(a real estate investment trust constituted on 1 November 2013 under the laws of the Republic of Singapore)

IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

Introduction

IREIT Global (“IREIT”) is a Singapore real estate investment trust established with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office purposes, as well as real estate-related assets.

IREIT completed its initial public offering (“IPO”) and was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 13 August 2014 (the “Listing Date”). IREIT’s IPO portfolio comprises four office properties in Germany, strategically located in Bonn, Darmstadt, Münster and Munich with an aggregate net lettable area of 121,506 sq m (1,307,878 sq ft).

On 6 August 2015, IREIT completed the acquisition of Schreiberhauer Straße 2, 4, 6, 8, 10, 12, 14, 16, 18, 20 and 22, Berlin 10317, Germany (the “Berlin Campus”) (the “Acquisition”). The Berlin Campus has a net lettable area of 79,097 sq m (851,392 sq ft) comprising two connected office buildings of eight and 13 storeys respectively.

Post the Acquisition, IREIT’s enlarged portfolio offers an aggregate net lettable area of 200,603 sq m (2,159,270 sq ft) which consists of the following properties (the “Properties”):

(i) Bonn Campus
(ii) Darmstadt Campus
(iii) Münster Campus
(iv) Concor Park
(v) Berlin Campus

IREIT is managed by IREIT Global Group Pte. Ltd. (the “Manager”).

Distribution policy

IREIT’s distribution policy is to distribute 100% of its annual distributable income for the period from the Listing Date to 31 December 2016 and thereafter, at least 90% of its annual distributable income for each financial year.

Distributions to Unitholders will be made semi-annually based on the half-yearly results of IREIT and the next distribution will be for the period from 1 July 2016 to 31 December 2016.

SUMMARY CONSOLIDATED RESULTS OF IREIT GLOBAL

	Third Quarter Ended 30 September 2016			Nine Months Ended 30 September 2016		
	Actual	**Forecast[1]**	**Variance (%)**	**Actual**	**Forecast[1]**	**Variance (%)**
Gross revenue (ú‘000)	**8,543**	**5,734**	**49.0**	**25,815**	**17,202**	**50.1**
Net property income (ú‘000)	**7,678**	**5,105**	**50.4**	**22,934**	**15,315**	**49.7**
Distributable income (ú‘000)	**6,344**	**4,389**	**44.5**	**19,163**	**13,167**	**45.5**
Available distribution per Unit						
- ú cents[2]	**1.03**	**1.03**	**-**	**3.11**	**3.09**	**0.6**
- S$ cents[3]	**1.57**	**1.75**	**(10.3)**	**4.75**	**5.25**	**(9.5)**

Footnotes:

(1) The forecast figures were derived from the Projection Year 2016 as disclosed in the IPO prospectus of IREIT dated 4 August 2014 (the ñProspectusò) and have been pro-rated for the quarter and the nine months ended 30 September 2016 respectively.

(2) The actual available distribution per Unit (ñDPUò) was computed based on 618.8 million Units entitled to distribution while the forecast available DPU was computed based on 428.1 million Units entitled to distribution as disclosed in the Prospectus.

(3) The available DPU was computed after taking into consideration the forward foreign currency exchange contracts entered into to hedge the currency risk for distribution to Unitholders.

1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the third quarter ("3Q 2016") and nine months ("9M 2016") ended 30 September 2016 respectively

