

ARENA REIT ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS AND MANAGEMENT PRESENTATION

A general meeting of the unitholders in Arena REIT No. 1 and Arena REIT No. 2 (together the Trusts) and the annual general meeting of shareholders in Arena REIT Limited (Company), which together constitute the Arena REIT Annual General meeting (AGM), will be held at 10.00am this morning at Sofitel Hotel, Victoria Suites, 25 Collins Street, Melbourne.

In accordance with Listing Rule 3.13.3, a copy of the Chairman’s address and management presentation to be delivered at the AGM is attached.

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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.



ASX Announcement
Arena REIT Annual General Meeting
Chairman's address
19 November 2015
10.00am

Chairman's address

Good morning ladies and gentlemen and welcome to the general meetings of unitholders in Arena REIT No. 1 and Arena REIT No. 2 (together, the Trusts) and the annual general meeting of shareholders in Arena REIT Limited (Company), which together constitute Arena REIT's 2015 Annual General Meeting (AGM).

My name is David Ross and I am the Independent Chairman of the Board of Directors of Arena REIT Limited and of the Board of Directors of Arena REIT Management Limited (the Responsible Entity (RE) of the Trusts) and I have been appointed as the chairman of today's meeting.

The time is now 10 am and a quorum is present. I therefore declare the meeting open.

Please take a moment to ensure that your mobile phones are turned to silent.

Allow me to introduce to you the other members of your Board of Directors:

- Bryce Mitchelson, Managing Director;
- Gareth Winter, CFO and Company Secretary;
- Simon Parson, Independent Non-Executive Director; and
- Dennis Wildenburg, Independent Non-Executive Director, who is standing for re-election today.

Also with us today are:

- Members of the Arena management team;
- Gordon Thompson, Partner PWC representing Arena REITs Auditor;
- John Hutchinson, Partner Hall & Willcox and Arena's Corporate Legal Advisor; and
- Denis Kochou, Returning Officer, Boardroom Limited.

The Board and Management look forward to meeting with shareholders at the conclusion of the meeting.



Agenda

The agenda for today's meeting includes a brief presentation from me followed by a presentation from Arena REIT's Managing Director, Bryce Mitchelson on the operating performance of Arena REIT in FY15 and an update on recent activities.

We will then move to general questions followed by the formal business of the meeting, being consideration and voting on six resolutions.

Chairman's presentation

Investment and Operating Performance

Arena REIT has had another strong year in the 12 months to 30 June 2015, with the reported statutory profit for the year of \$61 million, up 31% on the prior year. This was mainly derived from:

- strong revaluation and disposal gains of \$42 million experienced across the portfolio; and
- increased recurring operating earnings of \$22 million, up 15% on the prior year.

From an investor perspective the Statutory profit is reflected in both the underlying earnings and Net Asset Value (NAV) per security movement over the year.

- Underlying earnings of 10.2 cents per security, an increase of 15% on FY14; and
- NAV of \$1.33, an increase of 18% for the year.

These operating results translated into an overall total return for securityholders, including share price growth and distributions, of 36.3% for the 12 months to 30 June 2015, well ahead of the benchmark ASX 300 A-REIT Accumulation Index performance of 20.2% for the year.

We have achieved all of this while maintaining a healthy balance sheet.

Economic Environment

Arena's strong investment and operating performance is in the context of a global economy which continues to experience relatively low economic growth and a slowdown in the economy in China which has impacted on the Australian economy. As a result low interest rates have persisted globally and in Australia in order to stimulate improved economic activity. This has driven investors towards investments with relatively high risk adjusted earnings yields with predictable future earnings.

Arena REIT has benefitted in this environment as has property investment generally.



Investment Objective & Strategy

Arena REITs objective is to deliver attractive and predictable distributions to investors with growth over the medium to long term.

Our strategy to achieve this is through investment in Social Infrastructure Property sectors where favourable macro and demographic trends are supportive of underlying demand and growth over the long term. Arena is currently focussed on investment in the Childcare and Medical Centre sectors where both enjoy strong demand and an undersupply of services in a number of locations. The Childcare sector has an overall undersupply of long day care centres and strong government support provides helpful subsidies for families with children under 5 years of age with the prospect of a further boost in federal funding of more than \$3.5bn to support increased female work participation. The healthcare property sector is also benefitting from an ageing and growing population supported by national and private health insurance funding.

