

# Q4 Quarterly Update

Arena REIT (ASX Code: ARF)



10 August 2017

Dear Investor

We are pleased to provide this update on Arena REIT (Arena) for the quarter ended 30 June 2017 and enclose a copy of your distribution statement for the period.

## Quarterly distribution of 3.075 cents per security

Arena has today paid a distribution of 3.075 cents per stapled security for the quarter ended 30 June 2017. This distribution is in line with the FY17 annual distribution guidance of 12.0 cents per security, and represents an increase of 10% on the prior year distribution.

Approximately 14.5% of securities on issue participated in the Distribution Reinvestment Plan (DRP) for the quarter. The DRP issue price of \$2.12 per security was calculated based on the average daily volume weighted average price (VWAP) over the period 4 to 24 July 2017, 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](http://www.arena.com.au/investor-centre/dividend-and-distribution-reinvestment-plan) to view the DRP Rules and download an application form.

## ASX total return

Arena's ASX total return for the quarter was 8.6%<sup>1</sup>, outperforming the S&P/ASX 300 A-REIT Accumulation Index return of -3.1%<sup>1</sup> for the same period. On a three year basis, Arena's ASX total return was 31.0% per annum<sup>1</sup>, outperforming the S&P/ASX 300 A-REIT Accumulation Index return of 12.2% per annum<sup>1</sup>.

## FY17 annual results

Arena's FY17 annual results are scheduled to be released to the ASX on or about 24 August 2017. A copy of the annual results announcement, presentation and teleconference recording will be available on the Arena website at [www.arena.com.au](http://www.arena.com.au).

Investors who have elected to receive Arena communications electronically will also receive an email link to the annual results snapshot video. This short video will also be available on the Arena website after the announcement at [www.arena.com.au/investor-communications/multimedia](http://www.arena.com.au/investor-communications/multimedia).

The 2017 annual report is scheduled to be released to the ASX and sent to investors on 28 September 2017.

## FY18 Distribution guidance

Arena has announced FY18 annual distribution guidance of 12.8 cents per security<sup>2</sup>. This represents a forecast increase of 6.7% over the FY17 annual distribution of 12.0 cents per security.

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1. Source: UBS Monthly A-REIT Report to 30 June 2017

2. FY18 Distribution guidance is estimated on a status quo basis assuming no new acquisitions or disposals, developments are completed in line with budget assumptions, and tenants comply with all their lease obligations.

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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## Announcement of \$65 million portfolio acquisition

On 28 July 2017, Arena announced the acquisition of a portfolio of nine Early Learning Centre (ELC) properties under development for a total cost of \$65 million.

The properties are expected to be completed on a progressive basis over the next 12 months and are being acquired on a fund through basis<sup>3</sup>, with Arena earning a net yield on total cost of 6.25%. On completion, each property will be leased on 20-year leases to Green Leaves Early Learning Centres, an existing tenant in the Arena portfolio. For further information on the acquisition visit the ASX announcements section of the Arena website.

## Offer to purchase securities via the Security Purchase Plan (SPP)

Eligible securityholders will have recently received details in relation to Arena's SPP, which opened on 7 August 2017 and will close at 5pm (Sydney time) on 28 August 2017.

Eligible securityholders who were registered as Arena REIT securityholders as at 7.00pm on 27 July 2017 will be invited to subscribe for up to a maximum of \$15,000 additional new securities, free of brokerage and transaction costs.

The issue price of \$2.03 per security is the same as the issue price for securities issued via the placement to institutional investors on 3 August 2017. This represents a 2.9% discount to the closing price of \$2.09 per security on 27 July 2017 and a 3.6% discount to the 5-day VWAP to 27 July 2017 of \$2.105 per security.

For full details, including eligibility criteria, please view the SPP Booklet at [www.arena.com.au](http://www.arena.com.au) or call Arena on 1800 008 494.

## 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](mailto:info@arena.com.au).

Yours faithfully



Bryce Mitchelson  
Managing Director



Susie McPherson  
Head of Investor Relations and Marketing

3. A fund through acquisition involves the acquisition of land and progressive payment of development costs on which a return is derived.

**Important Notice:** This summary has been prepared by Arena in relation to publicly announced information to 10 August 2017 or as otherwise stated herein, is for information purposes only and is not personal financial product advice. Arena has not considered the investment objectives, financial circumstances or particular needs of any particular recipient. You should consider your own financial situation, objectives and needs and if necessary obtain professional advice in relation to this update. No representation or warranty, express or implied, is made as to the accuracy, completeness or correctness of this update or as to the reasonableness of any assumption, contained in this update. This document contains certain forward-looking statements which involve known and unknown risks, uncertainties and assumptions which are beyond the control of Arena and its directors, and are not guarantees of future performance. Actual results may differ materially from the anticipated results and neither Arena nor any other person gives any representation, assurance or guarantee (express or implied) that the occurrence of these results will actually occur.

## Visit us at [www.arena.com.au](http://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](http://www.arena.com.au/investor-centre) and click on 'Investor Login' to register.