	Note	3Q 2016 (€'000)	3Q 2015 (€'000)	Variance (%)	9M 2016 (€'000)	9M 2015 (€'000)	Variance (%)
Gross revenue	1	8,543	7,348	16.3	25,815	18,303	41.0
Property operating expenses	2	(865)	(809)	6.9	(2,881)	(1,933)	49.0
Net property income		**7,678**	**6,539**	**17.4**	**22,934**	**16,370**	**40.1**
Finance costs	3	(1,009)	(819)	23.2	(3,001)	(1,832)	63.8
Management fees	4	(634)	(560)	13.2	(1,916)	(1,432)	33.8
Trustee's fees	5	(24)	(23)	4.3	(70)	(70)	-
Administrative costs	6	(75)	(65)	15.4	(221)	(194)	13.9
Other trust expenses	7	(390)	(432)	(9.7)	(509)	(452)	12.6
Net change in fair value of financial derivatives	8	(425)	(956)	(55.5)	695	(772)	(190.0)
Net change in fair value of investment properties	9	(100)	(7,972)	(98.7)	7,948	(6,772)	(217.4)
Profit / (loss) before tax		**5,021**	**(4,288)**	**(217.1)**	**25,860**	**4,846**	**433.6**
Income tax (expense) / benefit	10	(420)	742	(156.6)	(2,455)	336	(830.7)
Profit / (loss) for the period, before transactions with Unitholders		**4,601**	**(3,546)**	**(229.8)**	**23,405**	**5,182**	**351.7**
Distribution to Unitholders		(6,344)	(5,597)	13.3	(19,163)	(14,321)	33.8
Profit / (loss) for the period, after transactions with Unitholders		**(1,743)**	**(9,143)**	**(80.9)**	**4,242**	**(9,139)**	**(146.4)**
<u>Distribution Statement</u>							
Profit / (loss) for the period, before transactions with Unitholders		4,601	(3,546)	(229.8)	23,405	5,182	351.7
Distribution adjustments	11	1,743	9,143	(80.9)	(4,242)	9,139	(146.4)
Amount available for distribution to Unitholders		**6,344**	**5,597**	**13.3**	**19,163**	**14,321**	**33.8**

Notes to Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

1. Gross revenue for 3Q 2016 and for 9M 2016 were 16.3% and 41.0% higher respectively mainly due to the rental contribution from the Berlin Campus which was acquired in August 2015.

2. Property operating expenses for 3Q 2016 and 9M 2016 were 6.9% and 49.0% higher respectively mainly due to additional expenses from the Berlin Campus. In addition, the higher property operating expenses for 9M 2016 was also partly attributable to the adjustment of the prior year land tax expense for the Darmstadt Campus after finalisation from the tax office which took place in 1Q 2016. However, this has no impact on the net property income as the land tax expense is fully recoverable from the tenant.

1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the third quarter (“3Q 2016”) and nine months (“9M 2016”) ended 30 September 2016 respectively (continued)

Notes to Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

3. Finance costs for 3Q 2016 and 9M 2016 were higher respectively largely due to the ú102.0 million term loan taken up to part finance the acquisition of the Berlin Campus in August 2015.

4. Management fees for 3Q 2016 and 9M 2016 were 13.2% and 33.8% higher respectively due to the increase in distributable income contributed by the Berlin Campus.

5. Trusteeôs fees for 3Q 2016 and 9M 2016 were largely in line with that of the corresponding periods in the preceding year.

6. Administrative costs for 3Q 2016 and 9M 2016 were 15.4% and 13.9% higher respectively in tandem with the enlarged portfolio size following the acquisition of the Berlin Campus in August 2015.

7. Included in other trust expenses for 3Q 2016 was a foreign exchange loss of ú102,000 (3Q 2015: ú71,000) arising mainly from the translation of Singapore dollar denominated cash balances as at the end of each reporting period. Excluding this foreign exchange loss, other trust expenses were ú73,000 lower than that in 3Q 2015. This was mainly due to certain rights issue expenses charged to the profit or loss statement in 3Q 2015, offset by accruals for professional fees.

   Included in other trust expenses for 9M 2016 was a foreign exchange gain of ú3,000 (9M 2015: ú100,000) arising mainly from the translation of Singapore dollar denominated cash balances as at the end of each reporting period. Excluding this foreign exchange gain, other trust expenses were ú40,000 lower than that of the immediately preceding corresponding period. This was mainly due to certain rights issue expenses charged to the profit or loss statement, offset by accruals for professional fees.

8. This represents the net change in fair value of forward foreign currency exchange contracts which were entered into to hedge the currency risk for distribution to Unitholders, offset with the gain on settlement of financial derivatives in 3Q 2016.

9. This relates to (i) the difference between the net book value and the fair value of the investment properties as at the end of each respective period; which is offset by (ii) the capital expenditure incurred during the period.

10. Income tax expense for 3Q 2016 and 9M 2016 was mainly due to the deferred tax liability provided on the properties that have increased in value.

    Income tax benefit for 3Q 2015 and 9M 2015 arose from the net loss in fair value of the investment properties. Net loss in fair value of investment properties was mainly due to the difference between the total costs of acquiring the Berlin Campus in August 2015 and its fair value.

