



Financial Results 3Q 2016

14 November 2016

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- Key Highlights
- Financial Highlights
- Portfolio Updates
- Looking Ahead



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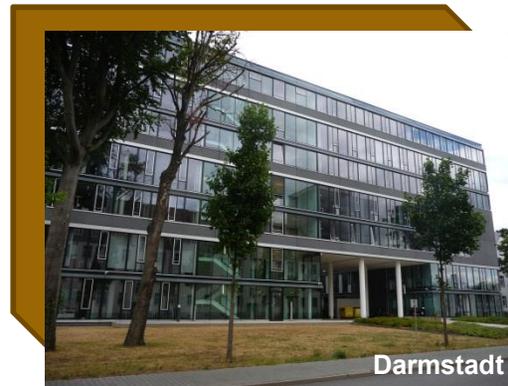
Key Highlights

- Gross revenue increased by
 - 16% year-on-year to " 8.5 million for 3Q 2016
 - 41% year-on-year to " 25.8 million for 9M 2016
- Distributable income increased by
 - 13% year-on-year to " 6.3 million for 3Q 2016
 - 34% year-on-year to " 19.2 million for 9M 2016
- DPU of 1.57 Singapore cents for 3Q 2016
 - Annualised distribution yield of 8.5% based on quarter-end closing price ⁽¹⁾
- Portfolio occupancy maintained at 99.7% with WALE of 6.2 years as at 30 September 2016
- Increased hedging - 100% of FY2017 distributable income hedged at average exchange rate of approximately SGD1.55 per EUR

Note:

1) Closing price of S\$0.735 per Unit as at 30 Sep 2016

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Actual Year-on-Year – 3Q 2016

(€'000)	3Q 2016 Actual	3Q 2015 Actual	Variance (%)
Gross revenue	8,543	7,348	16.3
Net property income	7,678	6,539	17.4
Distributable income	6,344	5,597	13.3
Available Distribution Per Unit			
- € cents	1.03	0.91	13.2
- S\$ cents ⁽¹⁾	1.57	1.41	11.3

Notes:

- 1) The available DPU was computed after taking into consideration the forward foreign currency exchange contracts that IREIT has entered into to hedge the currency risk for distribution to Unitholders

Actual Year-on-Year – 9M 2016

(€'000)	9M 2016 Actual	9M 2015 Actual	Variance (%)
Gross revenue	25,815	18,303	41.0
Net property income	22,934	16,370	40.1
Distributable income	19,163	14,321	33.8
Available Distribution Per Unit			
- € cents	3.11	2.34	32.9
- S\$ cents ⁽¹⁾	4.75	3.62	31.2

Notes:

- 1) The available DPU was computed after taking into consideration the forward foreign currency exchange contracts that IREIT has entered into to hedge the currency risk for distribution to Unitholders

Actual vs Forecast – 3Q 2016

(€'000)	3Q 2016 Actual	3Q 2016 Forecast ⁽¹⁾	Variance (%)
Gross revenue	8,543	5,734	49.0
Net property income	7,678	5,105	50.4
Distributable income	6,344	4,389	44.5
Available Distribution Per Unit			
- € cents ⁽²⁾	1.03	1.03	-
- S\$ cents ⁽³⁾	1.57	1.75	(10.3)

Notes:

- 1) The forecast figures were derived from the Projection Year 2016 as disclosed in the IPO prospectus dated 4 Aug 2014 (the "Prospectus") and have been pro-rated for the quarter ended 30 Sep 2016
- 2) The 3Q 2016 actual available DPU was computed based on 618.8 million Units entitled to distribution. 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 that IREIT has entered into to hedge the currency risk for distribution to Unitholders

Actual vs Forecast – 9M 2016

(€'000)	9M 2016 Actual	9M 2016 Forecast ⁽¹⁾	Variance (%)
Gross revenue	25,815	17,202	50.1
Net property income	22,934	15,315	49.7
Distributable income	19,163	13,167	45.5
Available Distribution Per Unit			
- € cents ⁽²⁾	3.11	3.09	0.6
- S\$ cents ⁽³⁾	4.75	5.25	(9.5)

Notes:

- 1) The forecast figures were derived from the Projection Year 2016 as disclosed in the Prospectus and have been pro-rated for the 9 months ended 30 Sep 2016
- 2) The 9M 2016 actual available DPU was computed based on 618.8 million Units entitled to distribution. 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 that IREIT has entered into to hedge the currency risk for distribution to Unitholders

Balance Sheet

€ '000	As at 30 Sep 2016	As at 31 Dec 2015
Investment Properties	449,800	441,400
Total Assets	467,406	466,476
Borrowings	197,645	197,392
Total Liabilities	210,167	215,395
Net Assets Attributable to Unitholders	257,239	251,081
NAV per Unit (€/unit) ⁽¹⁾	0.42	0.41

Note:

- 1) The NAV per Unit was computed based on net assets attributable to Unitholders as at 30 Sep 2016 and 31 Dec 2015, and the Units in issue and to be issued as at 30 Sep 2016 of 618.8 million (31 Dec 2015: 614.8 million)

Capital Structure

- Approximately 88% of the borrowings comprise term loans at fixed interest rates, which mitigate the volatility related to potential fluctuations in borrowing costs

