the United States. None of this Retail Offer Booklet, the accompanying ASX announcements, nor the Entitlement and Acceptance Form may be distributed or released in the United States. The Entitlements and the New Stapled Securities offered in the Entitlement Offer have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States, unless such Entitlements or New Stapled Securities have been registered under the Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Stapled Securities to be offered and sold to Eligible Retail Securityholders (as defined in Section 6) in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

### **Trading of New Stapled Securities**

Industria and the Underwriter will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Stapled Securities they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Industria or the Registry or otherwise.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other independent professional adviser.

### **Defined terms**

A number of defined terms are used in this Retail Offer Booklet (including in these important notices). These terms have the meaning given to them in the Glossary in Section 6.

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## Letter from the Chairman

6 September 2016

Dear Securityholder,

On 1 September 2016, Industria announced a fully underwritten Equity Raising following the \$158.6 million purchase of a property near Newcastle, NSW leased to WesTrac, Australia's largest authorised distributor of Caterpillar equipment.

I am pleased to invite you to participate in the retail component of the Equity Raising. This Retail Offer Booklet and the enclosed personalised Entitlement and Acceptance Form contain important information about the Retail Entitlement Offer. I encourage you to read them carefully before deciding whether or not to participate in the Retail Entitlement Offer.

Please note that the Retail Entitlement Offer closes at 5:00pm (AEST) on Monday, 19 September 2016.

The Equity Raising is fully underwritten by Macquarie (see Section 5.19) and will see New Stapled Securities issued at a price of \$2.12 (the **Offer Price**). Proceeds will total approximately \$85 million by way of:

- a placement of New Stapled Securities to certain Institutional Investors at the Offer Price, to raise approximately \$19.8 million (**Placement**); and
- a 1 for 4 accelerated non-renounceable entitlement offer of New Stapled Securities at the Offer Price, to raise approximately \$65.2 million (**Entitlement Offer**).

The Entitlement Offer has an accelerated institutional component (i.e. the **Institutional Entitlement Offer**) and a retail component (i.e. the **Retail Entitlement Offer**). As announced by Industria on Friday, 2 September 2016, the Placement and Institutional Entitlement Offer were successfully completed (see ASX Announcements in Section 3).

This Retail Offer Booklet relates to the Retail Entitlement Offer.

The Offer Price of \$2.12 per New Stapled Security represents a 0.9% discount to the closing price of Industria stapled securities on 31 August 2016 (\$2.14), being the last trading day before the Entitlement Offer was announced. The Offer Price represents a FY17 forecast distribution yield of 7.5%. The Offer Price under the Retail Entitlement Offer is the same as under the Institutional Entitlement Offer.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or otherwise transferable. This means that Eligible Retail Securityholders who do not take up their Entitlements will not receive any value for those Entitlements and their proportionate interest in Industria will be diluted.

Eligible Retail Securityholders who take up their full Entitlement may also apply for Additional New Stapled Securities in excess of their Entitlement (to the extent available) up to \$50,000 per Eligible Retail Securityholder at the Offer Price. In the event of oversubscriptions, the allocation of Additional New Stapled Securities will be at the discretion of Industria and the Underwriter and may be subject to scale back.

If you have any questions, please contact your professional adviser or call the Industria Offer Information Line on 1300 222 378 (within Australia) or +61 1300 222 378 (outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer Period.



As you know, I am a securityholder in Industria and I have decided to accept my Entitlement in full. On behalf of the Board, thank you for your consideration of this opportunity to invest.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Brunsdon', followed by a long horizontal line that ends in a small flourish.

**Geoff Brunsdon**  
**Chairman**

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## Key dates

Trading halt, Placement and Institutional Entitlement Offer opens	Thursday, 1 September 2016
Trading of Stapled Securities recommences on ASX on an 'ex-entitlement' basis	Friday, 2 September 2016
Record Date	7.00pm, Monday, 5 September 2016
Retail Offer Booklet is despatched and Retail Entitlement Offer opens	9.00am, Tuesday, 6 September
Early Retail Acceptance Due Date	5.00pm, Thursday, 8 September 2016
Settlement of New Stapled Securities issued under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date	Friday, 9 September 2016
Allotment and normal trading of New Stapled Securities issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date	Monday, 12 September 2016
Final Retail Closing Date	5.00pm Monday, 19 September 2016
Settlement of remaining New Stapled Securities issued under the Retail Entitlement Offer	Friday, 23 September 2016
Allotment of remaining New Stapled Securities issued under the Retail Entitlement Offer	Monday, 26 September 2016
Normal trading of remaining New Stapled Securities issued under the Retail Entitlement Offer	Tuesday, 27 September 2016

The above timetable (and each reference thereto in this Retail Offer Booklet) is indicative only and subject to change without notice. All references to time are to Australian Eastern Standard Time (AEST). The commencement of quotation of New Stapled Securities is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Industria and the Underwriter reserve the right to amend this timetable at any time, including extending the Retail Entitlement Offer Period or accepting late applications, either generally or in particular cases, without notice.

## Enquiries

For any additional information about the Retail Entitlement Offer, please call the Industria Offer Information Line on 1300 222 378 (within Australia) or +61 1300 222 378 (outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer Period.

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## What should you do?

### 1 Read this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form

This Retail Offer Booklet and the personalised Entitlement and Acceptance Form that accompanies it contain important information about the Retail Entitlement Offer. You should read both documents carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer.

This Retail Entitlement Offer is not being made under a prospectus or product disclosure statement. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus or product disclosure statement. As a result, it is important for you to read and understand this Retail Offer Booklet in its entirety, along with the publicly available information on Industria and the Entitlement Offer (for example, the information available on Industria's website <http://www.industriareit.com.au/> or on the ASX's website [www.asx.com.au](http://www.asx.com.au)) prior to deciding whether to accept your Entitlement and apply for New Stapled Securities.

If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision.

### 2 Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer.

An investment in New Stapled Securities is subject to both known and unknown risks, some of which are beyond the control of Industria. These risks include the possible loss of income and principal invested. Industria does not guarantee any particular rate of return or the performance on the New Stapled Securities offered under the Retail Entitlement Offer or the performance of Industria, nor does it guarantee the repayment of capital from Industria. In considering an investment in New Stapled Securities, investors should have regard to (amongst other things) the "Key risks" section in the appendix of the Investor Presentation and the disclaimers outlined in this Retail Offer Booklet.

### 3 Decide what you want to do

If you are an Eligible Retail Securityholder, you have three options available to you in relation to the Retail Entitlement Offer:

1. take up all of your Entitlement (refer to Section 2.3);
2. take up part of your Entitlement (refer to Section 2.3); or
3. do nothing and allow your Entitlement to lapse (refer to Section 2.5).

Ineligible Securityholders may not take up any of their Entitlements.

Eligible Retail Securityholders who take up their Entitlement in full may also apply for Additional New Stapled Securities in excess of their Entitlement (to the extent available) up to \$50,000 per Eligible Retail Securityholder. In the event of oversubscriptions, the allocation of Additional New Stapled Securities will be at the discretion of Industria and the Underwriter and subject to scale back.

Eligible Retail Securityholders who do not participate in the Retail Entitlement Offer, or participate for an amount less than their full Entitlement, will have their percentage holding in Industria reduced. Eligible Retail Securityholders who participate in the Retail Entitlement Offer will see their percentage holding in Industria reduce, increase or stay the same depending on the proportion of their Entitlement they subscribe for and the Additional New Stapled Securities applied for and allocated to them, at the sole discretion of Industria and the Underwriter.

**The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.**

#### **4 Apply for New Stapled Securities**

To participate in the Retail Entitlement Offer, please complete and lodge a valid Entitlement and Acceptance Form and Applicable Monies for New Stapled Securities, or make a payment by BPAY®, by 5.00pm (AEST) on Monday, 19 September 2016 pursuant to the instructions set out on the Entitlement and Acceptance Form. You can also apply and pay by the Early Retail Acceptance Due Date, and be allotted New Stapled Securities on Monday, 12 September 2016. See Section 2 for more information.

**If you take no action your Entitlement under the Retail Entitlement Offer will lapse.**

#### **5 Questions**

If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact Industria's Offer Information Line on 1300 222 378 (within Australia) or +61 1300 222 378 (outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer Period.

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# 1 Overview of the Entitlement Offer

## 1.1 Summary of the Entitlement Offer

Industria proposes to raise approximately \$65.2 million under the Entitlement Offer, which has been structured as a 1 for 4 accelerated non-renounceable entitlement offer of New Stapled Securities at the Offer Price of \$2.12 per New Stapled Security. The Entitlement Offer comprises:

- the Institutional Entitlement Offer; and
- the Retail Entitlement Offer (to which this Retail Offer Booklet relates).

Industria raised approximately \$19.8 million through the Placement,<sup>1</sup> approximately \$28.4 million through the Institutional Entitlement Offer<sup>2</sup> and is seeking to raise approximately \$36.8 million under the Retail Entitlement Offer.

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

Please refer to the ASX Announcements and the Investor Presentation set out in Section 3 of this Retail Offer Booklet for information on the rationale of the Placement and Entitlement Offer, the use of proceeds of the Placement and Entitlement Offer, and for further information on Industria.

The Equity Raising (including both the Placement and the Entitlement Offer) is fully underwritten by Macquarie. Additionally, Macquarie has entered into a number of sub-underwriting agreements. Industria reserves the right to place, issue and allot any shortfall (being New Stapled Securities offered but not taken up under the Retail Entitlement Offer) at its absolute discretion. Without limitation, the Issuers may allocate any shortfall to the Underwriter (and sub-underwriters) in their absolute discretion. See Section 5.19 for further details.

## 1.2 Retail Entitlement Offer

### (a) Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Securityholders are invited to subscribe for 1 New Stapled Security for every 4 existing Stapled Securities held at 7:00pm (AEST) on Monday, 5 September, at the Offer Price of \$2.12 per New Stapled Security.

This is referred to as your **Entitlement**. To the extent that application of the offer ratio of 1 New Stapled Security for every 4 existing Stapled Securities held on the Record Date results in a fractional entitlement to New Stapled Securities for a particular Securityholder, that Securityholder's Entitlement shall be rounded up to the nearest whole number of New Stapled Securities.

Details on how to take up your Entitlement are contained in Section 2 and the enclosed personalised Entitlement and Acceptance Form. You may take up some, all or none of your Entitlement.

The Retail Entitlement Offer is only open to Eligible Retail Securityholders, and Industria reserves the right to reject any Application that it believes comes from a person that is not an Eligible Retail Securityholder. Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of Industria and the Underwriter.

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<sup>1</sup> Subject to settlement of the Placement, which is scheduled to occur on Friday, 9 September 2016. The Placement is fully underwritten (refer to Section 5.19 for a description of key terms of the Underwriting Agreement and Sub-Underwriting Agreements).

<sup>2</sup> Subject to settlement of the Institutional Entitlement Offer, which is scheduled to occur on Friday, 9 September 2016. The Institutional Entitlement Offer is fully underwritten (refer to Section 5.19 for a description of key terms of the Underwriting Agreement and Sub-Underwriting Agreements).

Industria and the Underwriter disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Eligible Retail Securityholders who take up their Entitlement in full may also apply for Additional New Stapled Securities in excess of their Entitlement (to the extent available) up to \$50,000 per Eligible Retail Securityholder. In the event of oversubscriptions, the allocation of Additional New Stapled Securities will be at the discretion of Industria and the Underwriter and subject to scale back. Allotment of Additional New Stapled Securities will take place along with allotment of New Stapled Securities offered under the Retail Entitlement Offer on Monday, 26 September 2016 irrespective of whether an application for Additional New Stapled Securities is received before the Early Retail Acceptance Due Date on Thursday, 8 September 2016.

Eligible Retail Securityholders who do not participate in the Retail Entitlement Offer, or participate for an amount less than their full Entitlement, will have their percentage holding in Industria reduced. Eligible Retail Securityholders who participate in the Retail Entitlement Offer will see their percentage holding in Industria reduce, increase or stay the same depending on the proportion of their Entitlement they subscribe for and the Additional New Stapled Securities applied for and allocated to them, at the sole discretion of Industria and the Underwriter.

Eligible Retail Securityholders have the opportunity to be allotted New Stapled Securities up to their Entitlement at the same time as Eligible Institutional Securityholders under the Institutional Entitlement Offer, on Monday, 12 September 2016 if they submit an Application and their relevant Application Monies are received in cleared funds by 5.00pm (AEST) on Thursday, 8 September 2016 in accordance with their Entitlement and Acceptance Form. Otherwise, the Retail Entitlement Offer closes at 5.00pm (AEST) on Monday, 19 September 2016, with New Stapled Securities to be allotted on Monday, 26 September 2016.

No Additional New Stapled Securities will be issued on the Early Retail Allotment Date. If you accept your Entitlement and apply for Additional New Stapled Securities and your Application Monies are received in cleared funds prior to the Early Retail Acceptance Due Date you will only be issued the New Stapled Securities the subject of your Entitlement on the Early Retail Allotment Date. If, following the Final Retail Closing Date, your application for Additional New Stapled Securities is accepted in whole or in part, the relevant Additional New Stapled Securities will be issued to you on the Final Allotment Date.

Please note that Entitlements are personal and cannot be traded, transferred, assigned or otherwise dealt with, whether on ASX or privately.

The Retail Entitlement Offer is fully underwritten, and seeks to raise approximately \$36.8 million.

(b) Early Retail Acceptance Due Date and Final Retail Closing Date

The Early Retail Acceptance Due Date closes at 5:00pm (AEST) on Thursday, 8 September 2016, with New Stapled Securities expected to be issued and normal trading to commence on Monday, 12 September 2016.

The Final Retail Closing Date closes at 5:00pm (AEST) on Monday, 19 September, with New Stapled Securities expected to be issued on Monday, 26 September 2016 and commence trading on Tuesday, 27 September 2016.

### **1.3 Institutional Entitlement Offer**

On Thursday, 1 September 2016, Eligible Institutional Securityholders were given the opportunity to take up all or part of their Entitlement under the Institutional Entitlement Offer.

New Stapled Securities equivalent to the number not taken up by Eligible Institutional Securityholders under the Institutional Entitlement Offer were offered to Eligible Institutional Securityholders who applied for New Stapled Securities in excess of their entitlement, as well as to certain other eligible Institutional Investors.

Industria successfully conducted the Institutional Entitlement Offer to raise approximately \$28.4 million, at an Offer Price of \$2.12 per New Stapled Security. New Stapled Securities are expected to be allotted under the Institutional Entitlement Offer on Monday, 12 September 2016.

#### **1.4 Placement**

The Placement was conducted on Thursday, 1 September 2016 with Eligible Institutional Securityholders and eligible Institutional Investors offered New Stapled Securities at the fixed Offer Price of \$2.12 per New Stapled Security. Industria successfully completed the Placement to raise approximately \$19.8 million and New Stapled Securities under the Placement are expected to be allotted on Monday, 12 September 2016.