1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the third quarter ("3Q 2016") and nine months ("9M 2016") ended 30 September 2016 respectively (continued)

Notes to Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

11. Distribution adjustments

	3Q 2016 (€'000)	3Q 2015 (€'000)	9M 2016 (€'000)	9M 2015 (€'000)
Distribution adjustments				
- Difference between accounting and actual finance costs paid	85	117	253	390
- Management fees payable in Units	634	560	1,916	1,432
- Foreign exchange (gain) / loss	102	71	(3)	(100)
- Rights Issue expenses	-	209	-	209
- Effects of recognising rental income on a straight line basis over the lease term	(99)	-	(296)	-
- Net change in fair value of financial derivatives	502	956	(618)	772
- Net change in fair value of investment properties	100	7,972	(7,948)	6,772
- Income tax expense	419	(742)	2,454	(336)
Net distribution adjustments	**1,743**	**9,143**	**(4,242)**	**9,139**

1(b)(i) Unaudited Statements of Financial Position

		Group (€'000)		Trust (€'000)	
	Note	30 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
Current assets					
Cash and cash equivalents	1	14,157	21,217	2,933	3,370
Trade and other receivables	2	1,446	1,558	615	8,251
		15,603	22,775	3,548	11,621
Non-current assets					
Investment properties	3	449,800	441,400	-	-
Investment in subsidiaries		-	-	251,756	261,081
Other receivables	4	468	173	-	-
Deferred tax assets	5	1,535	2,128	-	-
		451,803	443,701	251,756	261,081
Total assets		**467,406**	**466,476**	**255,304**	**272,702**
Current liabilities					
Borrowings	6	23,570	-	-	-
Trade and other payables	7	2,886	3,897	497	444
Distribution payable		6,344	12,058	6,344	12,058
Financial derivatives	8	97	392	97	392
		32,897	16,347	6,938	12,894
Non-current liabilities					
Borrowings	6	174,075	197,392	-	-
Deferred tax liabilities	5	3,195	1,333	-	-
Financial derivatives	7	-	323	-	323
		177,270	199,048	-	323
Total liabilities		**210,167**	**215,395**	**6,938**	**13,217**
Net assets attributable to Unitholders	9	**257,239**	**251,081**	**248,366**	**259,485**

1(b)(i) Unaudited Statements of Financial Position (continued)

Notes to Unaudited Statements of Financial Position (continued)

1. The Group's cash and cash equivalents as at 30 September 2016 were €7.1 million lower than the balance as at 31 December 2015, mainly due to the payments of distributions in (i) March 2016 for the half year ended 31 December 2015 and (ii) September 2016 for the half year ended 30 June 2016, offset by the cash flows generated from operations for 9M 2016.

   Please refer to the consolidated statement of cash flows for 3Q 2016 and 9M 2016 on Page 9-10 of this announcement for further details.

   The decrease of €0.4 million in the Trust's cash and cash equivalents was mainly due to payment of distributions in 9M 2016, offset by cash receipts from subsidiaries.

2. The decrease of €7.6 million in the Trust's trade and other receivables was mainly due to balances due from subsidiaries as at 31 December 2015, which were received subsequent to 31 December 2015.

3. Investment properties are accounted for at fair value based on valuations as at the end of each reporting period.

4. This relates to the effects of the accounting adjustments to recognise the rental income on a straight-line basis over the term of the leases which have step-up rental escalation clauses.

5. The movements in deferred tax assets and deferred tax liabilities were mainly due to the deferred tax impact on those properties that have increased in fair value.

6. Please refer to the Aggregate Amount of Borrowings 1b(ii) for details.

7. The decrease of €1.0 million in the Group's trade and other payables was mainly due to the higher turnover in respect of trade creditors for 9M 2016.

   The increase of €53,000 in the Trust's trade and other payables was mainly due to slower turnover of trade creditors.

8. This represents the fair value as at the reporting dates of forward foreign currency exchange contracts which were entered into to hedge the currency risk for distribution to Unitholders.

9. Please refer to the Unaudited Statement of Movements in Net Assets Attributable to Unitholders Item 1d(i) for details.