These favourable macro and demographic trends are also supported by attractive property based characteristics, including:

- relatively long lease terms, Arena's current weighted average lease expiry is 8.9 years;
- premises that have strategic importance for the tenant and therefore high tenant retention rates;
- leases with minimum annual rent increases, including CPI and/or minimum 2-3% annual increases; and
- leases where the tenants are responsible for all, or substantially all, of the statutory and operating outgoings and costs including land tax, insurance and repairs and maintenance, thereby minimising capital expenditure requirements.

This strategy has underpinned Arena's quality and growth in earnings and NAV per security since listing on the ASX in June 2013, which have in turn driven security price growth. The outlook continues to look promising. Bryce Mitchelson will expand on Arena's operating performance in FY15 and the key drivers of the earnings and NAV growth outlook.

Balance Sheet and Capital Management

While generating this growth, the Board has been mindful of maintaining a strong Balance Sheet to be in a strong position to fund future growth. In February earlier this year, Arena finalised a Placement of \$25 million with a range of institutional investors and at 30 June 2015, Arena REIT had Debt to Total assets of 29%, below the maximum gearing range of 35-45%. The weighted average debt maturity is approximately 3 years and the average borrowing cost is approximately 4.3% per annum, including margins and line fees. Arena REIT has \$44 million surplus debt funding capacity to fund its existing Childcare development pipeline and new acquisitions to contribute to future performance.



Acquisition of Management Rights

In December 2014, securityholders approved the acquisition of the management rights for Arena REIT for \$11.7 million and since then Arena REIT has been “internally” managed. This has reduced the total costs of managing Arena and improved alignment of interests with security holders.

Management fees are no longer charged on increased property valuations, or on new acquisitions and developments, and therefore there is no dilution to earnings. There are also no performance fees, acquisition, disposal or debt arrangement fees charged by the manager that can exist in some external management structures.

Management also now have Short & Long Term Incentives with performance measures based only on Arena REIT performance and the LTI is rewarded with Arena REIT equity, subject to achievement of Arena REIT based performance hurdles.

Remuneration

The Remuneration Report included in the Annual Report sets out Arena’s remuneration in some detail. The remuneration paid in the year to 30 June 2015 is consistent with that included in the Notice of Meeting and Explanatory Memorandum for the meeting which considered and voted on the internalisation of management held in December 2014. The remuneration of the Board and management is benchmarked against internalised managed listed AREIT peers and is designed to attract, retain and motivate employees to perform for the benefit of securityholders.

Corporate Governance

The Board of Arena REIT has five directors, three of whom are independent non-executive and therefore the Board has a majority of Independent Non-Executive Directors. I am the Independent Non-Executive Chairman. We believe that five directors is an appropriate size for the current scale of Arena REIT and that we have a suitable mix of skills and experience to be an effective Board although we may introduce an additional director as the business grows. A resolution for the re-election of Dennis Wildenburg forms part of the formal business of today’s meeting.

The Board has two committees, an Audit Committee and a Remuneration & Nomination Committee which are comprised of only the Independent Directors. The Board and its Committees have conducted annual performance evaluations. The Directors report included in the Annual Report to security holders sets out the number of meetings conducted during the year.

Finally, Arena REIT is substantially compliant with the ASX Corporate Governance Principles and Recommendations. The areas of non-compliance are due to the size of the business.



We have provided our FY15 Corporate Governance Report to the ASX and a copy can be accessed on either the ASX or the Arena REIT websites.

Conclusion

I would like to conclude by thanking my fellow directors and our management team for their considerable effort in what has been a very busy and active year. I would also like to thank our valued tenants and advisors, and you, our securityholders, for your continued support.

The Board believes that Arena REIT is well placed to continue to deliver attractive and predictable distributions to investors with growth over the medium to long term.

I would now like to welcome your Managing Director, Bryce Mitchelson to provide his operating report on the business and its outlook.

Management presentation

[Management presentation slides]. (Please refer to attached presentation).

Questions

I now ask if there are any general questions in relation to Arena REIT including in relation to the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2015 (as contained in the 2015 Annual Report). Questions may be asked from holders of yellow or red cards? I note that there will be an opportunity to ask specific questions related to the formal business of the meeting as each resolution is proposed. If you do have a question I ask that you raise your hand and state your name.

[Questions]

If there are no more questions I will now move to the formal business of the meeting.