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## 2 How to apply

### 2.1 Choices available to Eligible Retail Securityholders

If you are an Eligible Retail Securityholder you may do any one of the following:

- take up all or part of your Entitlement by the Early Retail Acceptance Due Date or the Final Retail Closing Date (refer to Section 2.3); or
- do nothing and allow their Entitlement to lapse (refer to Section 2.5). It is not possible to sell or transfer your Entitlement if you decide not to take it up.

Industria is also offering Eligible Retail Securityholders who take up all of their Entitlement the opportunity to apply for Additional New Stapled Securities in excess of their Entitlement. The Retail Entitlement Offer is an offer to Eligible Retail Securityholders only.

Eligible Retail Securityholders who do not participate in the Retail Entitlement Offer will have their percentage holding in Industria reduced further than the reduction that will result from the Placement (under which approximately 9.3 million New Stapled Securities will be issued, representing approximately 5.7% of the total number of Stapled Securities on issue following completion of the Entitlement Offer). While Eligible Retail Securityholders who participate in the Retail Entitlement Offer will still see their percentage holding in Industria reduced as a result of the Placement, the reduction will be greater if they do not participate (or take up only part of their Entitlement).

### 2.2 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Stapled Security for every 4 existing Stapled Securities you held as at the Record Date, being 7:00pm (AEST) on Monday, 5 September 2016. If you have more than one registered holding of Stapled Securities, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

Please note that the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Stapled Securities on behalf of a person in the United States (refer to definition of Eligible Retail Securityholders in Section 6).

Eligible Retail Securityholders who hold shares in the capacity of a trustee, nominee or custodian (or in another capacity) for another person cannot take up Entitlements and purchase New Stapled Securities for the account or benefit of persons that are in the United States or otherwise for beneficiaries that are located outside of Australia and New Zealand.

### 2.3 If you wish to take up all or part of your Entitlement, or take up all of your Entitlement and apply for Additional New Stapled Securities in excess of your Entitlement

If you wish to take up all or part of your Entitlement, or in full and apply for Additional New Stapled Securities in excess of your Entitlement, please complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form.

If you are paying by BPAY®, please be sure to use the specific biller code and unique reference number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the reference number specific to the Entitlement on that form.

If you take no action or your application is not supported by cleared funds, you will be deemed to have renounced all of your Entitlement. If you wish to be allotted New Stapled Securities the subject of your Entitlement at the same time as Eligible Institutional Securityholders on the Institutional Entitlement Offer and Early Retail Allotment Date, being Monday, 12 September 2016, you must make payment of the Application



Monies via BPAY® in time to ensure that cleared funds are received no later than 5:00pm (AEST) on Thursday, 8 September 2016. If your payment of the Application Monies is received in cleared funds after 5:00pm (AEST) on Thursday, 8 September 2016, but before the Final Retail Closing Date, New Stapled Securities will be allotted to you on the Final Allotment Date being Monday, 26 September 2016. Your payment of the Application Monies will not be accepted after the Final Retail Closing Date, being 5:00pm (AEST) on Monday, 19 September 2016, and no New Stapled Securities will be issued to you in respect of that Application.

Refer to Section 2.7 for further information on payment directions.

For the avoidance of doubt, Industria reserves the right (in its absolute sole discretion) to reduce the number of New Stapled Securities allocated to Eligible Retail Securityholders, or persons claiming to be Eligible Retail Securityholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

Industria also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

#### **2.4 Ineligible Retail Securityholders**

Industria has determined that it would be unreasonable to extend the Retail Entitlement Offer to holders of Stapled Securities who have registered addresses outside Australia and New Zealand, having regard to the number of securities held by Ineligible Retail Securityholders, the number and value of New Stapled Securities that they would be offered and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Retail Securityholders in those places. The Retail Entitlement Offer is not being made in the United States or to any person acting for the account or benefit of a person in the United States.

#### **2.5 If you wish to do nothing**

If you are an Eligible Retail Securityholder and you do nothing, the Entitlements in respect of your Stapled Securities will lapse. You should also note that, if you do not take up all or part of your Entitlement, then your percentage holding in Industria will be diluted to the extent that New Stapled Securities are issued to other Securityholders and Institutional Investors.

#### **2.6 Declarations by Eligible Retail Securityholders**

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, or otherwise applying to participate in the Retail Entitlement Offer, you will be deemed to have represented that you are an Eligible Retail Securityholder and made the other declarations on that personalised Entitlement and Acceptance Form and set out below.

In addition, by completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, or otherwise applying to participate in the Retail Entitlement Offer, you:

- (a) agree to:
  - (i) apply for, and be issued with up to, the number of New Stapled Securities and Additional New Stapled Securities (if any) that you apply for at the Offer Price of \$2.12 per New Stapled Security; and
  - (ii) be bound by the terms of this Retail Offer Booklet, the terms of the Retail Entitlement Offer and the provisions of the constitutions of the Trusts and Industria Co; and

authorise Industria to register you as the holder of New Stapled Securities and authorise Industria, the Underwriter, the Registry and their respective officers and agents to do anything on your behalf necessary for the New Stapled Securities to be issued to you, including to act on instructions of the Registry by using the contact details set out in the personalised Entitlement and Acceptance Form.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, or otherwise applying to participate, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) all details and statements made in the personalised Entitlement and Acceptance Form are complete and accurate;
- (b) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer and the Entitlement and Acceptance Form;
- (c) you were the registered holder(s) at the Record Date of the Stapled Securities indicated on the accompanying personalised Entitlement and Acceptance Form as being held by you on the Record Date and are a resident of Australia or New Zealand;
- (d) once Industria receives the Entitlement and Acceptance Form with the requisite Application Monies or your payment by BPAY®, you may not withdraw it except as allowed by law;
- (e) you have read and understood this Retail Offer Booklet and the personalised Entitlement and Acceptance Form in their entirety;
- (f) the law of any place (other than Australia and New Zealand) does not prohibit you from being given this Retail Offer Booklet or making an application for New Stapled Securities;
- (g) the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Stapled Securities are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus or a product disclosure statement, does not contain all of the information that you may require in order to assess an investment in Industria and is given in the context of Industria's past and ongoing continuous disclosure announcements to ASX;
- (h) none of Industria, the Underwriter, their respective related bodies corporate and affiliates and the respective directors, officers, employees, agents, consultants or advisers of each of the aforementioned guarantees the performance of Industria, nor do they guarantee the repayment of capital;
- (i) (for the benefit of Industria, the Underwriter, and their respective related bodies corporate and affiliates) you did not receive an invitation to participate in the Institutional Entitlement Offer (either directly or through a nominee), are not an Ineligible Institutional Securityholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (j) you have read and understood the statement of risks in the "Key risks" section of the Investor Presentation, and you understand that investments in Industria are subject to investment risk;
- (k) you are not in the United States and are not acting for the account or benefit of a person in the United States and are subscribing for or purchasing New Stapled Securities in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act;
- (l) the Entitlements and the New Stapled Securities and Additional New Stapled Securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, or in any other jurisdiction and, accordingly, the Entitlements and the New Stapled Securities may not be offered, sold or otherwise transferred, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States, unless such Entitlements or New Stapled Securities have been registered under the Securities Act or are offered and sold in a transaction exempt from or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction in the United States;
- (m) you are not engaged in the business of distributing securities;
- (n) you have not and will not send any materials relating to the Retail Entitlement Offer, including this Retail Offer Booklet and the Entitlement and Acceptance Form, to any person in the United States;

- (o) you agree that if in the future you decide to sell or otherwise transfer the New Stapled Securities you will only do so in “regular way” transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or acting for the account or benefit of a person in the United States;
- (p) you are an Eligible Retail Securityholder and you are eligible under applicable securities laws to exercise Entitlements and acquire New Stapled Securities under the Retail Entitlement Offer;
- (q) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States or acting for the account or benefit of a person in the United States, and you have not sent the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person;
- (r) make all other representations and warranties set out in the Retail Offer Booklet; and

you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Stapled Securities on the Record Date.

## 2.7 Payment directions

You can pay in the following ways:

- BPAY®; or
- cheque, bank draft or money order.

Cash payments will not be accepted. Receipts for payment will not be issued.

Industria will treat you as applying for as many New Stapled Securities as your payment will pay for in full.

Application Monies received from Eligible Retail Securityholders will be held by Industria for the benefit of applicants in the Industria Entitlement Offer Account solely for the purpose of holding the Application Monies until the New Stapled Securities are issued, or if the New Stapled Securities are not issued, until the Application Monies are returned to the applicants.

Any Application Monies received for more than your final allocation of New Stapled Securities and Additional New Stapled Securities will be refunded. No interest will be paid on any Application Monies received or refunded.

If the New Stapled Securities are not issued, all Application Monies will be refunded as soon as practicable and Entitlements will cease to have any value.

- (a) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique reference number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form and in this Retail Offer Booklet (including in Section 2.6); and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Stapled Securities which is covered in full by your Application Monies.

If you wish to be allotted New Stapled Securities the subject of your Entitlement at the same time as Eligible Institutional Securityholders on the Institutional Entitlement Offer and Early Retail Allotment Date, being Monday, 12 September 2016, you must make payment of the Application Monies via BPAY® in time to ensure that cleared funds are received no later than 5:00pm (AEST) on Thursday, 8 September 2016. If your payment of the Application Monies is received in cleared funds after 5:00pm (AEST) on Thursday, 8 September 2016, but before the Final Retail Closing Date, New Stapled Securities will be allotted to you on the Final Allotment Date being Monday, 26 September 2016. Your payment of the Application Monies will not be accepted after the Final Retail Closing Date, being 5:00pm (AEST) on Monday, 19 September 2016, and no New Stapled Securities will be issued to you in respect of that Application.

No Additional New Stapled Securities will be issued on the Early Retail Allotment Date. If you accept your Entitlement and apply for Additional New Stapled Securities and your Application Monies are received in cleared funds prior to the Early Retail Acceptance Due Date you will only be issued the New Stapled Securities the subject of your Entitlement on the Early Retail Allotment Date. If, following the Final Retail Closing Date, your application for Additional New Stapled Securities is accepted in whole or in part, the relevant Additional New Stapled Securities will be issued to you on the Final Allotment Date.

If you apply for Additional New Stapled Securities in excess of your Entitlement and you are not allocated all or some of the Additional New Stapled Securities applied for, the relevant Application Monies will be refunded to you after the Final Allotment Date in accordance with the Corporations Act, without interest. The allotment of Additional New Stapled Securities will be at the sole discretion of Industria and the Underwriter and may be subject to scale back.

You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

(b) Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Industria REIT" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to \$2.12 multiplied by the number of New Stapled Securities (including your Entitlement and any Additional New Stapled Securities) that you are applying for. The number of New Stapled Securities you are applying for must not exceed the number of Stapled Securities indicated as your entitlement to New Stapled Securities in your personalised Entitlement and Acceptance Form which is calculated as 1 New Stapled Security for every 4 existing Stapled Securities you hold as at the Record Date, rounded up to the nearest whole Stapled Security; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Stapled Securities you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Stapled Securities as your cleared Application Monies will pay for (and taken to have specified that number of New Stapled Securities on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

**Mail and hand delivery**

To participate in the Retail Entitlement Offer, your payment must be received no later than the Final Retail Closing Date (i.e. 5:00pm (AEST) on Monday, 19 September 2016). Securityholders who make payment via cheque, bank draft or money order should send their completed personalised Entitlement and Acceptance Form together with Application Monies to:

**By mail:**

Industria REIT  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

**By hand:**

Industria REIT  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

***(Do not use this address for mailing purposes)***

### 3 ASX Announcements and Investor Presentation



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 Ltd ACN 010 794 957

Responsible Entity  
**APN Funds Management Limited**  
ABN 60 080 674 479 AFSL No 237500

Level 30, 101 Collins Street  
Melbourne Victoria 3000 Australia

T +61 (0) 3 8656 1000  
F +61 (0) 3 8656 1010  
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ASX ANNOUNCEMENT (ASX code: **IDR**)

1 September 2016

#### Acquisition of WesTrac Newcastle and \$85 million fully underwritten equity raising

Industria REIT (**Industria** or the **Fund**) is pleased to announce the acquisition of 1–3 WesTrac Drive, Tomago (the **Property**) for \$158.6 million (the **Transaction**).

The Property is 100% leased to WesTrac, a wholly owned subsidiary of Seven Group Holdings (ASX: SVW), on a triple-net lease for 18 years, and generates a high initial yield of 7.25% growing at the greater of 3% or CPI per annum. Settlement is anticipated to occur in late September 2016.

The Transaction will be funded using debt of \$85.4 million and a fully underwritten equity raising comprising a \$19.8 million placement and a \$65.2 million non-renounceable entitlement offer of 1 new stapled security for every 4 existing stapled securities at an issue price of \$2.12 (the **Offer**). FY17 guidance has been upgraded, with Funds From Operations (**FFO**) per stapled security increasing ~2% to 17.9 - 18.1 cents and distributions per stapled security (**DPS**) increasing ~2% to 16.0 cents, representing a yield of 7.5% on the offer price.

Industria Fund Manager, Alex Abell said: "We're excited to have secured a property of this quality that generates a strong and growing cash yield over 18 years. The property complements Industria's existing portfolio and increases the weighted average lease expiry from 5 years to almost 8 years. The new and refinanced debt facilities supporting the acquisition extend Industria's debt maturity to a weighted expiry of 4 years. Industria retains a sound balance sheet position with gearing of 35%. At the offer price, investors will have the benefit of a tax advantaged, 7.5% distribution yield."

#### Property details

The Property is a best-in-class and purpose-built distribution, training and maintenance facility for WesTrac, Australia's largest authorised dealer of Caterpillar equipment. Completed in 2012, the property encompasses 12 interconnected facilities and ancillary buildings totalling 45,500 square metres, in addition to extensive hardstand areas. The site spans 42.9 hectares, which includes 17.5 hectares of future expansion land for WesTrac.

The Property is used by WesTrac to service an extensive area across NSW and the ACT. Underlying industries serviced include a significant component of infrastructure and general construction, highway truck servicing as well as coal and base metals mining.

Key Property metrics are as follows:

<b>Purchase price</b>	\$158.6 million
<b>Initial yield</b>	7.25%
<b>Year 1 Net Income</b>	\$11.5 million
<b>Annual rent reviews</b>	Greater of 3% and CPI
<b>Lease</b>	Triple-net, 18 years
<b>Building area</b>	45,500 sqm
<b>Hardstand and awning area</b>	109,000 sqm
<b>Expansion land</b>	175,400 sqm
<b>Occupancy</b>	100%
<b>Building age</b>	4 years

## WesTrac overview

WesTrac is a top five global dealer of the world's leading equipment manufacturing company, NYSE listed Caterpillar (US\$48 billion market capitalisation<sup>1</sup>). WesTrac has a long and successful history with Caterpillar, and holds exclusive authorised licences for Caterpillar in NSW, ACT, WA, and North East China. WesTrac has a workforce of approximately 3,000 and is a wholly owned subsidiary of ASX listed Seven Group Holdings (\$2.2 billion market capitalisation<sup>1</sup>).