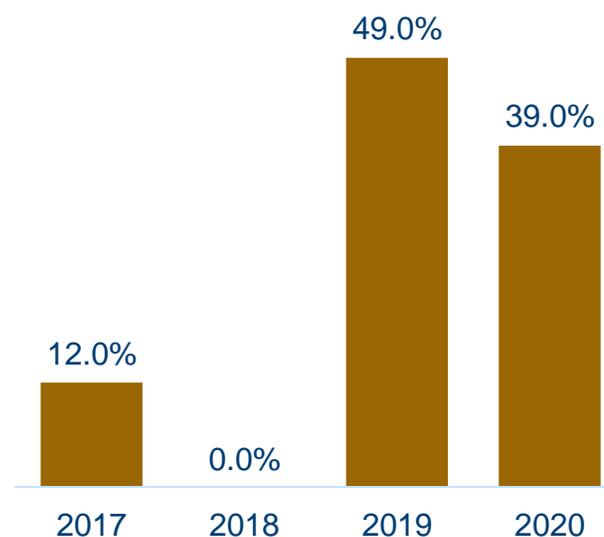
As at 30 Sep 2016

Aggregate Leverage Ratio ⁽¹⁾	Total Debt
42.5%	" 198.6 mil

Effective Interest Rate ⁽²⁾	Interest Cover Ratio ⁽³⁾
2.0% per annum	8.3 times

Debt Maturity Profile

**Average Weighted Debt Maturity:
3.0 years ⁽⁴⁾**



Notes:

- Based on total debt over deposited properties as at 30 Sep 2016
- Effective interest rate computed over the tenure of the borrowings
- Based on net property income over interest expense for the quarter ended 30 Sep 2016
- As at 30 Sep 2016

Forex Risk Management

- Use of EUR denominated borrowings acts as a natural hedge to match the currency of assets and cashflows at the property level
- Distributable income in EUR will be paid out in SGD. The expected distributable income for FY2016 and FY2017 have been hedged as follows :

	%	Average Hedge Rate
Distributable Income 2016 (2H 2016) ⁽¹⁾	100	~S\$1.53 per Euro
Distributable Income 2017	100	~S\$1.55 per Euro

- IREIT pays out distributions in Singapore Dollars to Unitholders semi-annually (for the 6 months period ending 30 Jun and 31 Dec each year)
- For future distributable income, the Manager may enter into hedging transactions in respect of distributions for future periods, as and when appropriate.

Note:

1) The distribution for 1H 2016 has already been paid out in September 2016

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Portfolio at a Glance

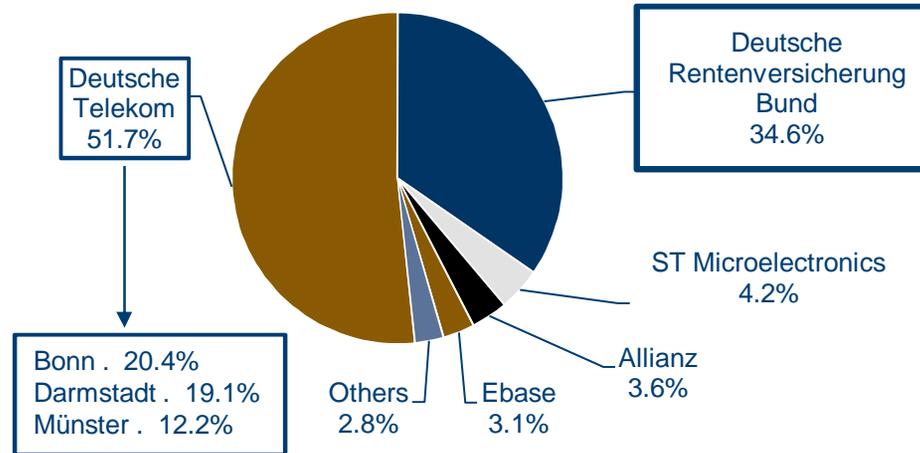
	Berlin Campus	Bonn Campus	Darmstadt Campus	Münster Campus	Concor Park	IREIT Portfolio
Location	Berlin	Bonn	Darmstadt	Münster	Munich	
Net Lettable Area (sqm)	79,097	32,736	30,371	27,183	31,216	200,603
Car Park Spaces	496	656	1,189	588	512	3,441
Occupancy rate ⁽¹⁾	99.2%	100%	100%	100%	100%	99.7%
No. of Tenants	5	1	1	1	13	19
Key Tenant(s)	Deutsche Rentenversicherung Bund	GMG, a wholly-owned subsidiary of Deutsche Telekom	GMG, a wholly-owned subsidiary of Deutsche Telekom	GMG, a wholly-owned subsidiary of Deutsche Telekom	ST Microelectronics, Allianz, Ebase, Yamaichi	
WALE ⁽²⁾	7.7	6.5	6.1	4.2	3.5	6.2
Independent Appraisal ⁽³⁾	" 157.0 mil	" 100.0 mil	" 82.5 mil	" 48.1 mil	" 62.2 mil	" 449.8 mil

Notes:

- 1) Occupancy as at 30 Sep 2016
- 2) Based on gross rental income for the month of Sep 2016
- 3) Based on independent valuation as at 30 Jun 2016

Tenant Mix and Lease Expiry Profile

Top 5 Tenants ⁽¹⁾



Lease Expiry Profile ⁽¹⁾

**Weighted Average Lease Expiry:
6.2 years ⁽¹⁾**



Note:

1) Based on gross rental income for the month of Sep 2016

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Looking Ahead

- According to Colliers International¹, the German office and investment market for the third quarter of 2016 remains strong
- 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.

Notes:

- 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 reports published by Colliers International is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such reports, none of the Manager or any other party has conducted an independent review of the information contained in such reports or verified the accuracy of the contents of the relevant information

Looking Ahead (cont'd)

- 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 "9 billion for institutional and private investors in various asset classes (including over "900 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



THANK YOU