Formal business

The formal business includes:

1. to consider three resolutions for the Company, being an advisory resolution to adopt the Remuneration Report and two ordinary resolutions to appoint an auditor and to re-elect Mr Wildenburg as director; and
2. to consider three resolutions as separate ordinary resolutions of the Company and each of the Trusts, to approve the placement made in February 2015 and to grant performance rights to Mr Mitchelson and Mr Winter.



Information in relation to the resolutions was included in the Explanatory Memorandum which formed part of the Notice of Meeting. Ladies and gentlemen, as you have already received a copy of the Notice of Meeting and Explanatory Memorandum, I propose to take these as read.

Securityholders or proxy holders holding yellow cards are permitted to vote and ask questions at this meeting. Securityholders holding red cards are permitted to ask questions but not to vote. Holders of white cards are not permitted to vote or ask questions at this meeting.

I will now propose each Resolution and ask for any questions before displaying the proxy votes received and then proceeding to a poll on each resolution.

Resolution 1 is an advisory resolution. Resolutions 2 to 6 are ordinary resolutions which will be passed if 50% or more of the votes cast by Securityholders present (in person or by proxy) and eligible to vote are cast in favour of the resolution.

I will now deal with the resolutions.

Resolution 1: Non-binding advisory vote on the Remuneration Report

This resolution is an advisory resolution of the Company, as follows:

"That the Remuneration Report for the financial year ended 30 June 2015 be adopted."

Are there any questions regarding this resolution?

Resolution 2: Appointment of auditor

This resolution is an ordinary resolution of the Company, as follows:

"That PricewaterhouseCoopers, having been appointed as auditor of the Company by the directors on 7 November 2014 in accordance with section 327A(1) of the Corporations Act and whose appointment expires at the Annual General Meeting of the Company, be re-appointed as auditor of the Company in accordance with section 327B(1)(a) of the Corporations Act."

Are there any questions regarding this resolution?



Resolution 3: Re-election of Mr Dennis Wildenburg as director of the Company

This resolution is an ordinary resolution of the Company, as follows:

“That Mr Dennis Wildenburg, who was appointed on incorporation of the Company on 16 October 2014 in accordance with ASX Listing Rule 14.5 and, being eligible, offers himself for re-election, be re-elected as a director of the Company”

Are there any questions regarding this resolution?

Resolution 4: Approval of February Placement

This resolution comprises separate ordinary resolutions of the Company and each of the Trusts, as follows:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 15,625,000 Securities at an issue price of \$1.60 per Security, under a placement to institutional and sophisticated investors as detailed in the Explanatory Memorandum (February Placement), is approved.”

Are there any questions regarding this resolution?

Resolution 5: Grant of Performance Rights to Mr Bryce Mitchelson

This resolution comprises separate ordinary resolutions of the Company and each of the Trusts, as follows:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Managing Director, Mr Bryce Mitchelson, of Performance Rights as his long term incentive under the Arena REIT Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved.”

Are there any questions regarding this resolution?

Resolution 6: Grant of Performance Rights to Mr Gareth Winter

This resolution comprises separate ordinary resolutions of the Company and each of the Trusts, as follows:



“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the chief financial officer and executive director, Mr Gareth Winter, of Performance Rights as his long term incentive under the Arena REIT Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved.”

Are there any questions regarding this resolution?

Proxy voting results

I advise that the proxy voting results for Resolution 1 are as follows:

- 110,028,846 votes representing 99.26% of eligible votes cast have been cast in favour
- 208,493 votes representing 0.19% of eligible votes cast are undirected
- 615,152 votes representing 0.55% of eligible votes cast have been cast against

I will cast all undirected votes for which I hold a valid proxy as Chairman in favour of Resolution 1.

I advise that the proxy voting results for Resolution 2 are as follows:

- 110,876,221 votes representing 98.13% of eligible votes cast have been cast in favour
- 1,696,898 votes representing 1.50% percent of eligible votes cast are undirected
- 412,757 votes representing 0.37% of eligible votes cast have been cast against

I will cast all undirected votes for which I hold a valid proxy as Chairman in favour of Resolution 2.

I advise that the proxy voting results for Resolution 3 are as follows:

- 111,173,086 votes representing 98.44% of eligible votes cast have been cast in favour
- 1,716,898 votes representing 1.52% of eligible votes cast are undirected
- 45,804 votes representing 0.04% of eligible votes cast have been cast against

I will cast all undirected votes for which I hold a valid proxy as Chairman in favour of Resolution 3.

