

Arena REIT (ASX code: ARF)

Stapled Group comprising:

Arena REIT No. 1

Arena REIT No. 2

ASX Announcement

25 June 2014

CHILDCARE CENTRE DISPOSALS

Arena Investment Management Limited (**Arena**), as responsible entity of Arena REIT (**ARF**) is pleased to announce that today, as part of its ongoing strategy to remix and improve the quality of its portfolio, it has sold 10 childcare centres located in Victoria, New South Wales and Queensland (**Disposal Properties**) for an aggregate price of \$14.2 million, reflecting a 47% premium above the current book value of \$9.68 million (before associated selling costs and fees).

The Disposal Properties were all individually sold at a well-attended public auction conducted in Melbourne earlier today by Burgess Rawson following a marketing campaign over the past 4 weeks. The majority of the buyers were private investors. Arena was pleased with the strong interest and outcome generated by the marketing campaign.

The strategy to sell these assets is part of Arena's ongoing active management and remixing of the ARF portfolio to improve its quality overtime. The net sale proceeds from the Disposal Properties will initially be applied to reduce debt, and subsequently be reinvested into funding ARF's childcare centre development pipeline.

These disposals will have a positive direct impact on ARF's net tangible asset value per security. The aggregate sale of the Disposal Properties reflects an average passing yield of 6.69% as compared to the average valuation yield of 9.83%, being a difference of 47%.

Bryce Mitchelson
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Comprising Arena REIT No. 1 (ARSN 106 891 641) and Arena REIT No. 2 (ARSN 101 067 878)

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