

Q1 Quarterly Update

Arena REIT (ASX Code: ARF)



11 November 2016

Dear Investor

We are pleased to provide this update on Arena REIT (Arena) for the quarter ended 30 September 2016 and enclose a copy of your distribution statement for the period.

Quarterly distribution of 2.925 cents per security

Arena has today paid a distribution of 2.925 cents per stapled security for the quarter ended 30 September 2016. This distribution is in line with the FY17 annual distribution guidance of 11.7 cents per security issued on 25 August 2016. This guidance represents an increase of 7.4% on the previous annual distribution.

Approximately 26% of securities on issue participated in the Distribution Reinvestment Plan (DRP) for the quarter. The DRP issue price of \$1.9753 per security was calculated based on the average daily volume weighted average price (VWAP) over the period 4 to 24 October 2016, 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 download an application form.

FY16 Annual Results

Arena's FY16 Annual results were released to the ASX on 25 August 2016. A copy of the annual results announcement, presentation and teleconference recording are available on the Arena website at www.arena.com.au. The FY16 Annual Report was released to the ASX on 29 September 2016 and sent to investors who had elected to receive it via post or email. A copy of the Annual Report can also be downloaded from the Arena website.

ASX CEO Sessions interview

On 20 September 2016, Arena's Managing Director presented on Arena's 2016 performance and outlook at the ASX CEO Sessions. The session also included an interview with Financial News Network. A video of the interview is available on the Arena website at www.arena.com.au/investor-communications/multimedia/financial-news-network-interview.

AGM on 17 November 2016

Arena's Annual General Meeting (AGM) will be held in Melbourne on Thursday 17 November 2016. The Notice of Meeting and Explanatory Memorandum and proxy forms were sent to all investors on 29 September 2016. If you have misplaced your copies, please call 1800 008 494 to arrange a replacement.

Your vote is important and we encourage you to attend the meeting in person or vote via proxy. Proxy votes must be received prior to 10.00am on Tuesday 15 November 2016.

At the conclusion of the AGM, the Board and senior executives will be available to meet with you over refreshments.

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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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Arena quarterly ASX total return

The A-REIT sector was negatively impacted by increasing long-term bond rates during September. For the quarter ended 30 September 2016, Arena delivered an ASX total return to investors of 0.5%¹, outperforming the S&P/ASX 300 A-REIT Accumulation Index return of -1.9%¹ for the same period.

Electing to receive ARF communications via email

Electing to receive communications via email is a quick, efficient and environmentally friendly way to access information on your Arena investment. If you are currently receiving your quarterly distribution statements via mail and would prefer to receive them via an email link, please go online and update your preferences at www.arena.com.au.

You can also go online to provide your bank account details to receive future distribution payments electronically on the date the distribution is paid.

Investor enquiries

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

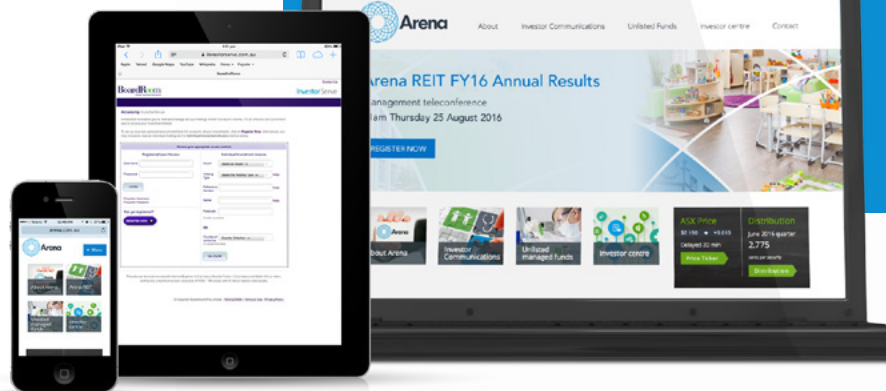
Yours faithfully



Bryce Mitchelson
Managing Director



Susie McPherson
Investor Relations Manager



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.

Contact information

For further information, or if you have any queries relating to your holding, please contact us:

T +1800 008 494 | info@arena.com.au

1. Source: UBS Monthly A-REIT Report to 30 September 2016.

Important notice

This summary has been prepared by Arena in relation to publicly announced information to 11 November 2016 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.