I advise that the proxy voting results for Resolution 4 are as follows:

- 11,384,251 votes representing 85.80% of eligible votes cast have been cast in favour
- 1,730,769 votes representing 13.05% of eligible votes cast are undirected
- 152,379 votes representing 1.15% of eligible votes cast have been cast against

I will cast all undirected votes for which I hold a valid proxy as Chairman in favour of Resolution 4.

I advise that the proxy voting results for Resolution 5 are as follows:



- 105,670,299 votes representing 95.11% of eligible votes cast have been cast in favour
- 1,688,924 votes representing 1.52% of eligible votes cast are undirected
- 3,743,540 votes representing 3.37% of eligible votes cast have been cast against

I will cast all undirected votes for which I hold a valid proxy as Chairman in favour of Resolution 5.

I advise that the proxy voting results for Resolution 6 are as follows:

- 105,613,684 votes representing 95.06% of eligible votes cast have been cast in favour
- 1,745,539 votes representing 1.57% of eligible votes cast are undirected
- 3,743,540 votes representing 3.37% of eligible votes cast have been cast against

I will cast all undirected votes for which I hold a valid proxy as Chairman in favour of Resolution 6.

Voting procedures

I will now put the resolutions to a poll as required by the Corporations Act, following which the votes will be counted. Following the counting of votes I will announce the outcome of the polls.

I appoint Denis Kochou of Arena's registrar Boardroom to be the Returning Officer and Scrutineer for these polls.

Each eligible Securityholder or proxy holder should have received a yellow voting card on registration. For your votes to be counted in these polls you must now complete your voting cards. Please note that visitors holding white cards and Securityholders holding red cards are not entitled to vote on the polls.

The sum of the votes cast for and against the resolution must not exceed your voting entitlements.

If a proxy holder has been directed to vote in a particular manner, by completing the yellow voting card the proxy holder will be deemed to have voted in accordance with those directions.

Please ask Denis if you have any questions in relation to completing your voting cards. Once you have completed your voting card, please place it in the box that will be brought around.

Counting of votes



If there are no further questions, we will now pause for the counting of votes. Please help yourself to tea or coffee in the foyer. If you prefer not to wait for the counting to be completed, the results of the polls will be announced to ASX after the close of the meeting and will also be available on Arena's website.

[Pause for vote counting]

Final Voting Results

Ladies and gentlemen the votes have now been counted

[Chair to announce results]

Meeting close

I declare the meeting closed and would like to thank all Securityholders for attending.



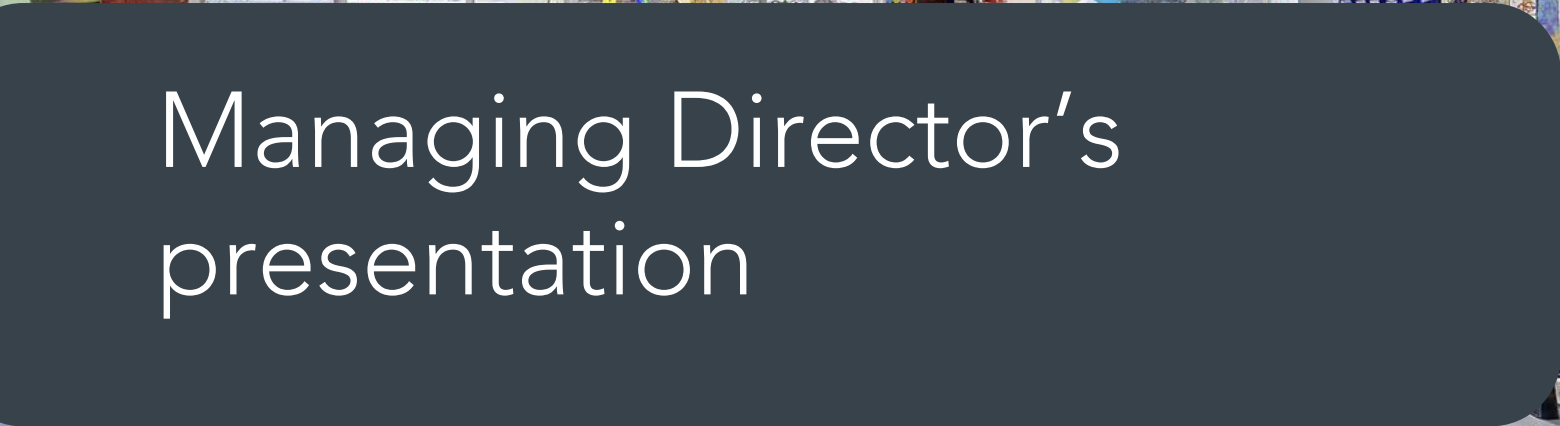
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Arena REIT (ARF.ASX) Annual General Meeting

