

Arena REIT to deliver Early Learning Centres for State of Victoria

Arena REIT announces today that it has entered into agreements with the State of Victoria to design and construct multiple early learning centres (ELC's) which will be located adjacent to selected new schools being built by the Learning Communities Victoria.

The transaction involves:

- The State granting ground leases to Arena REIT at specific locations on a peppercorn rental for a term of approximately 26 years;
- Arena REIT committing to the design and construction of high quality childcare centres, each to accommodate over 100 licenced childcare places and associated carparking. These centres will be completed simultaneously with the adjacent new school projects;
- Arena REIT has entered into a design and construct building contract with Lloyd Group Pty Ltd as the contractor to complete the new centres; and
- Arena REIT has agreed to lease the completed centres to YMCA who will pay rent, operate and maintain the centres for the 26 year period. The lease is consistent with Arena's typical triple net lease structure with annual rent increases.

The total cost of the project is estimated to be approximately \$15 million. Arena REIT will fund the investment utilising undrawn debt capacity. On expiry of the ground leases, the properties will revert to the State.

Arena REIT's Managing Director Mr Bryce Mitchelson said "We are very pleased to be partnering with the State of Victoria and working with Learning Communities Victoria and YMCA to deliver these high quality early learning facilities in conjunction with the new schools PPP project."

YMCA is a well known world-wide, not for profit organisation with extensive experience delivering early learning services to the community. In Victoria, YMCA has served the Victorian community since 1853 and employs approximately 8,000 staff and volunteers in almost 200 locations. YMCA currently successfully operates 23 child care centres and 40 kindergartens across Australia. At these new school sites, YMCA will also be delivering other children related services and programs.

Mr Glyn Davies, Chief Executive of YMCA commented "This is an exciting project which will deliver a great outcome to the local communities in these locations. YMCA is very pleased to join with Arena in

the planning, development and operation of these important local infrastructure facilities. We hope to do more together in the future.”

Media enquiries:

Bryce Mitchelson
Managing Director
+61 408 275 375
bryce.mitchelson@arena.com.au

Investor enquiries:

1800 008 494 (Freecall within Australia), or
Tanya Devine
Investor Relations Manager
tanya.devine@arena.com.au

About Arena REIT

Arena REIT (ARF) is a leading Australian property investor and manager currently invested in childcare and medical centres with relatively long leases and secure income streams.

To find out more, please visit us at www.arena.com.au.

Important legal notice

The information contained in this announcement is current only as at the date it is issued or as otherwise stated. This is not financial product advice. Arena REIT has not considered the investment objectives, financial circumstances or particular needs of any reader. You should consider your own financial situation, objectives and needs and obtain professional advice in relation to this announcement.

Except as required by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions, or as to the reasonableness of any assumption, contained in this document.

If this announcement contains forward-looking statements or forecast financial information, they are made only as at the date of this announcement and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of Arena REIT and its directors. Such statements are not guarantees of future performance and actual results may differ materially from anticipated result, performance or achievements expressed or implied by the forward-looking statements. Other than as required by law, although they believe there is a reasonable basis for the forward-looking statements, neither Arena REIT nor any other person (including any director, officer, or employee of Arena REIT or any related body corporate) gives any representation, assurance or guarantee (express or implied) as to the accuracy or completeness of each forward-looking statement or that the occurrence of any event, result, performance or achievement will actually occur. You should not place undue reliance on any of the forward-looking statement.