1(b)(ii) Aggregate Amount of Borrowings

	Group (€'000)	
	30 Sep 2016	**31 Dec 2015**
Repayable within one year		
Secured borrowings	23,625	-
Less: Upfront debt transaction costs[(1)]	(55)	-
	23,570	-
Repayable after one year		
Secured borrowings	174,969	198,594
Less: Upfront debt transaction costs[(1)]	(894)	(1,202)
	174,075	197,392
Total		
Secured borrowings	198,594	198,594
Less: Upfront debt transaction costs[(1)]	(949)	(1,202)
	197,645	**197,392**

Footnotes:

(1) Upfront debt transaction costs are amortised over the life of the loan facilities.

Details of borrowings and collaterals

The secured borrowings comprise the following term loan facilities (together, the ñFacilitiesò):

(a) a secured ú96.6 million term loan facility which has a tenor of 5 years and matures in August 2019; and
(b) a secured ú102.0 million term loan facility consisting of (i) Facility A of ú78.4 million which has a tenor of 5 years and matures in August 2020 and (ii) Facility B of ú23.6 million which has a tenor of 2 years and matures in August 2017.

The Facilities are secured by way of the following:

- land charges over the investment properties;
- pledges over the rent and other relevant bank accounts in relation to the investment properties;
- assignments of claims under the lease agreements, insurance agreements, sale and purchase agreements, property management agreements and other key agreements in relation to the investment properties;
- pledges over the shares in the borrowing entities; and
- pledges over the intra-group loans under the borrowing entities.

1(c)(i) Unaudited Consolidated Statement of Cash Flows

	Note	Group			
		3Q 2016 (€'000)	3Q 2015 (€'000) (reclassified)	9M 2016 (€'000)	9M 2015 (€'000) (reclassified)
Cash flows from operating activities					
(Loss) / profit for the period, after transactions with Unitholders		(1,743)	(9,143)	4,242	(9,139)
Adjustments for:					
Management fees payable in Units		634	560	1,916	1,432
Finance costs		1,009	819	3,001	1,832
Net change in fair value of financial derivatives		502	956	(618)	772
Net change in fair value of investment properties		100	7,972	(7,948)	6,772
Distribution to Unitholders		6,344	5,597	19,163	14,321
Income tax expense / (benefit)		420	(742)	2,455	(336)
Operating profit before working capital changes		7,266	6,019	22,211	15,654
Changes in working capital:					
Trade and other receivables		(297)	(11)	(162)	516
Trade and other payables		(306)	(116)	(1,011)	(714)
Cash generated from operations, representing net cash from operating activities		**6,663**	**5,892**	**21,038**	**15,456**
Cash flows from investing activity					
Acquisition of investment property	1, 2	-	(155,372)	-	(155,372)
Capital expenditure on investment properties		(100)	-	(452)	-
Net cash used in investing activity		**(100)**	**(155,372)**	**(452)**	**(155,372)**
Cash flows from financing activities					
Proceeds from issuance of new Units	1	-	58,777	-	58,777
Payment of transaction costs related to the issue of Units		-	(793)	-	(793)
Proceeds from bank borrowings	2	-	102,000	-	102,000
Payment of transaction costs related to bank borrowings		-	(582)	-	(582)
Distribution paid to Unitholders		(12,819)	(8,724)	(24,877)	(15,141)
Interest paid		(931)	(702)	(2,769)	(2,023)
Net cash (used in) / from financing activities		**(13,750)**	**149,976**	**(27,646)**	**142,237**
Net (decrease) / increase in cash and cash equivalents		(7,187)	496	(7,060)	2,321
Cash and cash equivalents at beginning of the period		21,344	14,102	21,217	12,277
Cash and cash equivalents at end of the period		**14,157**	**14,598**	**14,157**	**14,598**

1(c)(i) Unaudited Consolidated Statement of Cash Flows (continued)

Reclassifications and Comparative Figures

Certain reclassifications have been made to the consolidated statements of cash flows for 3Q 2015 and 9M 2015 to enhance comparability with the current periodʼs presentation.