19 November 2015



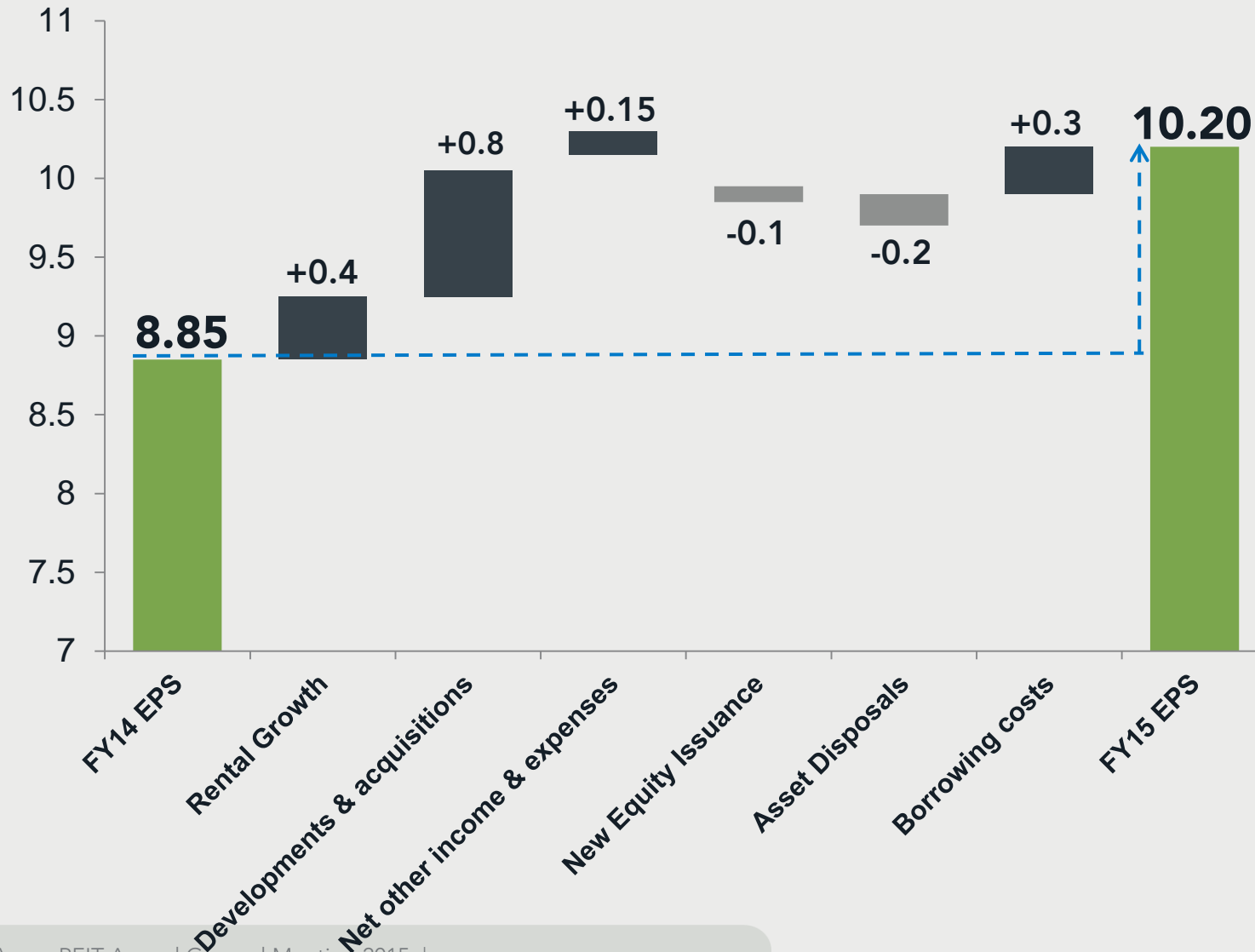
Managing Director's presentation



1

FY15 earnings growth

15% increase in Operating Profit per security







15%
growth



FY15 completed developments

Successful completion of seven childcare centre projects

| 7 projects |  |  |  |  |  |  |  |
|----------------------|---|---|--|---|---|---|---|
| Location | Maddingley VIC | Port Douglas QLD | Augustine Heights* QLD | Griffin QLD | Seaford Meadows SA | Caloundra QLD | Marian QLD |
| No. of places | 103 | 88 | 74 | 75 | 72 | 121 | 104 |
| Lease start | Q2FY15 | Q2FY15 | Q2FY15 | Q2FY15 | Q3FY15 | Q4FY15 | Q4FY15 |
| Yield on cost | 9.5% | 9.5% | 9.5% | 9.0% | 9.3% | 9.5% | 9.5% |

- Seven purpose built childcare developments were completed at a total cost of approximately \$17 million and average initial yield on cost of 9.4%. (Project costs ranged from \$1.7 million to \$3 million).
- All leased on Arena's preferred triple net 15 year lease structure.

Potential NTA upside from asset revaluations

NAV \$1.33 (up 18% in FY15)

| Valuations as at 30 June 2015 | Number of assets | Value (\$m) | Passing Yield |
|------------------------------------|------------------|-------------|---------------|
| Childcare independent valuations | 18 | 30 | 7.9% |
| • Director valuations - childcare | 172 | 323 | 8.0% |
| • Director valuations - healthcare | 7 | 67 | 8.2% |
| Total Director valuations | 179 | 390 | 8.0% |
| Portfolio value | 197 | 420 | 8.0% |

Arena childcare centre sales evidence (Average passing yields by year)

| State | June 2012 | June 2013 | June 2014 | June 2015 |
|--------------|-----------|-----------|-----------|-----------|
| QLD | 9.2% | 9.6% | 8.7% | 7.6% |
| NSW | 8.6% | 8.4% | 7.6% | 6.5% |
| VIC | 8.1% | 7.8% | 7.1% | 6.4% |
| Transactions | 31 | 41 | 63 | 36 |

Source: Sales evidence collated by Arena

- Sales evidence indicates scope for further revaluation and NTA upside in FY16.
- Data shows FY15 childcare centre sales yields were in the range of approximately 6.5% to 7.5%
- Scope for further yield compression in ARF childcare centres in the short term.