WesTrac represented more than 50% of the earnings of Seven Group Holdings in FY16, generating an underlying EBIT of \$165m from trading revenues of \$2.1bn. In addition to the 18 year triple-net lease, WesTrac has made a significant commitment to the facility including fit-out contributions exceeding \$35 million<sup>2</sup>.

## Equity raising

The acquisition of the Property will be partly funded via an \$85.0 million fully underwritten equity raising at \$2.12 per new stapled security (**Offer Price**).

The Offer Price implies a 7.5% FY17 distribution yield and 8.4% - 8.5% FY17 FFO yield. The discount to the five day volume weighted average price up to and including 31 August 2016 is 2.9%.

The equity raising comprises:

- a \$19.8 million placement (**Placement**); and
- a \$65.2 million fully underwritten non-renounceable accelerated entitlement offer (**Entitlement Offer**) of 1 new stapled security for every 4 existing stapled securities.

The manager, APN Property Group Limited (**APN Property Group**), which holds approximately 13.9% of Industria's stapled securities<sup>3</sup>, has agreed to subscribe for its full pro-rata entitlement under the Entitlement Offer and to sub-underwrite up to \$6 million of the Entitlement Offer.

The Entitlement Offer is non-renounceable and rights will not be traded on the ASX or otherwise transferable. Eligible securityholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect of those entitlements not taken up.

New stapled securities issued under the Placement and institutional and early retail entitlement offer will commence trading on Monday, 12 September 2016 as ordinary Industria securities and remaining new stapled securities to be issued under the entitlement offer will commence trading on Tuesday, 27 September 2016 as ordinary Industria securities. All new stapled securities will rank equally in all respects including future distributions.

Macquarie Capital (Australia) Limited (**Macquarie**) is lead manager and underwriter for the Offer.

## Guidance

On a per stapled security basis, the acquisition and the Offer is ~2% accretive to FY17 FFO and DPS, and the Board has upgraded the guidance announced on 22 August 2016:

- FFO guidance range increased by ~2% to 17.9 - 18.1 cents per stapled security - equating to a 8.4% - 8.5% yield on the Offer Price
- DPS guidance increased to 16.0 cents per stapled security - equating to a 7.5% yield on the Offer Price
- Subject to current market conditions continuing and no unforeseen events

<sup>1</sup> Market capitalisation as at 31 August 2016

<sup>2</sup> Source: Seven Group Holdings 2016 Annual Report

<sup>3</sup> Separate to APN Property Group's holding, APN Funds Management Limited (**APN FM**) also holds 5% of Industria stapled securities on behalf of various funds

## Timetable

Event	Date
Transaction and Offer announcement	Thursday, 1 September 2016
Placement and institutional entitlement offer	Thursday, 1 September 2016
Trading resumes on an ex-entitlement basis	Friday, 2 September 2016
Record date for determining entitlements for the Offer	Monday, 5 September 2016
Retail entitlement offer opens	Tuesday, 6 September 2016
Early retail acceptance due date	Thursday, 8 September 2016
Placement and institutional and early retail entitlement offer settlement	Friday, 9 September 2016
Allotment and normal trading of securities issued under the Placement and institutional and early retail entitlement offer	Monday, 12 September 2016
Retail entitlement offer closes	Monday, 19 September 2016
Settlement of retail entitlement offer	Friday, 23 September 2016
Allotment of retail entitlement offer	Monday, 26 September 2016
Commence trading of retail entitlement offer securities	Tuesday, 27 September 2016
Despatch of holding statements	Tuesday, 27 September 2016

These dates are indicative and subject to change. All dates and times refer to Melbourne, Australia time.

### Securityholder enquiries

Eligible securityholders will be sent further details in relation to the Entitlement Offer via a retail offer booklet expected to be lodged with the ASX by Tuesday, 6 September 2016 and distributed to securityholders.

Further information in relation to the Entitlement Offer and the matters set out above, including important notices and key risks, are set out in the Property Acquisition and Equity Raise Presentation lodged with ASX on Thursday, 1 September 2016.

The outcome of the Institutional Offer is expected to be announced to the market before commencement of normal trading on Friday, 2 September 2016. Pending this announcement, Industria securities have been placed in a trading halt. Trading in Industria securities is expected to resume on Friday, 2 September 2016.

Eligible retail securityholders who have any questions regarding the retail entitlement offer should contact the Offer Information Line on 1300 222 378 (within Australia) or on +61 1300 222 378 (outside Australia) from 8.30am to 5.30pm AEST Monday to Friday during the retail entitlement offer period.

In considering the information contained in this announcement, please also refer to the Important Information section below.

**ENDS**

For further information, please contact:

Fund Manager  
 Alex Abell  
 aabell@industriareit.com.au  
 +61 3 8656 1000



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**About Industria REIT**

Industria (ASX code: IDR) is a listed Australian real estate investment trust which owns interests in office and industrial properties that provide functional and affordable workspaces for business. Industria's \$545 million portfolio of 16 properties located across the major Australian cities provides sustainable income and capital growth prospects for security holders over the long term. Industria has a target gearing band of 30 – 40%, providing flexibility for future growth without compromising the low-risk approach to capital management. Industria is managed by APN Property Group, a specialist real estate investment manager established in 1996, and governed by a majority independent Board.

**Industriareit.com.au**

**Important Information**

Determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and Retail Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of APN FM, Industria and Macquarie Capital. APN FM, Industria and Macquarie Capital disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law. Retail securityholders may choose to take up part or all of their pro rata entitlements and, to the extent other securityholders do not take up their full entitlement, will be able to apply for additional stapled securities representing up to an additional \$50,000 per securityholder (subject to scale-back).

*Forward-looking statements*

This announcement contains a number of forward-looking statements including indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, opinions and estimates are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of APN FM in its capacity as responsible entity of Industria that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements and neither APN FM, nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement contains such statements that are subject to risk factors associated with the industries in which Industria operates.

*Disclaimer*

To the maximum extent permitted by law, Macquarie and its related bodies corporate (as defined in the Corporations Act 2001 (Cth)), and the officers, directors, employees and agents of those entities, expressly disclaim all or any liability which may arise out of the provision to, or use by, any person of the information contained in this announcement and make no recommendation as to whether investors should participate in the offer of securities under the Entitlement Offer. Without limiting the foregoing, any forecast, budget, target, projection or other forward looking statement (projection) is provided for information purposes only and comprises APN FM and Industria's estimates of future prospects of the Fund. No representation or warranty is given as to the accuracy, completeness or reasonableness of any such projection, or that any such projection will actually be met. As the achievement of any projection is dependent upon future events, the outcome of which cannot be assured, the actual results may vary materially from the projection.



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 Ltd ACN 010 794 957

Responsible Entity  
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ASX ANNOUNCEMENT (ASX code: **IDR**)

2 September 2016

## Successful Completion of Placement and Institutional Entitlement Offer

*Not for release or distribution in the United States*

### Highlights

- Total of approximately A\$48.2 million raised under the Institutional Entitlement Offer and Placement at A\$2.12 per New Stapled Security
- Strong support from existing eligible institutional securityholders with take up of 86% under the Institutional Entitlement Offer
- Existing eligible retail securityholders have the opportunity to subscribe for 1 New Stapled Security for every 4 stapled securities held at the Record Date at A\$2.12 per New Stapled Security
- Retail Entitlement Offer to raise up to a further A\$36.8 million
- The Retail Entitlement Offer to eligible retail securityholders will open from Tuesday, 6 September 2016 to Monday, 19 September 2016. Early Retail Entitlement Offer acceptances are due by 5.00pm (AEST), Thursday, 8 September and will result in an earlier allotment on Monday, 12 September 2016. Retail Entitlement Offer acceptances received by 5.00pm (AEST), Monday, 19 September 2016 will be allotted New Stapled Securities on Monday, 26 September 2016

### Completion of Placement and Institutional Entitlement Offer

Industria REIT (**Industria** or the **Fund**) is pleased to announce the successful completion of its institutional placement (**Placement**) and the institutional component (**Institutional Entitlement Offer**) of its 1 for 4 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new stapled securities (**New Stapled Securities**) which launched on Thursday, 1 September 2016 (together the Placement and the Entitlement Offer referred to as the **Equity Raising**).

The Placement and Institutional Entitlement Offer closed on Thursday, 1 September 2016, and received strong demand from both existing and new institutional securityholders, raising a total of approximately A\$48.2 million at A\$2.12 per New Stapled Security (**Offer Price**).

The Placement of approximately 9.3 million New Stapled Securities raised a total of approximately A\$19.8 million and has allowed Industria to introduce several new highly respected institutions which has broadened the depth and quality of the Fund's register.

The Institutional Entitlement Offer raised approximately A\$28.4 million, and was strongly supported by existing eligible institutional securityholders, who took up approximately 86% of their entitlements.

New Stapled Securities issued under the Institutional Entitlement Offer and Placement will rank equally with existing stapled securities on issue and are expected to be allotted on Monday, 12 September 2016. Trading will commence on a normal settlement basis on the Australian Securities Exchange (**ASX**) on the same day.

Industria Fund Manager, Alex Abell said, "Strong support was received from both existing and new investors keen to see Industria grow through an attractive acquisition that also has broader portfolio benefits. We appreciate their support of Industria's growth and look forward to continuing to deliver sustainable income and capital growth for securityholders over the long term."

## Retail Entitlement Offer

The retail component of the Entitlement Offer is fully underwritten and seeks to raise up to approximately A\$36.8 million through a 1 for 4 pro-rata non-renounceable entitlement offer (**Retail Entitlement Offer**) at A\$2.12 per New Stapled Security.

The Retail Entitlement Offer will open on Tuesday, 6 September 2016 and close at 5.00pm (**Melbourne time**) on Monday, 19 September 2016.

Eligible retail securityholders with registered addresses in Australia or New Zealand on the record date of 7.00pm (Melbourne time) on Monday, 5 September 2016 (**Record Date**), have the opportunity to invest in New Stapled Securities at the Offer Price. Eligible retail securityholders who take up their full entitlement may also apply for additional New Stapled Securities in excess of their entitlement (to the extent available) up to A\$50,000 per eligible retail securityholder at the Offer Price (subject to scale-back).

The terms and conditions under which eligible retail securityholders may apply are outlined in the retail offer booklet (**Retail Offer Booklet**) expected to be lodged and despatched to eligible retail securityholders on Tuesday, 6 September 2016. In deciding whether or not to participate in the Retail Entitlement Offer, eligible retail securityholders should read the Retail Offer Booklet carefully.

The Retail Offer Booklet and the accompanying personalised entitlement and acceptance form will contain instructions on how to apply by the closing date of Monday, 19 September 2016.

Key dates for the Retail Entitlement Offer are set out below.

Key event	Date
Record Date	7.00pm, Monday, 5 September 2016
Retail Offer Booklet despatched and Retail Entitlement Offer opens	Tuesday, 6 September 2016
Early retail acceptance due date	5.00pm, Thursday 8 September
Placement and institutional and early Retail Entitlement Offer settlement	Friday, 9 September 2016
Allotment and normal trading of New Stapled Securities issued under the Placement and Institutional Entitlement Offer and early Retail Entitlement Offer	Monday, 12 September 2016
Retail Entitlement Offer closes	5.00pm, Monday, 19 September 2016
Settlement of remaining New Stapled Securities issued under the Retail Entitlement Offer	Friday, 23 September 2016
Allotment of remaining New Stapled Securities issued under the Retail Entitlement Offer	Monday, 26 September 2016
Commence trading of remaining New Stapled Securities issued under the Retail Entitlement Offer	Tuesday, 27 September 2016
Despatch of holding statements	Tuesday, 27 September 2016

Subject to the ASX listing rules, the *Corporations Act 2001* (Cth) and any other applicable laws, Industria in consultation with the Underwriter, reserves the right to vary the timetable without prior notice, including by extending the closing date, closing the Retail Entitlement Offer early, accepting late applications or by withdrawing the Retail Entitlement Offer. There will be no trading of entitlements on ASX.

## Additional information

Additional information regarding the Equity Raising is contained in the investor presentation released to the ASX on Thursday, 1 September 2016.

Eligible retail securityholders who have any questions regarding the Retail Entitlement Offer should contact the Offer Information Line on 1300 222 378 (within Australia) or on +61 1300 222 378 (outside Australia) from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision. Macquarie Capital (Australia) Limited (**Macquarie Capital**) is acting as Underwriter and Bookrunner to the Equity Raising.

## ENDS

For further information, please contact:

Fund Manager  
Alex Abell  
aabell@industriareit.com.au  
+61 3 8656 1000

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### About Industria REIT

Industria (ASX code: IDR) is a listed Australian real estate investment trust which owns interests in office and industrial properties that provide functional and affordable workspaces for business. Industria's \$545 million portfolio of 16 properties located across the major Australian cities provides sustainable income and capital growth prospects for security holders over the long term. Industria has a target gearing band of 30 – 40%, providing flexibility for future growth without compromising the low-risk approach to capital management. Industria is managed by APN Property Group, a specialist real estate investment manager established in 1996, and governed by a majority independent Board.

[Industriareit.com.au](http://Industriareit.com.au)

### Important Information

Determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and Retail Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of APN Funds Management (**APN FM**) in its capacity as responsible entity of Industria, Industria and Macquarie Capital. APN FM, Industria and Macquarie Capital disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law. Retail securityholders may choose to take up part or all of their pro rata entitlements and, to the extent other securityholders do not take up their full entitlement, will be able to apply for additional stapled securities representing up to an additional \$50,000 per securityholder (subject to scale-back).

### *Forward-looking statements*

This announcement contains a number of forward-looking statements including indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, opinions and estimates are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of APN FM that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements and neither APN FM, nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement contains such statements that are subject to risk factors associated with the industries in which Industria operates.

### *Disclaimer*

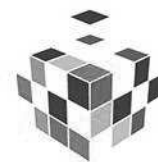
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# PROPERTY ACQUISITION AND EQUITY RAISING

1 September 2016

[www.industriareit.com.au](http://www.industriareit.com.au)  
ASX CODE: IDR



**iINDUSTRIA**REIT



# Important notices

**IMPORTANT:** You must read the following before continuing.

This presentation has been prepared by APN Funds Management Limited (ACN 080 674 479) (**Responsible Entity** or **APN FM**) as responsible entity of Industria Trust No. 1, Industria Trust No. 2, Industria Trust No. 3 and Industria Trust No. 4 (**Trusts**) and Industria Company No. 1 Limited (ACN 010 794 957) (**Company**) (together Industria REIT (**Industria**)) in relation to an institutional placement (**Placement**) and an accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new stapled securities, each comprising one unit in each of the Trusts and one share in the Company (together, **New Stapled Securities**). The Placement will be made to institutional investors. The Entitlement Offer will be made to eligible institutional shareholders of Industria (**Institutional Entitlement Offer**) and to eligible retail shareholders of Industria (**Retail Entitlement Offer**). The Placement and the Entitlement Offer are collectively referred to in this presentation as the **Offer**.