The comparative figures were adjusted to account for:

	Group 3Q 2015 (€'000)			
	As previously stated	**Adjustments (a)**	**Adjustments (b)**	**Reclassified**
Cash flows from operating activities				
Adjustments for:				
Distribution to Unitholders	**-**	-	5,597	**5,597**
Operating profit before working capital changes	**422**	-	5,597	**6,019**
Changes in working capital:				
Trade and other payables*	**5,481**	-	(5,597)	**(116)**
Cash generated from operations, representing net cash from operating activities	**5,892**	-	-	**5,892**

	Group 9M 2015 (€'000)			
	As previously stated	**Adjustments (a)**	**Adjustments (b)**	**Reclassified**
Cash flows from operating activities				
Adjustments for:				
Distribution to Unitholders	**-**	-	14,321	**14,321**
Operating profit before working capital changes	**1,333**	-	14,321	**15,654**
Changes in working capital:				
Trade and other payables*	**13,026**	581	(14,321)	**(714)**
Cash generated from operations, representing net cash from operating activities	**14,875**	581	-	**15,456**
Cash flows from financing activities				
Interest paid	**(1,442)**	(581)	-	(2,023)
Net cash from financing activities	**142,818**	(581)	-	**(142,237)**

(a) Interest accrued as at 31 December 2014 and paid in 1H 2015
(b) Reclassification of distribution payable from changes in working capital to non-cash adjustments within cash flows from operating activities

* As previously classified as "Trade, other and distribution payables"

1(d)(i) Unaudited Statement of Changes in Net Assets Attributable to Unitholders

	Group		Trust	
	3Q 2016	**3Q 2015**	**3Q 2016**	**3Q 2015**
	(€'000)	**(€'000)**	**(€'000)**	**(€'000)**
Operations				
Balance as at beginning of period	(15,567)	(12,593)	(18,467)	(5,764)
Profit / (loss) for the period, before transactions with Unitholders	4,601	(3,546)	(1,372)	(3,030)
Distribution payable of 1.03ú cents per Unit for 3Q 2016	(6,344)	-	(6,344)	-
Distribution payable of 0.91ú cents per Unit for 3Q 2015	-	(5,597)	-	(5,597)
Total comprehensive loss for the period	(17,310)	(21,736)	(26,183)	(14,391)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	273,915	213,443	273,915	213,443
Issue of Units pursuant to the rights issue	-	57,984	-	57,984
Management fees payable in Units	634	560	634	560
Net assets resulting from Transactions	274,549	271,987	274,549	271,987
Net assets attributable to Unitholders as at end of period	**257,239**	**250,251**	**248,366**	**257,596**

	Group		Trust	
	9M 2016	**9M 2015**	**9M 2016**	**9M 2015**
	(€'000)	**(€'000)**	**(€'000)**	**(€'000)**
Operations				
Balance as at beginning of period	(21,552)	(12,597)	(13,148)	(2,934)
Profit for the period, before transactions with Unitholders	23,405	5,182	6,128	2,864
Distribution paid of 2.08ú cents per Unit for the period from 1 January 2016 to 30 June 2016	(12,819)	-	(12,819)	-
Distribution payable of 1.03ú cents per Unit for 3Q 2016	(6,344)	-	(6,344)	-
Distribution paid of 1.43ú cents per Unit for the period from 1 January 2015 to 30 June 2015	-	(8,724)	-	(8,724)
Distribution payable of 0.91ú cents per Unit for 3Q 2015	-	(5,597)	-	(5,597)
Total comprehensive loss for the period	(17,310)	(21,736)	(26,183)	(14,391)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	272,633	212,571	272,633	212,571
Issue of Units pursuant to the rights issue	-	57,984	-	57,984
Management fees payable in Units	1,916	1,432	1,916	1,432
Net assets resulting from Transactions	274,549	271,987	274,549	271,987
Net assets attributable to Unitholders as at end of period	**257,239**	**250,251**	**248,366**	**257,596**

1(d)(ii) Details of Any Change in Units

	Group			
	3Q 2016 (Units)	**3Q 2015 (Units)**	**9M 2016 (Units)**	**9M 2015 (Units)**
Unit in issue:				
At beginning of the period	616,186,105	421,350,150	613,314,089	419,337,000
Issue of new Units:				
- Management fees paid in Units	1,331,273	-	4,203,289	2,013,150
- Rights Issue	-	189,607,567	-	189,607,567
At end of the period	**617,517,378**	**610,957,717**	**617,517,378**	**610,957,717**
Units to be issued:				
Management fees payable in Units	1,324,192	2,356,372	1,324,192	2,356,372
At end of the period	**618,841,570**	**613,314,089**	**618,841,570**	**613,314,089**

2. Whether the figures have been audited, or reviewed and in accordance with which standard, (e.g. the Singapore Standard on Auditing 2410 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

For the current reporting period, the Group has applied the same accounting policies and methods of computation as those applied in its audited financial statements for the financial year ended 31 December 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change

Not applicable.

