

Q2 Quarterly Update

Arena REIT (ASX Code: ARF)



8 February 2018

Dear Investor

We are pleased to provide this update on Arena REIT (Arena) for the quarter ended 31 December 2017 and enclose a copy of your distribution statement for the period.

Quarterly distribution of 3.2 cents per security

Arena has today paid a distribution of 3.2 cents per stapled security for the quarter ended 31 December 2017. This distribution is in line with the FY18 annual distribution guidance of 12.8 cents per security, which represents an increase of 6.7% on the prior year annual distribution.

Approximately 14% of securities on issue participated in the Distribution Reinvestment Plan (DRP) for the quarter. The DRP issue price of \$2.1809 per security was calculated based on the average daily volume weighted average price (VWAP) over the period 3 to 23 January 2018, less a discount of 1.5%.

If you wish to participate in the DRP for future distributions, please go online at www.arena.com.au/investor-centre/dividend-and-distribution-reinvestment-plan to view the DRP Rules and how to apply.

ASX total return

Arena's ASX total return for the quarter was -0.4%¹, underperforming the S&P/ASX 300 A-REIT Accumulation Index return of 7.8%¹ for the same period. On a three year basis, Arena's ASX total return was 19.5% per annum¹, outperforming the S&P/ASX 300 A-REIT Accumulation Index return of 11.3% per annum¹.

Development update

During the first six months of the 2018 financial year a record 11 ELC development projects reached practical completion. The projects, with a combined total cost of \$68 million, comprised a mix of both Arena originated and fund-through style investments, and were completed at an average initial yield on cost of 6.8%.

Following the completion of these projects, the portfolio's weighted average lease expiry (WALE) has increased to 13.1 years (from 12.8 years at 30 June 2017).

A further six projects in the development pipeline are on schedule for completion in the second half of the 2018 financial year.

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1. Source: UBS Monthly A-REIT Report to 31 December 2017

Arena REIT Limited (ACN 602 365 186)

Arena REIT Management Limited (ACN 600 069 761 AFSL No. 465754)

as responsible entity of Arena REIT No. 1 (ARSN 106 891 641) and Arena REIT No. 2 (ARSN 101 067 878)

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FY18 interim results

Arena's FY18 interim results are scheduled to be released to the ASX on 22 February 2018. A copy of the interim results announcement, presentation and teleconference recording will be available on the Arena website at www.arena.com.au.

Investors who have elected to receive Arena communications electronically will also receive an email link to the interim results snapshot video. This short video will also be available on the Arena website at www.arena.com.au/investor-communications/multimedia

Investor enquiries

If you require further information or have any questions regarding this letter or your Arena investment please contact us on **1800 008 494** or at info@arena.com.au.

Yours faithfully



Bryce Mitchelson
Managing Director



Susie McPherson
Head of Investor Relations and Marketing

Visit us at www.arena.com.au

The Arena website provides access to the latest ASX announcements, financial reports, presentations and teleconferences released by Arena. It also provides information on Arena's Board and management team, as well as access to information on your investment through the Investor Centre.

Manage your investment online

You can manage your holding online by registering at the Investor Centre on the Arena website. To register, please call **1800 008 494** and request an online password. Once received, go to the Investor Centre at www.arena.com.au/investor-centre and click on 'Investor Login' to register.

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