## Summary information

This presentation contains summary information about Industria's activities and is current as at 1 September 2016. The information in this presentation is a general background and does not purport to be complete or provide all information that an investor should consider when making an investment decision, nor does it contain all the information which would be required in a prospectus or a product disclosure statement prepared in accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**). It has been prepared by Industria with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. Industria is not responsible for updating, nor undertakes to update, this presentation. It should be read in conjunction with Industria's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at [www.asx.com.au](http://www.asx.com.au).

## Not financial product advice

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other offer document under Australian law or the law of any other jurisdiction. This presentation is not financial product or investment advice, a recommendation to acquire New Stapled Securities or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs, and seek legal and taxation advice appropriate to their jurisdiction. Industria is not licensed to provide financial product advice in respect of its securities. Cooling off rights do not apply to the acquisition of New Stapled Securities.

## Financial data

All dollar values are in Australian dollars (**\$** or **A\$**) unless stated otherwise. Investors should note that this presentation contains pro forma financial information, including a pro forma balance sheet as at 30 June 2016. In preparing the pro forma financial information, certain adjustments were made to Industria's reviewed balance sheet as at 30 June 2016 that Industria considered appropriate to reflect the application of the proceeds of the Entitlement Offer to fund the acquisition of 1-3 WesTrac Drive, Newcastle, as if the entitlement offer and application of proceeds had occurred on 30 June 2016. The pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission (**SEC**).

## Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

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Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Industria's views on its future performance or condition. Investors should note that past performance, including past security price performance, of Industria cannot be relied upon as an indicator of (and provides no guidance as to) future performance including future security price performance.

## Future performance

This presentation contains certain forward-looking statements. The words "expect", "likely", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "propose", "will", "predict", "forecast", "target", "outlook", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

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## Not an offer

This presentation is not and should not be considered an offer or an invitation to acquire Industria stapled securities or any other financial products and does not and will not form any part of any contract for the acquisition of New Stapled Securities.

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## Investor eligibility

Determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and Retail Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of APN FM, Industria and Macquarie Capital. APN FM, Industria and Macquarie Capital disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

## Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this presentation you acknowledge and agree to the terms set out in these important notices.



# Agenda

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**01** Executive summary

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**02** Acquisition overview

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**03** Funding summary and equity raising details

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Appendices

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# 01 Executive summary



## Executive summary

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- Industria has contracted to acquire the WesTrac Newcastle facility for \$158.6m
- The acquisition will be funded via:
  - A fully underwritten capital raising comprising a \$19.8m institutional placement and a \$65.2m non-renounceable entitlement offer of 1 New Stapled Security for every 4 existing stapled securities at an offer price of \$2.12; and
  - Existing debt capacity and new bank debt totalling \$85.4m (accompanied by a refinancing of existing facilities)
- The acquisition provides a range of benefits to Industria, including:
  - Attractive initial yield of 7.25% growing at 3% per annum<sup>1</sup>
  - 18 year triple net lease to WesTrac underpinning a 7.9 year portfolio WALE<sup>2</sup>
  - Significant increase in scale and liquidity, increasing both assets and market capitalisation
  - Enhanced portfolio metrics including occupancy and diversification
- Upgraded FY17 forecast DPS<sup>3</sup> of 16.0 cents equates to a yield of 7.5% based on the offer price of \$2.12 per stapled security
- The manager, APN Property Group Limited (“APN Property Group”), which holds approximately 13.9% of Industria stapled securities<sup>4</sup>, has agreed to subscribe for its full pro-rata entitlement under the Entitlement Offer and to sub-underwrite up to \$6 million of the Entitlement Offer<sup>4</sup>
- Settlement of the property is anticipated to occur in late September 2016

1. Rent increases at the greater of 3% or CPI per annum

2. WALE refers to weighted average lease expiry as at 30 June 2016 (pro-forma)

3. DPS refers to distributions per stapled security

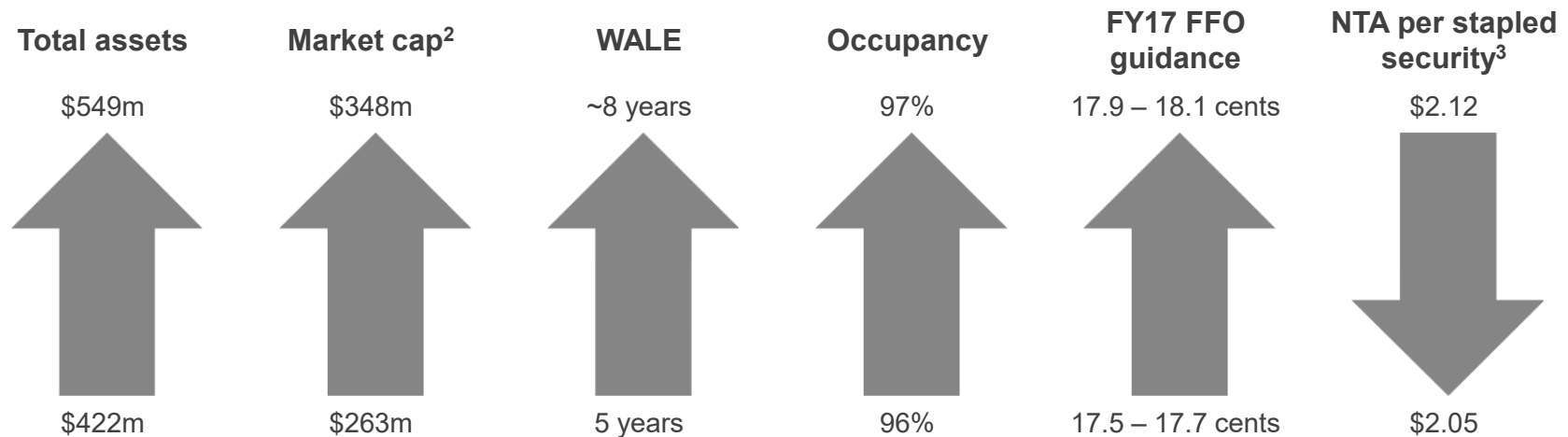
4. Separate to APN Property Group's holding, APN FM also holds 5.0% of Industria stapled securities on behalf of various funds



## Executive summary

- On a per stapled security basis, the acquisition and the Offer will be ~2% accretive to FY17 FFO<sup>1</sup> and DPS
  - FY17 FFO guidance upgraded to 17.9 – 18.1 cents per stapled security – an 8.4% – 8.5% yield on the offer price
  - FY17 DPS guidance upgraded to 16.0 cents per stapled security – a 7.5% yield on the offer price
  - Subject to current market conditions continuing and no unforeseen events

### Significant increase in scale and improvement in portfolio metrics



1. FFO refers to Funds From Operations

2. Calculated based on market capitalisation as at 31 August 2016 and an offer price of \$2.12 per stapled security

3. NTA dilution due to stamp duty associated with the acquisition of \$8.7m and transaction costs associated with the acquisition and the Offer

Note: All metrics as at 30 June 2016 pro forma unless otherwise stated

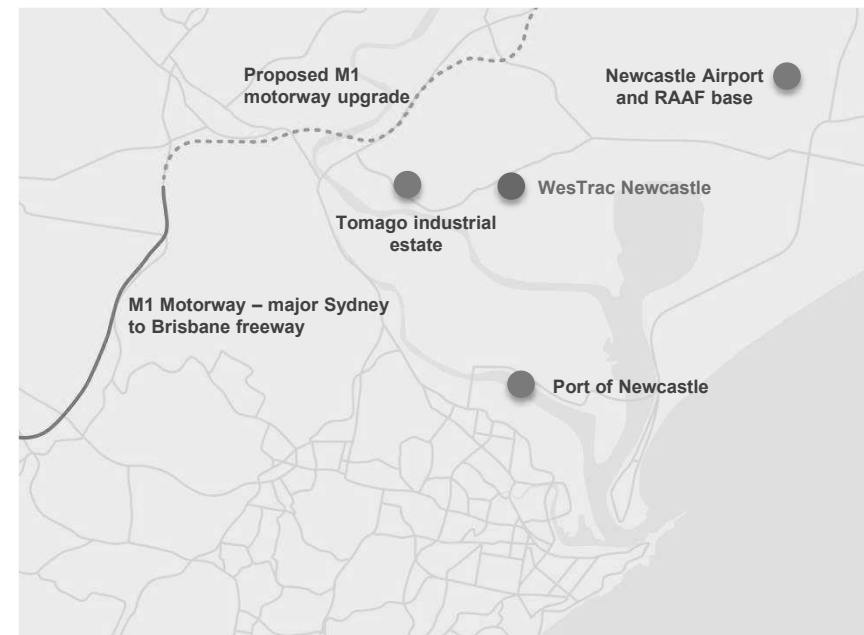
# 02 Acquisition overview



# Overview of the acquisition

## WesTrac Newcastle

- Acquisition of the WesTrac Newcastle facility at 1-3 WesTrac Drive, Tomago for \$158.6m
- Best-in-class facility completed in 2012 – and designed and built for a 50+ year life
- WesTrac’s NSW and ACT headquarters
- Site location provides for proximity to a skilled employment base and key infrastructure:
  - Newcastle airport
  - Port of Newcastle
  - M1 Motorway
- 45,500 sqm of 12 purpose built, interconnected facilities, ancillary buildings and hardstand areas
- 42.9 hectare site including 17.5 hectares of expansion land available to WesTrac
- Located adjacent to Tomago Industrial estate, an established location that includes Tomago Aluminium (largest smelter in Australasia) and multiple manufacturing and engineering companies
- Acquisition settlement due late September 2016





## Key acquisition metrics

**18 year triple-net lease generating \$11.5m per annum growing at greater of 3% or CPI**

Asset purchase price	\$158.6m	Building area	45,500 sqm
Initial yield	7.25%	Lease term	18 years
Net operating income	\$11.5m p.a.	Lease type	Triple-net
Annual rent reviews	Greater of 3% or CPI	Building age	4 years
Building average rental	\$131psm	Average rental - other areas	\$20psm



Parts and Distribution Warehouse



Component Rebuild Centre

Implied rent profile	Area (sqm)	Rent (\$ psm)	Rent (\$m)
Office area	6,300	225	1.4m
Distribution centre, workshops, warehouse	27,800	97	2.7m
Component rebuild centre	8,500	150	1.3m
Cafeteria/amenity	2,900	200	0.6m
<b>Total buildings</b>	<b>45,500</b>	<b>131</b>	<b>6.0m</b>
Awning and hardstand	109,000	47	5.1m
Expansion land	175,400	2.5	0.4m
<b>Total awning, hardstand and expansion land</b>	<b>284,400</b>	<b>20</b>	<b>5.5m</b>
<b>Total rent</b>			<b>11.5m</b>



## WesTrac overview

- WesTrac is a wholly owned subsidiary of ASX listed Seven Group Holdings, a diversified company with a market capitalisation of \$2.2bn<sup>1</sup>:
  - WesTrac was founded in 1990 and has a workforce of ~3,000 employees
  - WesTrac represented more than 50% of the earnings of Seven Group Holdings in FY16, generating an underlying EBIT of \$165m from trading revenues of \$2.1bn
- WesTrac has a longstanding partnership with Caterpillar, the world's leading equipment manufacturing company (listed on NYSE with a market capitalisation in excess of US\$48bn<sup>1</sup>):
  - Exclusive dealer licence for Caterpillar in NSW, ACT, WA, and North East China
  - Australia's largest authorised Caterpillar dealer and one of the largest Caterpillar dealerships globally
- WesTrac has made a significant commitment to the facility, investing more than \$35.0m in fit-out in 2012

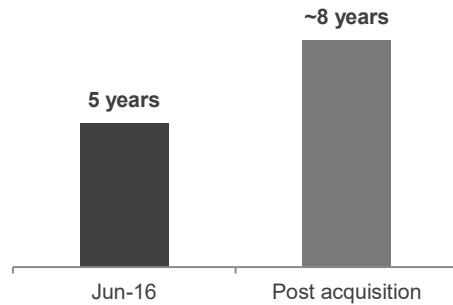


1. Market capitalisation as at 31 August 2016  
Source: Seven Group Holdings 2016 Annual Report

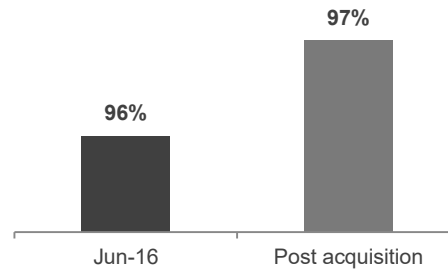


# Improved portfolio metrics<sup>1</sup>

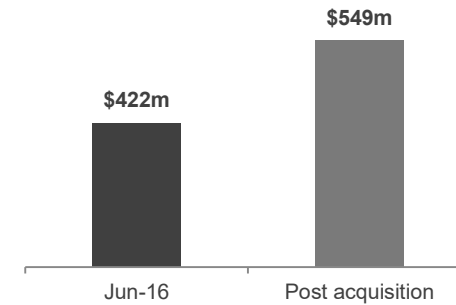
## Significantly enhanced WALE



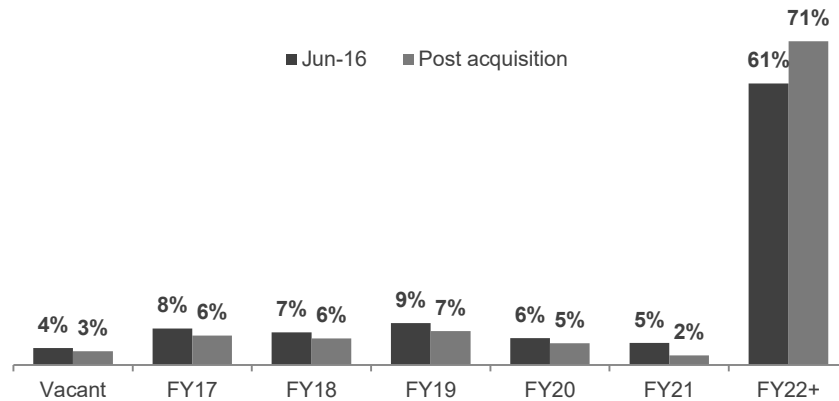
## Higher occupancy



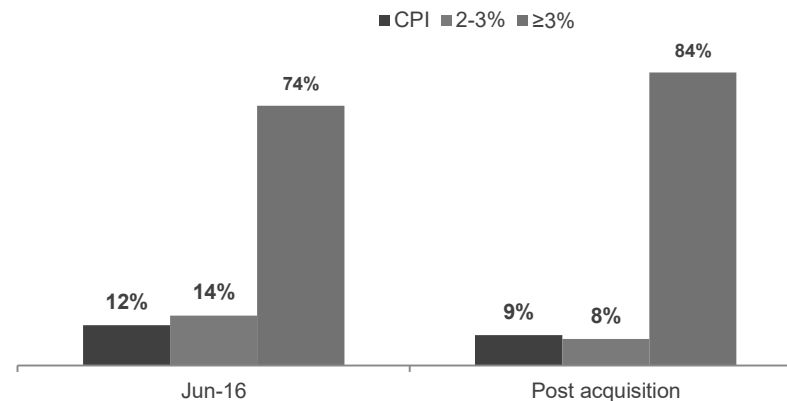
## Increased total assets



## Improved lease expiry profile



## Higher proportion of annual rent reviews ≥ 3%



1. Please refer to Appendix B for further details in relation to Industria's portfolio pre and post acquisition

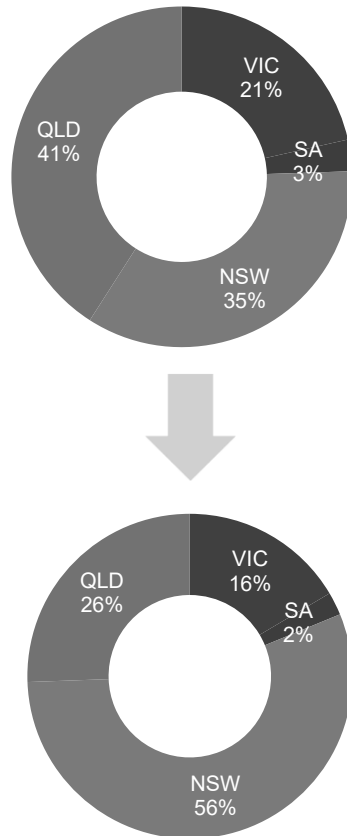
Note: Post acquisition includes the impact of the acquisition of 1-3 Westrac Drive, Newcastle and sales of 7 Brandl Street and 85 Brandl Street, Brisbane Technology Park as at 30 June 2016