6. Earnings Per Unit and Distribution Per Unit

	Group			
	3Q 2016	**3Q 2015**	**9M 2016**	**9M 2015**
Weighted average number of Units ('000)(1)	616,519	536,789	614,934	459,473
Earnings per Unit ("EPU")				
Basic and Diluted(1) (ú cents)	0.74	(0.66)	3.79	1.12
Number of Units entitled to distribution ('000)(2)	618,842	613,314	618,842	613,314
Distribution per Unit ("DPU")				
- ú cents	1.03	0.91	3.11	2.34
- S$ cents(3)	1.57	1.41	4.75	3.62

6. Earnings Per Unit and Distribution Per Unit (continued)

Footnotes:

(1) The weighted average number of Units and EPU have been adjusted to take into effect the bonus element in the 189.6 million Units issued on 6 August 2015 pursuant to the rights issue.

The Diluted EPU was the same as the Basic EPU as there were no dilutive instruments in issue at the reporting date.

(2) The number of Units entitled to distribution for 3Q 2015 included the 189.6 million rights Units issued on 6 August 2015.

(3) The DPU was computed after taking into consideration the forward foreign currency exchange contracts entered into to hedge the currency risk for distribution to Unitholders.

7. Net Asset Value and Net Tangible Asset Per Unit

	Group	
	30 Sep 2016	**31 Dec 2015**
Number of Units in issue and to be issued at end of period ('000)[1]	618,842	614,771
Net asset value ("NAV") per Unit (ú)	0.42	0.41
Net tangible asset (ñNTAĉ) per Unit (ú)	0.42	0.41

Footnote:

1. The NAV and NTA per Unit was computed based on the net assets attributable to Unitholders as at 30 September 2016 and 31 December 2015 and the Units in issue and to be issued as at 30 September 2016 of 618,841,570 (31 December 2015: 614,771,099).

8. Segmental Reporting

Operating segments are identified on the basis of internal reports on components of IREIT that are regularly reviewed by the chief operating decision maker, which is the management of the Manager, in order to allocate resources to segments and to assess their performance.

IREIT owns five properties which are all located in Germany. Revenue and net property income of the five properties (which constitute an operating segment on an aggregated basis) are the measures reported to the Manager for the purposes of resource allocation and performance assessment. The Manager considers that the five properties held by IREIT have similar economic characteristics and have similar nature in providing leasing services to similar type of tenants for rental income. In addition, the cost structure and the economic environment in which each of the five properties operate are similar. Therefore, the Manager concluded that the five properties should be aggregated into a single reportable segment and no further analysis for segment information is presented by property.

9. Review of the Performance for the Third Quarter and the Nine Months ended 30 September 2016

Please refer to Section 10 on the review of the actual results of IREIT against forecast.