Development pipeline

Creating quality investments



3 properties in construction phase



1 ready to commence construction



4 awaiting development approval



2 sites already owned in negotiation with tenants



1 site already owned in feasibility stage

8 sites

\$45 million

Estimated total project costs

8.4%

Average initial yield

10%

Total asset value

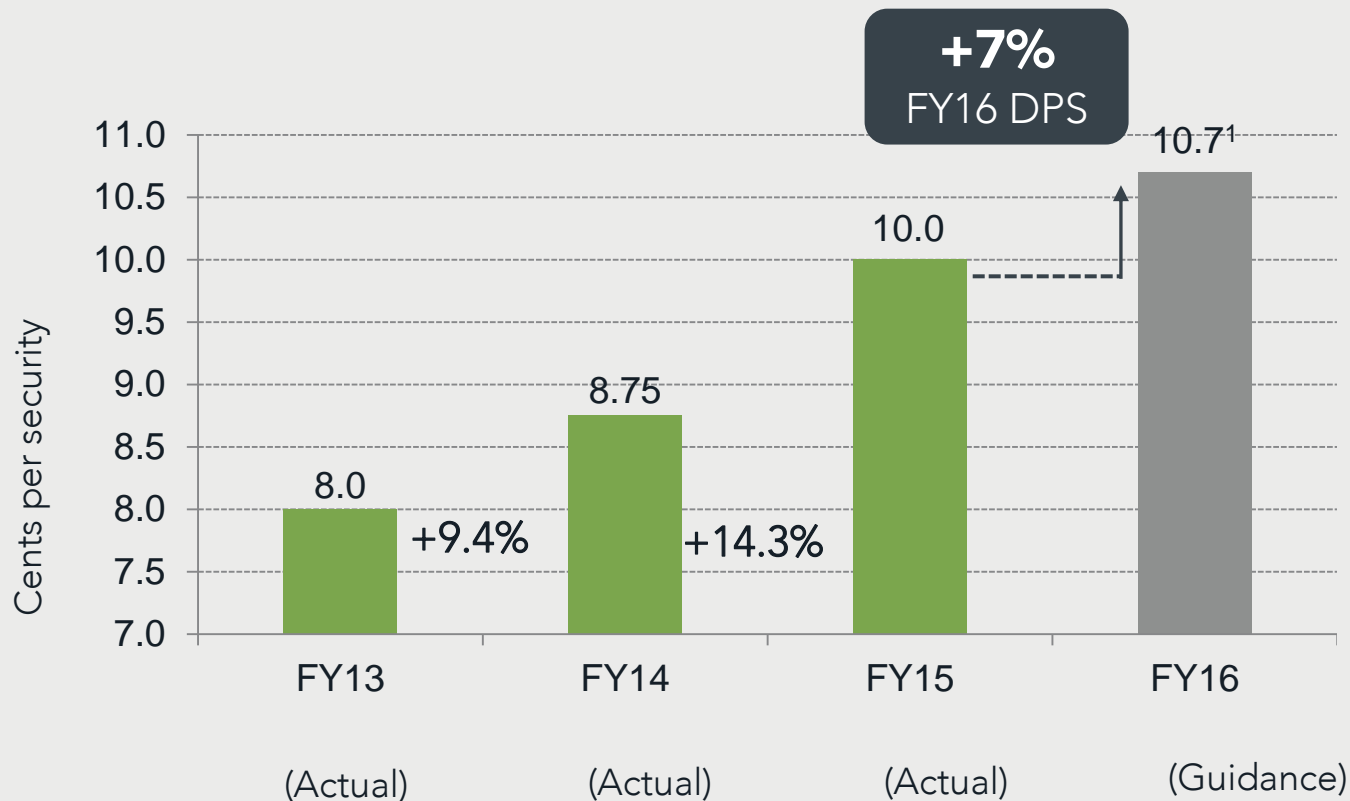
11 sites

3

owned sites

FY16 Expected distribution growth

Solid growth set to continue



3 year average growth of approx. 10% p.a.

¹ On a status quo basis assuming no new acquisitions or dispositions, developments in progress are completed in line with budget assumptions, and tenants comply with all their lease obligations.

What is driving earnings growth?

FY16 distribution guidance of 10.7¢¹ (7% annual increase)

- Contracted rental growth – 3.4% like-for-like rental growth in FY15