# Positive impact on broader portfolio and tenancy profile<sup>1</sup>

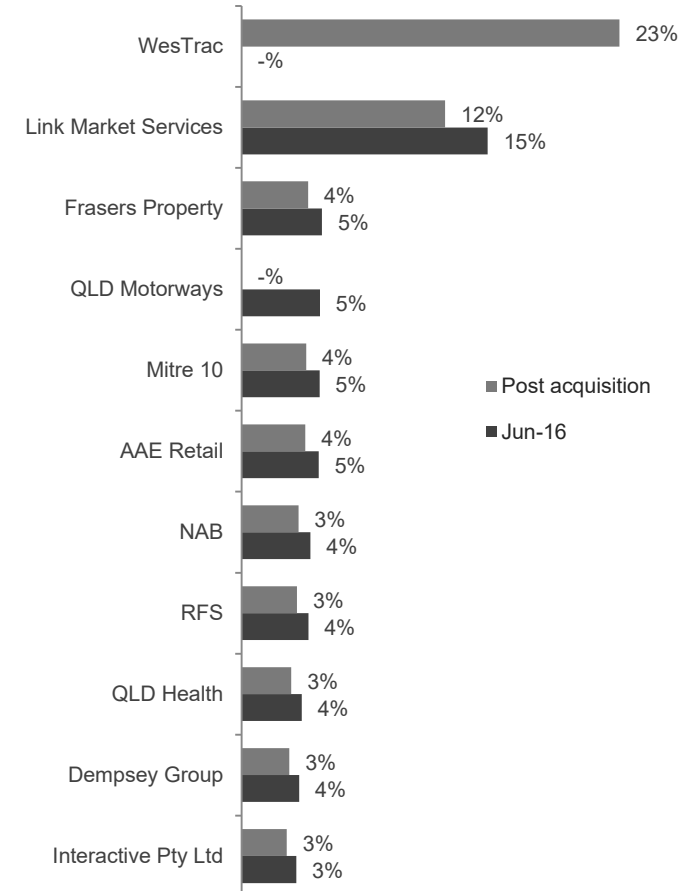
## Greater NSW exposure



## Increased industrial focus



## Addition of a new high quality major tenant



1. Please refer to Appendix B for further details in relation to Industria's portfolio pre and post acquisition

Note: Charts weighted by portfolio income. Pro forma charts include the impact of the acquisition of 1-3 WesTrac Drive, Newcastle as well as the sales of 7 Brandl Street and 85 Brandl Street, Brisbane Technology Park. QLD Motorways were a major tenant at 7 Brandl St hence their removal from post acquisition tenant concentration chart

# 03 Funding summary and equity raising details



## Sources and uses of funds

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- The acquisition will be funded using \$85.4m of bank debt and \$85.0m of equity:

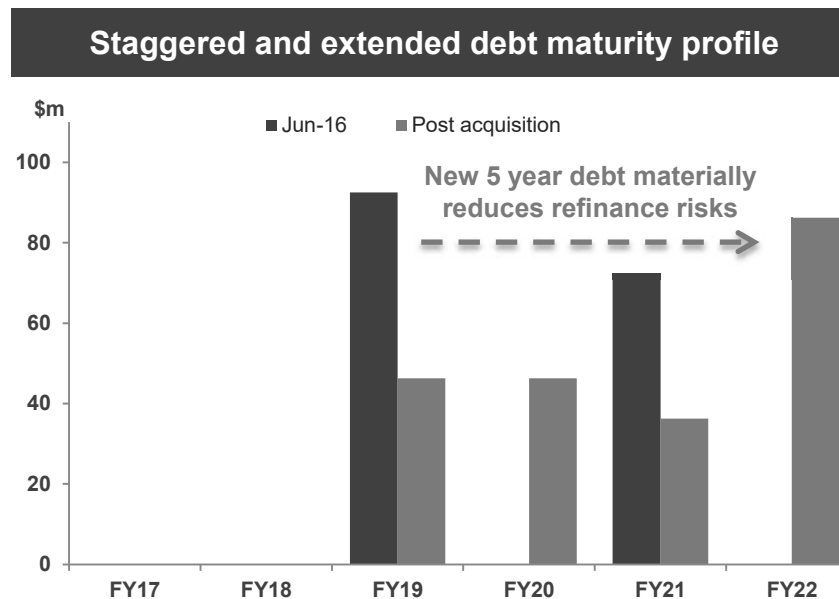
Sources of funds		Uses of funds	
Placement	\$19.8m	Acquisition consideration	\$158.6m
Entitlement Offer	\$65.2m	Stamp duty	\$8.7m
Bank Debt: Undrawn Capacity	\$35.4m	Other transaction costs	\$3.1m
Bank Debt: New Facility	\$50.0m		
<b>TOTAL</b>	<b>\$170.4m</b>	<b>TOTAL</b>	<b>\$170.4m</b>

- The \$170.4 million of funding will be applied to:
  - Acquire WesTrac Newcastle for \$158.6 million
  - Pay acquisition and funding costs of \$11.8 million



## Balance sheet refinanced with new 5 year debt facility

- New five-year debt facility and part-refinance of existing facilities expiring in ~2 years and ~4 years
- Total Industria facility limit increased by \$50m
- Post transaction gearing of 35% – the mid point of the 30 – 40% target band
- We will remain patient when considering both acquisition and disposal opportunities
- Key covenants are unchanged:
  - Loan-to-Value not in excess of 55%
  - Interest Cover not less than 2.0x





## Offer details

- The Offer comprises a \$19.8m Placement and a 1 for 4 Entitlement Offer of \$65.2m

<b>Offer price</b>	<ul style="list-style-type: none"><li>▪ Equity raising will be conducted at \$2.12 per New Stapled Security (“Offer Price”)<ul style="list-style-type: none"><li>▪ 2.9% discount to the five-day VWAP of \$2.184<sup>1</sup></li><li>▪ 0.9% discount to the last closing price of \$2.14<sup>1</sup></li><li>▪ 0.7% discount to TERP<sup>2</sup> of \$2.135</li><li>▪ Attractive DPS yield of 7.5%</li></ul></li></ul>
<b>Entitlement Offer</b>	<ul style="list-style-type: none"><li>▪ Record date Monday 5, September 2016</li><li>▪ Eligible institutional securityholders may choose to take up part or all of their entitlements</li><li>▪ Retail securityholders may choose to take up part or all of their entitlements and, to the extent other securityholders do not take up their full entitlement, will be able to apply for additional stapled securities of up to an additional \$50,000 per securityholder (subject to scale-back)</li></ul>
<b>Distribution entitlement</b>	<ul style="list-style-type: none"><li>▪ New Stapled Securities issued under the Placement and Entitlement Offer will participate in all future distributions on the same terms as other stapled securities (for the avoidance of doubt, this includes 1HFY17)</li></ul>
<b>Ranking</b>	<ul style="list-style-type: none"><li>▪ New Stapled Securities issued will rank pari passu with existing stapled securities</li></ul>
<b>Underwriting</b>	<ul style="list-style-type: none"><li>▪ The equity raising is fully underwritten by Macquarie Capital (Australia) Limited (“Macquarie Capital”)</li></ul>

1. As at Wednesday, 31 August 2016

2. Theoretical ex-rights price (“TERP”) is the theoretical price at which Industria stapled securities should trade after the ex-date for Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Industria stapled securities should trade immediately after the ex-date for the Entitlement Offer depends on many factors and may not equal TERP. TERP excludes the New Stapled Securities issued under the Placement



## Offer timetable

Event	Date
Trading halt and announcement of acquisition and equity raising	Thursday, 1 September 2016
Institutional Entitlement Offer	Thursday, 1 September 2016
Trading in Industria securities resumes on an ex-entitlement basis	Friday, 2 September 2016
Record date for determining entitlements for the Offer	7:00pm Monday, 5 September 2016
Retail Entitlement Offer opens	Tuesday, 6 September 2016
Early retail acceptance due date ("Early Retail Acceptance Due Date")	Thursday, 8 September 2016
Settlement of New Stapled Securities issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date	Friday, 9 September 2016
Allotment and normal trading of New Stapled Securities issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date	Monday, 12 September 2016
Final Retail Entitlement Offer closing date	5:00pm Monday, 19 September 2016
Settlement of remaining New Stapled Securities issued under the Retail Entitlement Offer	Friday, 23 September 2016
Allotment of remaining New Stapled Securities issued under the Retail Entitlement Offer	Monday, 26 September 2016
Despatch of holding statements Normal trading of remaining New Stapled Securities issued under the Retail Entitlement Offer	Tuesday, 27 September 2016

All dates and times in this presentation refer to Melbourne time. The above timetable is indicative only. The Responsible Entity and the underwriter reserve the right to amend any or all of these dates at their absolute discretion, subject to the Corporations Act, the ASX listing rules and any other applicable laws. The quotation of New Stapled Securities is subject to confirmation from the ASX

# A Pro forma balance sheet



## Pro forma balance sheet

\$millions (unless otherwise stated)	30 June 2016	Asset sales	Acquisition and equity raising	Pro forma
Cash and cash equivalents	1.6			1.6
Investment properties	417.9	(31.7)	158.6	544.8
Other assets	2.4	-	-	2.4
<b>Total assets</b>	<b>421.9</b>	<b>(31.7)</b>	<b>158.6</b>	<b>548.8</b>
Borrowings <sup>1</sup>	(139.3)	31.7	(84.8)	(192.4)
Other liabilities	(21.4)	-	-	(21.4)
<b>Total liabilities</b>	<b>(160.7)</b>	<b>31.7</b>	<b>(84.8)</b>	<b>(213.8)</b>
<b>Net assets</b>	<b>261.2</b>	<b>-</b>	<b>73.8</b>	<b>335.0</b>
Shares on issue (m)	123.0		40.1	163.1
NTA per security	\$2.12			\$2.05
Gearing <sup>2</sup>	33.1%			35.3%

This pro forma balance sheet has been prepared based on the Industria balance sheet as at 30 June 2016 adjusted to show the effect of the acquisition of WesTrac Newcastle, the capital raising, and sales of 7 and 85 Brandl Street, Brisbane Technology Park as if they had occurred on 30 June 2016. Due to its nature, the pro forma balance sheet does not represent Industria's actual or prospective financial position.

1. Borrowings are net of capitalised establishment costs (\$0.8m as at 30 June 2016) and the transaction includes an additional \$0.6m of capitalised borrowing costs
2. Gearing reflects total borrowings, excluding capitalised establishment fees and net of cash, divided by investment properties



# B Portfolio summary



# Portfolio summary

Property	State	Ownership	Sector	Valuation (\$m)	Cap Rate (%)	NLA (sqm)	Occupancy (by area)	WALE (by area)
34 Australis Drive, Derrimut	VIC	100%	Industrial	24.0	7.00%	25,243	100%	6.4 yrs
80-96 South Park Drive, Dandenong South	VIC	100%	Industrial	20.2	7.25%	20,245	100%	5.1 yrs
89 West Park Drive, Derrimut	VIC	100%	Industrial	17.4	7.00%	17,024	100%	6.2 yrs
32-40 Garden Street, Kilsyth	VIC	100%	Industrial	14.7	7.25%	10,647	100%	8.5 yrs
5 Butler Boulevard, Adelaide Airport	SA	100%	Industrial	12.5	9.75%	12,257	100%	1.6 yrs
140 Sharps Rd, Tullamarine	VIC	100%	Industrial	13.5	8.25%	10,508	100%	6.3 yrs
7 Clunies Ross Court and 17-19 McKechnie Drive, BTP	QLD	100%	Bus Park	39.0	8.00%	8,877	100%	7.2 yrs
BTP Central, BTP	QLD	100%	Bus Park	40.8	8.05%	7,782	81%	2.9 yrs
8 Clunies Ross Court and 9 McKechnie Drive, BTP	QLD	100%	Bus Park	21.4	8.25%	5,704	86%	1.4 yrs
37 Brandl Street, BTP	QLD	100%	Bus Park	13.2	8.75%	3,329	100%	1.4 yrs
18 Brandl Street, BTP	QLD	100%	Bus Park	11.5	8.50%	4,174	76%	0.7 yrs
88 Brandl Street, BTP	QLD	100%	Bus Park	13.5	8.50%	3,121	88%	2.3 yrs
Building A, Rhodes	NSW	100%	Bus Park	89.8	7.00%	14,644	100%	4.7 yrs
Building C, 1 Rhodes	NSW	100%	Bus Park	54.7	7.25%	10,582	79%	3.8 yrs
<b>Portfolio</b>				<b>386.1</b>	<b>7.63%</b>	<b>154,137</b>	<b>96%</b>	<b>5.0 yrs</b>

## Acquisition of WesTrac Newcastle

1 – 3 WesTrac Dr, Tomago	NSW	100%	Industrial	158.6	7.25%	45,500	100%	18.0 yrs
<b>Pro forma total</b>				<b>544.7</b>	<b>7.52%</b>	<b>199,637</b>	<b>97%</b>	<b>7.9 yrs</b>

## Assets sold or to be sold post 30 June 2016

7 Brandl Street, BTP (Sold 1 August 2016)	QLD	100%	Bus Park	25.1 <sup>1</sup>	7.50%	5,264	100%	5.0 yrs
85 Brandl Street, BTP (To settle 8 September 2016)	QLD	100%	Bus Park	6.6 <sup>1</sup>	7.50%	1,594	100%	4.5 yrs

1. After adjustments for sales costs for properties reclassified as assets held for sale

# C Selling restrictions



# Selling restrictions

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## International Offer Restrictions

This document does not constitute an offer of New Stapled Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Stapled Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Hong Kong

WARNING: This document has not been, and will not be, authorized 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 authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Stapled 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 New Stapled 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 New Stapled 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 the Financial Markets Conduct Act 2013 (the FMC Act).