10. Variance between Actual and Forecast Results

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

	3Q 2016			9M 2016		
	Actual (€'000)	**Forecast[(1)] (€'000)**	**Variance %**	**Actual (€'000)**	**Forecast[(1)] (€'000)**	**Variance %**
Gross revenue	8,543	5,734	49.0	25,815	17,202	50.1
Property operating expenses	(865)	(629)	37.5	(2,881)	(1,887)	52.7
Net property income	**7,678**	**5,105**	**50.4**	**22,934**	**15,315**	**49.7**
Finance costs	(1,009)	(514)	96.3	(3,001)	(1,542)	94.6
Management fees	(634)	(439)	44.4	(1,916)	(1,317)	45.5
Trustee's fees	(24)	(18)	33.3	(70)	(54)	29.6
Administrative costs	(75)	(98)	(23.5)	(221)	(294)	(24.8)
Other trust expenses	(390)	(139)	180.6	(509)	(417)	22.1
Net change in fair value of financial derivatives	(425)	-	NM	695	-	NM
Net change in fair value of investment properties	(100)	-	NM	7,948	-	NM
Profit before tax	**5,021**	**3,897**	**28.8**	**25,860**	**11,691**	**121.2**
Income tax (expense) / benefit	(420)	68	NM	(2,455)	204	NM
Profit for the period, before transactions with Unitholders	**4,601**	**3,965**	**16.0**	**23,405**	**11,895**	**96.8**
Distribution to Unitholders	(6,344)	(4,389)	44.5	(19,163)	(13,167)	45.5
Profit / (loss) for the period, after transactions with Unitholders	**(1,743)**	**(424)**	**NM**	**4,242**	**(1,272)**	**NM**
<u>Distribution Statement</u>						
Profit for the period, before transactions with Unitholders	4,601	3,965	16.0	23,405	11,895	96.8
Distribution adjustments	1,743	424	NM	(4,242)	1,272	NM
Amount available for distribution to Unitholders	**6,344**	**4,389**	**44.5**	**19,163**	**13,167**	**45.5**

Footnotes:

(1) The forecast figures were derived from the Projection Year 2016 as disclosed in the Prospectus of IREIT dated 4 August 2014 and have been pro-rated for the quarter and the nine months ended 30 September 2016 respectively.

NM denotes "Not meaningful".

<u>Review of the Performance</u>

<u>3Q 2016</u>

Gross revenue of €8.5 million was 49.0% higher than forecast of €5.7 million largely due to the rental contribution from the Berlin Campus which was acquired in August 2015.

10. Variance between Actual and Forecast Results (continued)

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

Review of the Performance (continued)

3Q 2016

Correspondingly, property operating expenses of ú0.9 million were 37.5% higher than forecast of ú0.6 million. As a result, net property income was ú7.7 million, 50.4% higher than forecast of ú5.1 million.

Finance costs were higher than forecast of ú0.5 million by 96.3% largely due to the ú102.0 million term loan taken up to part finance the Berlin Campus acquisition in August 2015.

Management fees were 44.4% higher than forecast of ú0.4 million due to the higher distributable income achieved as compared to forecast.

Trusteeӳ fees were higher than forecast by 33.3% in line with the increase in the portfolio size of IREIT.

Administrative costs were 23.5% lower than forecast mainly due to lower actual fees incurred.

Included in other trust expenses was a foreign exchange loss of ú102,000 arising mainly from the translation of Singapore dollar denominated cash balances as at 30 September 2016. Excluding this foreign exchange loss, other trust expenses were ú149,000 higher than forecast. This was mainly attributable to the increase in the portfolio size of IREIT.

The net change in fair value of financial derivatives was due to the re-measurement to fair value as at 30 September 2016 of the forward foreign currency exchange contracts entered into to hedge the currency risk for distribution to Unitholders.

The net loss in fair value of investment properties was due to the capital expenditure incurred on investment properties in 3Q 2016.

Income tax expense of ú0.4 million was higher than forecast largely due to the higher deferred tax effect on the reversal of deductible temporary differences arising from the investment properties.

Amount available for distribution of ú6.3 million was higher than forecast of ú4.4 million mainly due to the contribution from the Berlin Campus which was acquired in August 2015.

10. Variance between Actual and Forecast Results (continued)

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

Review of the Performance (continued)

9M 2016

Gross revenue of ú25.8 million was 50.1% higher than forecast of ú17.2 million. The increase was mainly due to the rental contribution from the Berlin Campus which was acquired in August 2015.

Correspondingly, property operating expenses of ú2.9 million were 52.7% higher than forecast of ú1.9 million. The adjustment of the prior year land tax expense for the Darmstadt Campus after finalisation from the tax office also contributed to the higher property operating expenses. However, the land tax expense is fully recoverable from the tenant and has no impact on the net property income. As a result, net property income was ú22.9 million, 49.7% higher than forecast of ú15.3 million.

Finance costs were higher than forecast of ú1.5 million by 94.6% largely due to the ú102.0 million term loan taken up to part finance the Berlin Campus acquisition in August 2015.

Management fees were 45.5% higher than forecast of ú1.3 million due to the higher distributable income achieved as compared to forecast.

Trusteeœ fees were higher than forecast by 29.6% in line with the increase in the portfolio size of IREIT.