- Minimum 2.5% annual rent increase on childcare centres, and CPI or up to 3% fixed increases on medical centres.

- Earnings accretive childcare development pipeline

- Current 11 sites with 8 projects in development costing approx. \$45m expected to yield 8.4% (FY16/17)

- Minimal property outgoings and capex – favourable triple net leases

- Internalised management structure

- Enhanced alignment with investors, lower management cost ratio and no fee leakage

- Long leases with high tenant retention

- No significant lease expiries for 5 years (lease maturity profile of 8.9 years)

- Balance sheet capacity

- 29% gearing and debt funding capacity of \$44m

¹ Estimated on a status quo basis assuming no new acquisitions or dispositions, developments in progress are completed in line with budget assumptions, and tenants comply with all their lease obligations.

General questions

Important notice

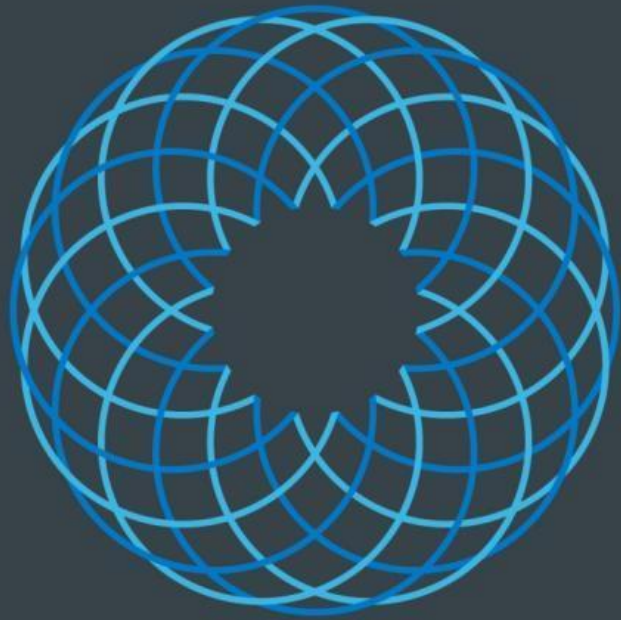
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