The New Stapled Securities are not being offered to the public within New Zealand other than to existing securityholders of Industria with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the entitlement offer, the New Stapled Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## 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 New Stapled 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 New Stapled Securities may not be circulated or distributed, nor may the New Stapled 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 New Stapled 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.

# D Key risks



# Key investment risks

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This section discusses some of the risks associated with an investment in Industria. Industria's business is subject to a number of risk factors both specific to its business and of a general nature which may impact its future performance and forecasts. Before subscribing for New Stapled Securities, prospective investors should carefully consider and evaluate Industria and its business and whether New Stapled Securities are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors, as set out below.

The risk factors set out below are not exhaustive, and many of them are outside the control of Industria and the Responsible Entity. Prospective investors should consider publicly available information on Industria, examine the full content of this presentation and consult their financial, tax and other professional advisers before making an investment decision.

## Rental income and investment risk

Returns from an investment in property largely depend on rental income generated from tenants across its portfolio, expenses incurred in managing and maintaining those interests, and changes in market value of such interests. The market value of properties and property related investments is in part correlated to rental income, and rental income may be adversely impacted by a number of factors including:

- overall market conditions in national and local economies in which Industria operates such as growth or contraction in gross domestic product, demographic changes, employment trends and consumer sentiment;
- the financial performance and condition of tenants;
- the ability to attract new tenants where an existing tenant vacates its lease on expiration or bankruptcy;
- increase in rental arrears and vacancy periods;
- reliance on a tenant which leases a material portion of the portfolio;
- an increase in unrecoverable outgoings;
- the location and quality of properties;
- operating, maintenance and refurbishment expenses, as well as unforeseen capital expenses; 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

The portfolio's leases come up for renewal on a periodic basis, and there is a risk that Industria may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms, or replace outgoing tenants with new tenants. The ability to secure lease renewals or to obtain replacement tenants may be influenced by any leasing incentives granted to prospective tenants and the supply of new properties in the market, which, in turn, may increase the time required to let vacant space. Should Industria be unable to secure a replacement tenant for a period of time or if replacement tenants lease the property on less favourable terms than existing lease terms, this will result in a lower rental return to Industria, which could materially adversely affect the financial performance of Industria and distributions.

Whilst the lease term for the WesTrac acquisition is 18 years, approximately 20% of Industria's existing leases will expire in the next 3 years. There can be no guarantee that Industria will be successful in the lease renewal processes with each tenant, or that Industria will be able to renew any lease on similar or not less favourable terms. Industria could lose key tenants due to a range of events including as a result of failure to renew a lease, the termination of a lease due to change of control, deterioration in the level of service provided to tenants, weakening of tenant relationships or disputes with tenants, consolidation of a tenant's sites or insolvency of tenants. Any of these factors could materially adversely affect the financial performance of Industria and distributions.



# Key investment risks

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## 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;
- changes in interest rates; 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 Funding risk).

External and director valuations represent only the analysis and opinion of such persons at a certain date and they are not a guarantee of present or future values. The value of the assets may impact on the value of an investment in Industria and changes in market valuation of assets may adversely effect Industria's financial position and performance.

## Realisation of assets and liquidity

Property assets are, by their nature, illiquid investments. This may make it difficult to alter the balance of income sources for Industria in the short term in response to changes in economic or other conditions. Industria may not be able to realise the assets within a short period of time or may not be able to realise assets at valuation including selling costs, which could materially adversely affect the performance of Industria and distributions.

## Funding risk

Industria is a geared investment product and relies upon debt funding as an integral part of its capital structure. The extent to which Industria is geared will magnify the effect of changes in property valuations. Changes in interest rates and the availability and cost of finance will affect the operational and financial results of Industria. Industria's ability to refinance its debt facilities and/or interest rate hedges as they fall due will depend upon its financial position and performance and the prevailing market conditions. An inability to refinance the existing debt facilities and/or enter into new debt facilities or interest rate hedges on similar terms and conditions may have an adverse impact on the operational and financial results of Industria.

## Interest rate risk

Adverse fluctuations in interest rates, to the extent that they are not hedged, may impact Industria's funding costs adversely, resulting in a decrease in distributable income. Where interest rates are hedged by way of financial instruments, the value of those instruments can vary substantially which can impact on both earnings and net assets.



# Key investment risks

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## Banking covenants

Industria has various covenants in relation to its banking facilities, including interest cover and leverage ratio requirements. Unforeseen factors such as falls in asset values or the inability of Industria to extend current leases could lead to a breach in debt covenants. In such an event, Industria's lenders may require their loans to be repaid immediately or compel Industria to sell assets at below market value. Furthermore, there is a risk that unforeseen capital expenditure may impact upon the cash available to service debt.

## Capital expenditure risk

There is a risk that, due to unforeseen circumstances (not covered by insurance), 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.

## Reliance on APN FM, APN Property Group and personnel risk

Industria relies on APN FM and its parent company APN Property Group to provide a range of services (e.g. property management, asset management and leasing services). As a result, Industria's performance depends largely on the performance on the APN executive team. Failure of APN and its executives to discharge its responsibilities as agreed may adversely affect the management and financial performance of Industria and therefore returns to securityholders.

The ability of Industria to successfully deliver on its business objectives as set out in this presentation, is in part dependent on APN retaining and attracting quality senior management and other employees. The loss of the services of any senior management or key personnel, or the inability to attract new skilled personnel, could materially affect Industria's business, operational performance or financial results.

## 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.





# Key investment risks

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## **Tenant concentration**

Industria relies on key tenants to generate the majority of its revenue. Following the acquisition of 1-3 WesTrac Drive, Newcastle, WesTrac would become Industria's most significant tenant, comprising 23% of the portfolio by income. If a key tenant is affected by financial difficulties (for example if Caterpillar was to terminate its license agreement with WesTrac) that tenant may default on its rental or other contractual obligations which may result in loss of rental income or losses to the value of Industria's assets. This has the potential to adversely impact the operational and financial results of Industria.

In addition, there is a risk that if one or more of the major tenants ceases to be a tenant, Industria may not be able to find a suitable replacement tenant or may not be able to secure lease terms that are as favourable as current terms and incur costs associated with enforcing Industria's claim against those tenants. Should Industria be unable to secure a replacement tenant for a major tenant for a period of time or if replacement tenants lease the property on less favourable terms, this will result in a lower rental return to Industria, which could materially adversely affect its financial performance and distributions.

## **Acquisition due diligence and reliance on information provided**

Industria undertook a thorough due diligence process in respect of acquiring WesTrac Newcastle, which relied partly on the review of financial and other information provided by the vendor. Industria has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, Industria has prepared (and made assumptions in the preparation of) the financial information relating to WesTrac Newcastle included in this presentation in reliance on limited financial information and other information provided by Seven Group Holdings to the ASX.

If any of the data or information provided to and relied upon by Industria in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of WesTrac and Industria may be materially different to the financial position and performance expected by Industria and reflected in this presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition have been identified.

It is possible that the due diligence did not reveal issues that, subject to warranty and other contractual protection in the purchase agreement with the vendor, may later have an adverse impact on the benefits of the acquisition forecast to Industria or may result in Industria being or becoming liable for costs or liabilities in the future that Industria cannot recover. Such costs or liabilities could adversely impact the financial position of Industria.

## **Other acquisition risks**

Other risks associated with the acquisition include delays to completion or an inability to complete. If this occurs, Industria will need to consider alternative uses for, or ways to return the proceeds of any subscriptions raised from Industria securityholders under the Entitlement Offer and Placement. Failure to complete the acquisition and/or any action required to be taken to return capital may have a material adverse effect on Industria's financial performance, financial position and security price. Such circumstances may result in a reduction in earnings to the extent that funds raised under the equity raising are retained in cash.

## **Building condition of WesTrac Newcastle**

Although the property is 100% occupied by WesTrac on a triple-net lease (that passes maintenance obligations to WesTrac), Industria may incur capital expenditure for unforeseen structural problems arising from a defect in the acquired property (to the extent not covered by insurance) or alterations required as a result of changes to statutory requirements. This may impact the financial performance of Industria and may impact on the income received from tenants affected by the conditions.



# Key investment risks

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## Future acquisitions and divestments

Industria may make future acquisitions of additional industrial or business park properties or dispose of existing properties. Future acquisitions or disposals may affect forecast distributions, or any tax deferred component of income returns. The value of the freehold interests in any acquired properties may vary as a consequence of general property market conditions, the property market, or factors specific to an individual property. Decreases in value of investments may result in a decrease in the value at which securities trade on the ASX. Industria may need to sell one or more properties or investments, which may realise a capital loss.

## Underwriting risk

Industria has entered into an underwriting agreement with Macquarie Capital who has agreed to manage and fully underwrite the Entitlement Offer and Placement, subject to certain terms and conditions. If certain customary conditions are not satisfied or certain customary termination events occur, Macquarie Capital may terminate the underwriting agreement.

If the underwriting agreement is terminated, Industria would need to find alternative financing to meet its future funding requirements (including for the proposed acquisition). Although Industria has capacity under its covenants, there is no guarantee that alternative funding could be sourced, either at all or on satisfactory terms and conditions. Termination of the underwriting agreement could materially adversely affect Industria's business, cash flow, financial condition and results of operations.

## Forward-looking statements

There can be no guarantee that the assumptions and contingencies on which the forward-looking statements, opinions and estimates (including guidance on future FFO and distributions) are based will ultimately prove to be valid or accurate. The forward-looking statements, opinions and estimates depend on various factors, including known and unknown risks, many of which are outside the control of the Responsible Entity and Industria. Actual performance of Industria may materially differ from forecast performance.

## Distribution guidance

No assurances can be given in relation to the payment of future distributions. Future determinations as to the payment of distributions by Industria will be at the discretion of the Responsible Entity and Industria and will depend upon the availability of profits, the operating results and financial conditions of Industria, future capital requirements, covenants in relevant financing agreements, general business and financial conditions and other factors considered relevant by the Responsible Entity and Industria. No assurance can be given in relation to the level of tax deferral of future distributions. Tax deferred capacity will depend upon the amount of capital allowances available and other factors.

## Taxation Implications

Future changes in Australian taxation law (including the goods and services tax and stamp duty), including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation status of Industria, the treatment of an investment in Industria stapled securities, or the holding and disposal of those securities.

## Economic and market conditions

A number of factors affect the performance of financial markets generally, which could affect the price at which Industria stapled securities trade on ASX. Among other things, movements on international and domestic stock markets, interest rates, exchange rates, inflation and inflationary expectations and overall economic conditions, economic cycles, investor sentiment, political events and levels of economic growth, both domestically and internationally as well as government taxation and other policy changes may affect the demand for, and price of, Industria stapled securities. Trading prices can be volatile and volatility can be caused by general market risks such as those that have been mentioned. New Industria stapled securities may trade at or below the price at which they commence trading on ASX including as a result of any of the factors that have been mentioned, and factors such as those mentioned may also affect the income, expenses and liquidity of Industria. Additionally, the stock market can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of Industria.



# Key investment risks

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## **Insurance risk**

Industria enters into material damage, business interruption and liability insurance on its properties with policy specifications and insured limits that it believes to be customary in the industry. However, potential losses of a catastrophic nature such as those arising from earthquakes, terrorism or severe flooding may be uninsurable, or not insurable on reasonable financial terms, may not be insured at full replacement costs or may be subject to large excesses. The nature and cost of insurance has been based upon the best estimate of likely circumstances. However, various factors may influence premiums to a greater extent than those forecast, which may in turn have a negative impact on the net income of Industria.

## **Compliance risk**

The Responsible Entity 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.

## **Changes in applicable law and regulations**

Industria will be subject to the usual business risk that there may be changes in laws, regulations and government policy which may affect its operations and/or financial performance. Such changes may impact rental income or operational expenditure. In addition, Industria's ability to take advantage of future acquisition opportunities in Australia may be limited by regulatory intervention on competition grounds.

Industria is also subject to the usual risks to changes in taxation regimes and Accounting Standards. There can be no assurance that such changes will not have a material adverse effect on Industria's business, operational performance or financial results or returns to unitholders.

## **Litigation**

Industria may, in the ordinary course of business, be involved in litigation and disputes (for example, tenancy disputes, environmental and occupational health and safety claims, industrial disputes and legal claims or third party claims). Any such dispute may be costly and adversely affect the operational and financial results of Industria.

## **Dilution risk**

Investors who do not participate in the Entitlement Offer, or do not take up all of their entitlement under the Entitlement Offer (and do not also participate in the Placement or, in the case of retail investors, do not participate in the oversubscription facility), will have their investment in Industria diluted and receive no value for their entitlement. Investors may also have their investment in Industria diluted by future capital raisings by Industria. Industria may issue new stapled securities to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest.

## **Other risks**

The above risks should not be taken as a complete list of the risks associated with an investment in Industria. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of Industria stapled securities and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by Industria in respect of Industria stapled securities.



## Contact

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## 4 Taxation

This section summarises certain general Australian income tax, goods and services tax (**GST**) and stamp duty implications for Eligible Retail Securityholders under the Retail Entitlement Offer who are residents of Australia for tax purposes and who hold their existing Stapled Securities on capital account. This section does not consider the position for Eligible Retail Securityholders who:

- are not resident solely in Australia for Australian income tax purposes;
- are in the business of security trading or who hold their existing Stapled Securities on revenue account or as trading stock (including securityholders such as banks, insurance companies and securityholders carrying on a business of security trading);
- are exempt from Australian income tax;
- acquired their existing Stapled Securities under an employee share or option plan or in return for services provided (including services provided by directors); or
- are subject, or have elected to become subject to the Taxation of Financial Arrangements rules of the Australian income tax law.

The information contained in this section is general in nature and is based on Australian income tax, GST and stamp duty laws and administrative practices in force as at 9.00am on the date of this Retail Offer Booklet (no foreign taxation implications of the Retail Entitlement Offer have been considered in this taxation section).