Administrative costs were 24.8% lower than forecast mainly due to lower actual fees incurred.

Included in other trust expenses was a foreign exchange gain of ú3,000 arising mainly from the translation of Singapore dollar denominated cash balances. Excluding this foreign exchange gain for YTD Sep 2016, other trust expenses were ú95,000 higher than forecast. This was mainly attributable to the increase in the portfolio size of IREIT.

The net change in fair value of financial derivatives was due to the re-measurement to fair value as at 30 September 2016 of the forward foreign currency exchange contracts entered into to hedge the currency risk for distribution to Unitholders.

The net gain in fair value of investment properties was due to the higher valuation as at the end of reporting period, offset by capital expenditure incurred on investment properties for 9M 2016.

Income tax expense of ú2.5 million was higher than forecast largely due to the higher deferred tax effect on the reversal of deductible temporary differences arising from the investment properties.

Amount available for distribution of ú19.2 million was higher than forecast of ú13.2 million mainly due to the contribution from the Berlin Campus which was acquired in August 2015.

11. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months

According to Colliers International[1], the German office and investment market for the third quarter of 2016 remains strong. Against this backdrop, the Manager expects the performance of IREIT's property portfolio to remain stable, underpinned by its freehold quality assets, long stable leases and diversified blue chip client base.

The current lease in respect of the Münster South building will expire on 31 March 2017. As previously announced, Deutsche Telekom, through its real estate leasing subsidiary, GMG Generalmietgesellschaft mbH, has exercised its lease extension option, and will continue to occupy 5 of the 6 floors for another 2.5 years upon expiry of the current lease. The Manager is in the process of repositioning the Münster South building as a multi-tenanted property, and is concurrently in discussions with third parties to lease the vacant space.

In order to mitigate foreign exchange risks for more steady returns to Unitholders, the Manager has taken the decision to hedge 100% of IREIT's expected distributable income for 2017 at an average exchange rate of approximately S$1.55 per Euro. Consequently, IREIT's expected distributable income in respect of the full year 2017 have been fully hedged, similar to the expected distributable income for full year 2016. The Manager will continue to implement hedging strategies where appropriate as part of its proactive currency management strategies.

On 11 November 2016, Tikehau Capital completed the acquisition of 80% of the issued shares in the Manager. Tikehau Capital, a pan-European asset management firm and investment group, manages over ú9 billion for institutional and private investors in various asset classes (including over ú900 million in real estate). It expects to contribute to the growth of IREIT with its pan-European network combined with strong local operational expertise and existing pipeline of real estate transactions in Europe. As per the announcement dated 5 October 2016 titled "Entry into Share Purchase Agreement for Sale of 80.0% of the Shares of the Manager of IREIT Global", Tikehau Capital has also indicated its intention to broaden the investment mandate of IREIT to cover all commercial income-producing properties including offices, retail and industrial properties across Europe as soon as reasonably practicable. In the event that such a proposal is put into effect, the Manager will make a further announcement in relation to this proposal at the appropriate time and will comply with the necessary regulatory requirements (such as holding an extraordinary general meeting, if required) for such a change.

Footnote:

(1) Source: Colliers International, Germany Market Report, "Office and Investment Market Q3 2016". Colliers International has not provided its consent. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Colliers International is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

12. Distributions

(a) Current financial period

Any distributions declared for the current financial period?	No

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period?	No

(c)	**Books closure date**	Not applicable
(d)	**Date payable**	Not applicable

13. If no distribution has been declared/(recommended), a statement to that effect.

No distribution has been declared or recommended for the current financial quarter from 1 July 2016 to 30 September 2016.

14. If IREIT has obtained a general mandate from shareholders for IPTs, the aggregate value of each transaction as required under Rule 920(i)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

IREIT has not obtained a general mandate from Unitholders for Interested Person Transactions.

15. Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Manager has confirmed that, to the best of our knowledge, nothing has come to their attention which may render these unaudited financial results for the third quarter and the nine months ended 30 September 2016 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD OF DIRECTORS
IREIT Global Group Pte. Ltd.
(As manager for IREIT GLOBAL)
(Company Registration No. 201331623K)
Lee Wei Hsiung
Company Secretary

14 November 2016

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.