The information contained in this section is not taxation advice and should not be relied upon as such. It is intended as a general guide only and is not an authoritative or complete statement of all potential tax implications for each Eligible Retail Securityholder. The summary below also does not take account of any individual circumstances of any particular Eligible Retail Securityholder. Taxation is a complex area of law and can be subject to constant change and the taxation consequences for each Eligible Retail Securityholder may differ depending on their own particular circumstances. Further, legislation may be enacted which has retrospective effect. Accordingly, Eligible Retail Securityholders should seek specific advice applicable to their own particular circumstances from their own financial and tax advisers. Neither Industria, nor any of its officers, nor its taxation or other advisers, accepts any liability or responsibility in respect of any statement concerning the taxation consequences of the Retail Entitlement Offer.

### 4.1 Issue of Entitlements

Generally, the issue of the Entitlements should not, of itself, result in any amount being included in Eligible Retail Securityholders' assessable income.

### 4.2 Exercise of Entitlements

Eligible Retail Securityholders who exercise their Entitlements will acquire New Stapled Securities. No assessable income or capital gain should arise for you on the exercise (i.e. taking up) of your Entitlements.

If you take up all or part of your Entitlements, you will acquire New Stapled Securities. Each of the securities comprising the New Stapled Securities will constitute a separate asset for CGT purposes.

The total cost base (and reduced cost base) of the New Stapled Securities should equal the issue price for the New Stapled Securities plus certain non-deductible incidental costs incurred in acquiring the New Stapled Securities. For CGT purposes you will need to apportion the cost of each New Stapled Security over the separate assets that make up each Stapled Security on a reasonable basis. One possible method of apportionment is the relative net assets of the individual entities.

Each of the securities comprising the New Stapled Securities will be taken to be acquired on the day that the Entitlement in respect of the New Stapled Security is exercised.

### 4.3 Acquiring Additional New Stapled Securities

Generally, the issue of Additional New Stapled Securities should not, of itself, result in any amount being included in the Eligible Retail Securityholders' assessable income.

The first element of the cost base and reduced cost base for the individual securities comprising Additional New Stapled Securities acquired under the Retail Entitlement Offer should be determined in the same manner as for New Stapled Securities acquired on exercise of your Entitlements.

Each of the securities comprising the Additional New Stapled Securities will be taken to have been acquired for CGT purposes on the day the Additional New Stapled Securities are issued to you.

### 4.4 New Stapled Securities and Additional New Stapled Securities

Eligible Retail Securityholders who exercise their Entitlements will acquire New Stapled Securities (and potentially Additional New Stapled Securities). Any future dividends or other distributions made in respect of the New Stapled Securities and Additional New Stapled Securities should generally be subject to the same taxation treatment as dividends or other distributions made on existing Stapled Securities held in the same circumstances.

On disposal of a New Stapled Security or an Additional New Stapled Security (referred to in this section as a **Stapled Security**), you should make a capital gain if the capital proceeds on disposal exceed the total cost base of the Stapled Security. You should make a capital loss if the capital proceeds are less than the total reduced cost base of the Stapled Security.

As each individual security comprising a Stapled Security is a separate CGT asset, the disposal of a Stapled Security will constitute a disposal for CGT purposes of each individual security comprising that Stapled Security. Accordingly, the capital proceeds referable to the disposal of each individual security will need to be determined by apportioning the total capital proceeds received in respect of the disposal of the Stapled Security on a reasonable basis. For CGT purposes you will need to apportion the capital proceeds in relation to each New Stapled Security over the separate assets that make up each Stapled Security on a reasonable basis. One possible method of apportionment is the relative net assets of the individual entities.

Individuals, complying superannuation entities or trustees that have held Stapled Securities for at least 12 months (not including the dates of acquisition and disposal of the Stapled Securities) should be entitled to discount the amount of any capital gain resulting from the disposal of the Stapled Securities (after the application of any current year or carry forward capital losses).

The CGT discount applicable is currently one-half for individuals and trustees and one-third for complying superannuation entities. The CGT discount is not available for companies that are not trustees. Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of the CGT discount.

If a capital loss arises on disposal of the Stapled Securities, the capital loss can only be used to offset capital gains; the capital loss cannot be used to offset taxable income on revenue account. However, the capital loss can be carried forward to use in future income years if the loss cannot be used in a particular income year, providing certain tests are satisfied.

### 4.5 Tax file number

If a Securityholder has quoted their Australian business number (**ABN**), tax file number (**TFN**) or an exemption from quoting their TFN in respect of an existing Stapled Security, this quotation or exemption will also apply in respect of any New Stapled Securities or Additional New Stapled Securities acquired by that Securityholder.

Tax may be required to be deducted by Industria from any distributions at the highest marginal tax rate if an ABN or TFN has not been not quoted, or an appropriate TFN exemption has not been provided.

#### **4.6 Other Australian taxes**

No Australian GST or stamp duty should be payable by Eligible Retail Securityholders in respect of the issue, lapse, sale or exercise of the Entitlements or the acquisition, holding or future disposal of New Stapled Securities or Additional New Stapled Securities.

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## 5 Important information

### 5.1 Responsibility for this Retail Offer Booklet

This Retail Offer Booklet has been prepared by Industria. No party other than Industria has authorised or caused the issue of this Retail Offer Booklet, or takes any responsibility for, or makes or gives any statements, representations or undertakings in, this Retail Offer Booklet.

### 5.2 Date of this Retail Offer Booklet

This Retail Offer Booklet is dated Tuesday, 6 September 2016. Subject to the following paragraph, statements in this Retail Offer Booklet are made only as of the date of this Retail Offer Booklet unless otherwise stated and the information in this Retail Offer Booklet remains subject to change without notice. Industria is not responsible for updating this Retail Offer Booklet.

The ASX Announcements and Investor Presentation set out in Section 3 are current as at the date on which they were released. There may be additional announcements that are made by Industria (including after the date of this Retail Offer Booklet) that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Industria before submitting an application.

### 5.3 Reconciliation

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Stapled Securities than they ultimately did as at the Record Date. This results in reconciliation issues. If reconciliation issues occur, it is possible that Industria may need to issue a small quantity of Additional New Stapled Securities to ensure all Eligible Securityholders receive their full Entitlement. The price at which these Additional New Stapled Securities would be issued is the Offer Price.

Industria also reserves the right to reduce the number of New Stapled Securities allocated to Eligible Securityholders or persons claiming to be Eligible Securityholders, if their Entitlement claims prove to be overstated, if they or their nominees/custodians fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Securityholders.

In that case, Industria may, in its discretion, require the relevant Securityholder to transfer excess New Stapled Securities to the Underwriter at the Offer Price per New Stapled Security. If necessary, the relevant Securityholder may need to transfer existing Stapled Securities held by them or purchase additional Stapled Securities on-market to meet this obligation. The relevant Securityholder will bear any and all losses and expenses so caused.

By applying under the Entitlement Offer, you irrevocably acknowledge and agree to do the above as required by Industria in its absolute discretion. You acknowledge that there is no time limit on the ability of Industria to require any of the actions set out above.

### 5.4 No cooling off rights

Cooling off rights do not apply to an investment in New Stapled Securities. You cannot, in most circumstances, withdraw your Application once it has been made.

### 5.5 ASX quotation

On Thursday, 1 September 2016, Industria made an application to ASX for quotation of the New Stapled Securities issued under the Entitlement Offer. New Stapled Securities will only be issued under the Entitlement Offer after permission for their quotation on ASX has been granted.



It is expected that:

- normal trading of New Stapled Securities allotted under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date will commence on Monday, 12 September 2016; and
- normal trading of New Stapled Securities issued under the Retail Entitlement Offer for applications received after the Early Retail Acceptance Due Date (including any Additional New Stapled Securities) will commence on Tuesday, 27 September 2016 on a normal settlement basis.

Industria and the Underwriter disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Stapled Securities before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Industria or the Registry or otherwise.

## **5.6 Not investment advice**

This Retail Offer Booklet is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Industria is not licensed to provide financial product advice in respect of the New Stapled Securities.

Before deciding whether to apply for New Stapled Securities, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Retail Offer Booklet, you are in doubt as to what to do, you should contact your stockbroker, accountant or other independent professional adviser.

## **5.7 Application Monies**

Application Monies will be held in the Industria Entitlement Offer Account until New Stapled Securities are issued under the Retail Entitlement Offer. This account will be established and kept by Industria on behalf of each participating Eligible Retail Securityholder.

Interest earned on Application Monies will be for the benefit of Industria, and will be retained by Industria irrespective of whether New Stapled Securities are issued.

## **5.8 Rights attaching to New Stapled Securities**

The New Stapled Securities issued under the Retail Entitlement Offer will rank equally with the existing Stapled Securities on issue. The rights and liabilities attaching to the New Stapled Securities are set out in the constitutions of Industria Co and the Trusts.

## **5.9 Privacy statement**

If you complete an Application, you will be providing personal information to Industria (directly or via the Registry). Industria collects, holds and will use that information to assess your Application, service your needs as a Securityholder and to facilitate distribution payments and corporate communications to you as a Securityholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies (including the Australian Taxation Office), authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so please contact the Registry at the relevant contact numbers set out in the corporate directory at the back of this Retail Offer Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if the information required on the Entitlement and Acceptance Form is not provided, Industria may not be able to accept or process your application.

## 5.10 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Stapled Securities.

## 5.11 Retail Offer Booklet availability

Eligible Retail Securityholders in Australia and New Zealand can obtain a copy of this Retail Offer Booklet during the period of the Retail Entitlement Offer by accessing the ASX website. Persons who access the electronic version of this Retail Offer Booklet should ensure that they download and read the entire Retail Offer Booklet. The electronic version of this Retail Offer Booklet on the ASX website and the Industria website will **not** include a personalised Entitlement and Acceptance Form.

A replacement personalised Entitlement and Acceptance Form can be requested by calling the Registry at the relevant contact numbers set out in the corporate directory at the back of this Retail Offer Booklet.

This Retail Offer Booklet (including the accompanying ASX Announcements, Investor Presentation and personalised Entitlement and Acceptance Form) may not be distributed or released to persons in the United States.

## 5.12 Continuous disclosure

Industria is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Industria is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by ASX. In particular, Industria has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities. That information is available to the public from ASX and can be accessed at [www.asx.com.au](http://www.asx.com.au).

Some documents are required to be lodged with ASIC in relation to Industria. These documents may be obtained from, or inspected at, an ASIC office.

## 5.13 Governing law

This Retail Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Stapled Securities submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

## 5.14 Foreign jurisdictions

This Retail Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

### *New Zealand*

The New Stapled Securities are not being offered to the public within New Zealand other than to existing Securityholders of Industria with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## *Other*

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Stapled Securities or otherwise permit the public offering of the New Stapled Securities in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside of Australia and New Zealand may be restricted by law. If you come into possession of this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

This Retail Offer Booklet, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States. None of this Retail Offer Booklet, the accompanying ASX announcements, nor the Entitlement and Acceptance Form may be distributed or released in the United States.

The Entitlements and the New Stapled Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements and the New Stapled Securities may not be offered, sold or otherwise transferred, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States, unless such Entitlements or New Stapled Securities have been registered under the Securities Act or are offered and sold in a transaction exempt from or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction in the United States.

The Entitlements and the New Stapled Securities offered in the Retail Entitlement Offer may only be offered and sold outside the United States and to persons that are not acting for the account or benefit of a person in the United States in “offshore transactions” (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the U.S. Securities Act.

For more information, see the “Selling restrictions” section of the Investor Presentation as set out in Section 3.

### **5.15 Withdrawal of Retail Entitlement Offer**

Industria reserves the right to withdraw all or part of the Retail Entitlement Offer at any time prior to the issue of New Stapled Securities, in which case Industria will refund Application Monies in accordance with the Corporations Act without payment of interest.

### **5.16 Disclaimer of representations**

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

Any information or representation that is not in this Retail Offer Booklet may not be relied on as having been authorised by Industria, or its related bodies corporate in connection with the Entitlement Offer.

Except as required by law, and only to the extent so required, none of Industria, or any other person, warrants or guarantees the future performance of Industria or any return on any investment made pursuant to this Retail Offer Booklet.

### **5.17 Risk factors**

An investment in Industria involves general risks associated with an investment in the stock market. The price of New Stapled Securities may rise or fall.

There are also a number of risk factors, both specific to Industria and of a general nature, which may affect the future operating and financial performance of Industria and the value of an investment in Industria. Before

deciding to invest in Industria, prospective investors should carefully consider the “Key risks” section of the Investor Presentation as set out in Section 3.

#### 5.18 Notice to nominees and custodians

Nominees and custodians which hold Stapled Securities as nominees or custodians will have received, or will shortly receive, a letter from Industria in respect of the Retail Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that:

- no Offer Materials are to be sent to any Ineligible Retail Securityholder or any person that is in the United States for whom they are the nominee or custodian holder; and
- no Entitlement and Acceptance Form is to be submitted or New Stapled Securities otherwise purchased on behalf of any Ineligible Retail Securityholder or any person that is in the United States or acting for the account or benefit of a person in the United States.

Industria is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Stapled Securities. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws.

#### 5.19 Underwriting Agreement and Sub-Underwriting Agreement

##### *Underwriting Agreement*

The Entitlement Offer is fully underwritten by the Underwriter.

The Issuers have entered into an underwriting agreement with the Underwriter under which it has been agreed that the Underwriter will act as lead manager of the Entitlement Offer (the **Underwriting Agreement**).

The Underwriting Agreement contains rights, obligations, representations and warranties, indemnities and termination events<sup>3</sup> which are customary for underwriting arrangements of this type. In particular, the Underwriting Agreement provides that:

- the Underwriter will be entitled to a fee for underwriting the Entitlement Offer and reimbursement for any incidental expenses. The Underwriter’s fees for underwriting the Entitlement Offer will be 2.50% of the proceeds of the Entitlement Offer (comprising a 2.00% underwriting fee and a 0.50% management fee);
- the Issuers make a number of customary representations and warranties to the Underwriter, including, but not limited to, warranties relating to the accuracy of the offer documentation, compliance with laws and constituent documents, accuracy of information and the solvency of the Issuers and Industria;
- the Issuers make a number of customary undertakings to the Underwriter including, but not limited to, those concerning compliance of the offer documents with laws and the ASX Listing Rules, lodging ASX disclosures and not making further issues within 90 days after completion except where the conditions under the Underwriting Agreement have been satisfied;
- the Issuers indemnify and hold harmless the Underwriter and their associates for any losses, liabilities, claims, damages, costs, charges and expenses incurred by the Underwriter suffered directly or indirectly in connection with the Entitlement Offer and Placement, except where losses are caused by the Underwriter or their associates; and

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<sup>3</sup> The ability of the Underwriter to terminate the Underwriting Agreement in respect of some events will depend upon whether the event has or is likely to have, in the reasonable opinion of the Underwriter, a material adverse effect on the success of the Equity Raising, the willingness of investors to subscribe for the offer of New Stapled Securities, or the price at which Stapled Securities are sold or traded on ASX or, in the reasonable opinion of the Underwriter, has given or is likely to give rise to a contravention by the Underwriter of, or the Underwriter being involved in a contravention of, the Corporations Act or any other applicable law or where they may give rise to liability of the Underwriter.

- the Underwriter may terminate the Underwriting Agreement for a number of reasons, including but not limited to:
  - where there are certain declines in the S&P/ASX 300 Index or S&P/ASX 300 A-REIT Index against their levels at the last trading day prior to the announcement of the Entitlement Offer;
  - a statement in this Retail Offer Booklet or other Entitlement Offer documents or certain Offer public information is or becomes misleading or deceptive or is likely to mislead or deceive in a material respect;
  - there are certain delays in the timetable for the Entitlement Offer without the Underwriter’s consent;
  - where there is a material adverse change in the assets, liabilities, financial position or prospects, profits, losses or outlook of Industria;
  - the agreement for the acquisition of 1-3 WesTrac Drive, Tomago being terminated or rescinded (without the prior consent of the Underwriter), or breached in a manner which has a material adverse effect on the Equity Raising or found to be void;
  - the Responsible Entity is removed or replaced as the responsible entity of the Trusts;
  - the Issuers withdraw the Entitlement Offer;
  - an Industria group member breaches, or defaults under, a material debt or financial arrangement or any waiver provided by a financier in respect of any material debt is withdrawn;
  - there is a change in the board of directors of the Responsible Entity or certain senior executives of Industria, other than as notified to the Underwriter prior to execution of the Underwriting Agreement;
  - where relevant approvals are not granted by the ASX or where ASIC issues orders prohibiting the offer;
  - where the Issuers or Industria become insolvent; and
  - other customary termination rights.

Please note that this is not an exhaustive summary of the Underwriting Agreement.

#### *Sub-Underwriting Agreement*

In addition to the Underwriting Agreement, the Underwriter has entered into a sub-underwriting agreement with APN Property Group Limited (**APN Property Group**) (**Sub-Underwriting Agreement**). APN Property Group has agreed to sub-underwrite up to \$6 million of the Entitlement Offer and will receive a fee from the Underwriter based on that sub-underwriting commitment consistent with the fee arrangements entered into by the Underwriter with other third-party sub-underwriters. The terms and conditions of the Sub-Underwriting Agreement are materially the same as the terms of other sub-underwriting agreements entered into between the Underwriter and third party sub-underwriters. The potential effect that the issue of New Stapled Securities under the Sub-Underwriting Agreement will have on the control of Industria and the consequences of that effect, will depend on a number of factors including investor demand under the Retail Entitlement Offer, the amount of any shortfall and the extent the APN Property Group exercises its right to sub-underwrite the Entitlement Offer. The Issuers do not, however, expect the Entitlement Offer to have any control implications for Industria.

If the Underwriting Agreement is terminated, the Sub-Underwriting Agreement will be terminated without any obligation to the APN Property Group. The APN Property Group has no specific termination rights under the Sub-Underwriting Agreement and has acknowledged and agreed that it will accept the decisions and actions of the Underwriter in respect of the Underwriting Agreement.

In addition, the Underwriter have appointed Evans & Partners and Morgans Financial as co-managers.

## **ASX waiver**

APN Funds Management was granted an ASX waiver from Listing Rule 10.11 to the extent necessary to permit New Stapled Securities to be issued to APN Funds Management, being a related party of the Issuers, as part of the Placement without Securityholder approval on the basis that it was acting in a fiduciary, custodial or nominee capacity on behalf of their unrelated beneficiaries.

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## 6 Glossary

**\$** or **A\$** means Australian dollars.

**Additional New Stapled Securities** means New Stapled Securities in excess of a Securityholder's Entitlement which will be available subject to the extent that other Securityholders do not take up their full Entitlement or are ineligible to participate in the Entitlement Offer as Ineligible Securityholders.

**Application** means an application to subscribe for New Stapled Securities under the Retail Entitlement Offer.

**Application Monies** means the amount specified in the personalised Entitlement and Acceptance Form, being the consideration for New Stapled Securities under the Entitlement Offer.

**APN Funds Management** or **Responsible Entity** means APN Funds Management Limited (ACN 080 674 479).

**APN Property Group** means APN Property Group Limited (ACN 109 846 068).

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it on which Stapled Securities are quoted.

**ASX Announcements** means the announcements released to ASX by Industria on Thursday, 1 September 2016 and Friday, 2 September 2016 in connection with the Equity Raising, copies of which are set out in Section 3.

**ASX Settlement Operating Rules** means the settlement rules of the ASX as amended, varied or waived from time to time.

**CGT** means capital gains tax.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Early Retail Acceptance Due Date** means 5.00pm (AEST), Thursday, 8 September 2016.

**Early Retail Allotment Date** means Friday, 9 September 2016.

**Eligible Institutional Securityholder** means a person who:

- was identified as an Institutional Securityholder by Industria;
- has a registered address in Australia or New Zealand or certain other jurisdictions disclosed in the Investor Presentation;
- is eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer; and
- who has successfully received an offer under the Institutional Entitlement Offer.

**Eligible Retail Securityholders** means a Stapled Securityholder on the Record Date who:

- are registered as a holder of Stapled Securities as at the Record Date, being 7:00pm (AEST) on Monday, 5 September 2016;
- as at the Record Date, have a registered address in Australia or New Zealand;
- are not in the United States;
- are not acting for the account or benefit of persons in the United States;
- are not an Eligible Institutional Securityholder or an Ineligible Institutional Securityholder; and

- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

**Eligible Securityholders** means an Eligible Institutional Securityholder or an Eligible Retail Securityholder.

**Entitlement and Acceptance Form** means the personalised form accompanying this Retail Offer Booklet to be used to make an Application in accordance with the instructions set out on that form.

**Entitlement** means the number of New Stapled Securities for which an Eligible Securityholder is entitled to subscribe under the Entitlement Offer, being 1 New Stapled Security for every 4 existing Stapled Securities held at the Record Date.

**Entitlement Offer** means the pro rata renounceable entitlement offer of 1 New Stapled Security for every 4 existing Stapled Securities held at the Record Date by Eligible Securityholders, comprising the Institutional Entitlement Offer and the Retail Entitlement Offer.

**Equity Raising** means the Entitlement Offer and the Placement.

**Final Allotment Date** means Monday, 26 September 2016.

**Final Retail Closing Date** means 5.00pm (AEST) Monday, 19 September 2016.

**FY17** means the financial year ended 30 June 2017.

**GST** means goods and services tax.

**Industria** means Industria REIT.

**Industria Co** means Industria Company No. 1 Limited (ACN 010 794 957).

**Industria Offer Information Line** means 1300 222 378 (within Australia) or +61 1300 222 378 (outside Australia).

**Industria Entitlement Offer Account** means the account established by Industria solely for the purpose of holding any Application Monies received from Eligible Securityholders.

**Ineligible Institutional Securityholder** means an Institutional Securityholder who is not an Eligible Institutional Securityholder.

**Ineligible Retail Securityholder** means a Securityholder that is not an Eligible Retail Securityholder, an Eligible Institutional Securityholder or an Ineligible Institutional Securityholder.

**Ineligible Securityholder** means an Ineligible Institutional Securityholder or an Ineligible Retail Securityholder.

**Institutional Entitlement Offer** means the offer of New Stapled Securities to Eligible Institutional Securityholders as part of the Entitlement Offer, as described in Section 1.3.

**Institutional Investor** means a person:

- in Australia, to whom an offer of securities in a company may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is an “exempt investor” as defined in section 9A(5) of the Corporations Act (as inserted by ASIC Instrument 2016/84); or
- in selected jurisdictions outside Australia, to whom an offer of New Stapled Securities may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which Industria, at its absolute discretion, is willing to comply with such requirements).

**Institutional Securityholder** means a Securityholder on the Record Date who is an Institutional Investor.

**Investor Presentation** means the presentation released to ASX by Industria on Thursday, 1 September 2016 in connection with the Equity Raising, a copy of which is set out in Section 3.



**Issuers** means APN Funds Management and Industria Co.

**Listing Rules** means the official listing rules of ASX.

**Macquarie** or **Underwriter** means Macquarie Capital (Australia) Limited (ABN 79 123 199 548).

**New Stapled Securities** means the Stapled Securities issued under the Entitlement Offer or the Placement (as applicable).

**Offer Materials** means any materials lodged or released by Industria in relation to the Equity Raising (whether before, on or after the date of this Retail Offer Booklet), including this Retail Offer Booklet.

**Offer Price** means \$2.12 being the price payable per New Stapled Security under the Entitlement Offer.

**Placement** means the placement of New Stapled Securities to institutional and sophisticated investors at the Offer Price, to raise approximately \$19.8 million, as announced by Industria on Thursday, 1 September 2016.

**Record Date** means 7.00pm (AEST) on Monday, 5 September 2016.

**Registry** means Link Market Services Limited (ACN 083 214 537).

**Retail Entitlement Offer** means the offer of New Stapled Securities to Eligible Retail Securityholders as part of the Entitlement Offer as described in Section 1.2(a).

**Retail Entitlement Offer Period** means the period during which the Retail Entitlement Offer is open.

**Retail Offer Booklet** means this offer booklet in relation to the Retail Entitlement Offer, including the ASX Announcements and Investor Presentation.

**Section** means a section of this Retail Offer Booklet.

**Securities Act** means the U.S. Securities Act 1933 (as amended).

**Securityholder** means a holder of a Stapled Security.

**Stapled Security** means a stapled security (one unit in each of the Trusts and one share in Industria Co) in Industria.

**Sub-Underwriting Agreement** has the meaning given, and is further described, in Section 5.19.

**Trusts** means Industria Trust No. 1, Industria Trust No. 2, Industria Trust No. 3 and Industria Trust No. 4.

**Underwriting Agreement** has the meaning given, and is further described, in Section 5.19.

**U.S. or United States** means United States of America, its territories and possessions, any state of the United States and the District of Columbia.

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## Corporate Directory

### INDUSTRIA REIT

#### REGISTERED OFFICE

Industria REIT  
Level 30, 101 Collins Street  
Melbourne VIC 3000

#### AUSTRALIAN LEGAL ADVISER

Gilbert + Tobin  
Level 22, 101 Collins Street  
Melbourne VIC 3000

#### UNDERWRITER

Macquarie Capital (Australia) Limited  
50 Martin Place  
Sydney NSW 2000

#### SHARE REGISTRY

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000



Responsible Entity  
**APN Funds Management Limited**  
ABN 60 080 674 479 AFSL No 237500

Level 30, 101 Collins Street  
Melbourne Victoria 3000 Australia

T +61 (0) 3 8656 1000  
F +61 (0) 3 8656 1010  
W [industriareit.com.au](http://industriareit.com.au)  
E [investor@industriareit.com.au](mailto:investor@industriareit.com.au)



**INDUSTRIAREIT**



**iINDUSTRIAREIT**  
An APN Property Group fund

Responsible Entity: APN Funds Management Limited  
ABN 60 080 674 479 AFSL 237500

All Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1300 222 378  
From outside Australia: +61 1300 222 378  
ASX Code: IDR  
Website: www.linkmarketservices.com.au

**SRN/HIN:**  
**Entitlement Number:**  
**Number of eligible Stapled Securities held as at the Record Date, 7:00pm (AEST) on 5 September 2016:**  
**Entitlement to New Stapled Securities (on a 1 for 4 basis):**  
**Amount payable on full acceptance at A\$2.12 per Stapled Security:**

<b>Offer Closes 5:00pm (AEST):</b>	<b>19 September 2016</b>
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### ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Securityholder you are entitled to acquire 1 New Stapled Security for every 4 existing Stapled Securities that you hold on the Record Date, at an Offer Price of A\$2.12 per New Stapled Security. You may also apply for New Stapled Securities in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

**IMPORTANT:** The Offer is being made under the Retail Offer Booklet dated [Retail Offer Booklet Date]. The Retail Offer Booklet contains information about investing in the New Stapled Securities. Before applying for New Stapled Securities, you should carefully read the Retail Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Retail Offer Booklet.

If you do not have a paper copy of the Retail Offer Booklet, you can obtain a paper copy at no charge, by calling the Industria REIT Offer Information Line on 1300 222 378 (within Australia) or +61 1300 222 378 (from outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer Period. Capitalised terms have the meaning given to them in the Retail Offer Booklet.

#### PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for Additional New Stapled Securities, you have two payment options detailed below.

##### OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEST) on 19 September 2016. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an application form for the number of Stapled Securities subject of your application payment.

##### OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEST) on 19 September 2016.



**Billers Code:** 131904  
**Ref:**

##### Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au  
© Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SECURITYHOLDER AND HOLDING RECORDED ABOVE.**



**iINDUSTRIAREIT**  
An APN Property Group fund

*Please detach and enclose with payment*



**SRN/HIN:**  
**Entitlement Number:**

<b>A</b> Number of New Stapled Securities accepted (being not more than your Entitlement shown above)	<b>B</b> Number of Additional New Stapled Securities	<b>C</b> Total number of New Stapled Securities accepted (add Boxes A and B)
<input type="text"/>	+ <input type="text"/>	= <input type="text"/>

**D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS** – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Industria REIT” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

<b>E CONTACT DETAILS</b> – Telephone Number	Telephone Number – After Hours	Contact Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

# INDUSTRIA REIT

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Retail Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Stapled Securities in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

## ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Retail Offer Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Stapled Securities acquired by you and agree to be bound by the Constitutions of Industria REIT.

## HOW TO APPLY FOR NEW STAPLED SECURITIES

### 1. IF PAYING BY BPAY® (AVAILABLE TO SECURITYHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: [www.bpay.com.au](http://www.bpay.com.au)

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Stapled Securities you wish to apply for by A\$2.12.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Stapled Securities that you wish to apply for in respect of that holding.

### 2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

#### A. Acceptance of New Stapled Securities

Enter into section A the number of New Stapled Securities you wish to apply for. The number of New Stapled Securities must be equal to or less than your Entitlement, which is set out overleaf.

#### B. Application for Additional New Stapled Securities

You can apply for more New Stapled Securities than your Entitlement. Please enter the number of **additional** New Stapled Securities above your Entitlement for which you wish to apply into Box B. Your Application for Additional New Stapled Securities may not be successful (wholly or partially). The decision of Industria REIT on the number of New Stapled Securities to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

#### C. Total Number of New Stapled Securities Subscribed for

To calculate total number of New Stapled Securities subscribed for, add Box A and Box B and enter this in Box C.

#### D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Industria REIT" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Industria REIT may treat you as applying for as many New Stapled Securities and Additional New Stapled Securities as your cheque, bank draft or money order will pay for.

#### E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Stapled Securities, if necessary.

## 3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Retail Offer Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Stapled Securities may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

### Mailing Address

Industria REIT  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

### Hand Delivery

Industria REIT  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your acceptance slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on 19 September 2016. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Industria REIT reserves the right not to process any acceptance slips and cheques received after the Final Retail Closing Date.

**If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Industria REIT Offer Information Line on 1300 222 378 (within Australia) or +61 1300 222 378 (from outside Australia) between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer Period.**