IREITGlobal
INVEST GLOBALLY SAVE LOCALLY

(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 SECOND QUARTER AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016 AND DISTRIBUTION ANNOUNCEMENT

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 this distribution will be for the period from 1 January 2016 to 30 June 2016.

DBS Bank Ltd. is the sole global coordinator for the initial public offering and listing of IREIT Global (the "Offering"). DBS Bank Ltd. and Barclays Bank PLC, Singapore Branch are the joint issue managers, bookrunners and underwriters for the Offering.

SUMMARY CONSOLIDATED RESULTS OF IREIT GLOBAL

	2Q 2016			1H 2016		
	Actual	**Forecast[1]**	**Variance (%)**	**Actual**	**Forecast[1]**	**Variance (%)**
Gross revenue (€'000)	**8,475**	**5,734**	**47.8**	**17,272**	**11,468**	**50.6**
Net property income (€'000)	**7,646**	**5,105**	**49.8**	**15,256**	**10,210**	**49.4**
Distributable income (€'000)	**6,407**	**4,389**	**46.0**	**12,819**	**8,778**	**46.0**
Available distribution per Unit						
- € cents[(2)]	**1.04**	**1.03**	**1.0**	**2.08**	**2.06**	**1.0**
- S$ cents[(3)]	**1.60**	**1.75**	**(8.6)**	**3.18**	**3.50**	**(9.1)**

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 "Prospectus'') and have been pro-rated for the quarter and half year ended 30 June 2016 respectively.

(2) The 2Q 2016 and 1H 2016 actual available distribution per Unit ("DPU") was computed based on 616.2 million Units entitled to distribution while the 2Q 2016 and 1H 2016 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 and Distribution Statement for the quarter and financial period ended 30 June 2016 respectively

	Note	2Q 2016 (€'000)	2Q 2015 (€'000)	Variance (%)	1H 2016 (€'000)	1H 2015 (€'000)	Variance (%)
Gross revenue	1	8,475	5,386	57.4	17,272	10,955	57.7
Property operating expenses	2	(829)	(516)	60.7	(2,016)	(1,124)	79.4
Net property income		**7,646**	**4,870**	**57.0**	**15,256**	**9,831**	**55.2**
Finance costs	3	(994)	(509)	95.3	(1,992)	(1,013)	96.6
Management fees	4	(641)	(435)	47.4	(1,282)	(872)	47.0
Trustee's fees	5	(23)	(27)	(14.8)	(46)	(47)	(2.1)
Administrative costs	6	(76)	(29)	162.1	(146)	(129)	13.2
Other trust expenses	7	(83)	(119)	(30.3)	(119)	(20)	495.0
Net change in fair value of financial derivatives	8	713	(236)	NM	1,120	184	508.7
Net change in fair value of investment properties	9	8,124	1,200	577.0	8,048	1,200	570.7
Profit before tax		**14,666**	**4,715**	**211.0**	**20,839**	**9,134**	**128.1**
Income tax expense	10	(1,691)	(242)	598.8	(2,035)	(406)	401.2
Profit for the period, before transactions with Unitholders		**12,975**	**4,473**	**190.1**	**18,804**	**8,728**	**115.4**
Distribution to Unitholders		(6,407)	(4,358)	47.0	(12,819)	(8,724)	46.9
Profit for the period, after transactions with Unitholders		**6,568**	**115**	**5,611.3**	**5,985**	**4**	**149,525.0**
<u>**Distribution Statement**</u>							
Profit for the period, before transactions with Unitholders		12,975	4,473	190.1	18,804	8,728	115.4
Distribution adjustments	11	(6,568)	(115)	5,611.3	(5,985)	(4)	149,525.0
Amount available for distribution to Unitholders		**6,407**	**4,358**	**47.0**	**12,819**	**8,724**	**46.9**

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

1. Gross revenue for 2Q 2016 and 1H 2016 were 57.4% and 57.7% higher respectively mainly due to the rental contribution from the Berlin Campus which was acquired in August 2015.

2. Property operating expenses for 2Q 2016 and 1H 2016 were 60.7% and 79.4% higher respectively mainly due to additional expenses from the Berlin Campus. In addition, the higher property operating expenses for 1H 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.

3. Finance costs for 2Q 2016 and 1H 2016 were higher respectively largely due to the €102.0 million term loan taken up to part finance the acquisition of the Berlin Campus in August 2015.

1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income and Distribution Statement for the quarter and financial period ended 30 June 2016 respectively

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

4. Management fees for 2Q 2016 and 1H 2016 were 47.4% and 47.0% higher respectively due to the increase in distributable income contributed by the Berlin Campus.

5. Trustee's fees for 2Q 2016 and 1H 2016 were largely in line with that of the corresponding preceding year.

6. Administrative costs for 2Q 2016 and 1H 2016 were 162.1% and 13.2% 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 2Q 2016 was a foreign exchange gain of €48,000 (2Q 2015: foreign exchange loss of €35,000) arising mainly from the translation of Singapore dollar denominated cash balances as at the end of each reporting period. Excluding this foreign exchange gain or loss, other trust expenses were €47,000 higher than that in 2Q 2015, mainly due to higher professional fees incurred in respect of the enlarged portfolio.

   Included in other trust expenses for 1H 2016 was a foreign exchange gain of €105,000 (1H 2015: €171,000) 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 €33,000 higher than that in 1H 2015, mainly due to higher professional fees incurred in respect of the enlarged portfolio.

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.

9. This relates to the difference between the (i) net book value of the investment properties and (ii) the fair value of the investment properties based on independent valuations as at 30 June 2016; offset by capital expenditure incurred on the investment properties during the reporting periods.

10. Income tax expense was higher than 2Q 2015 and 1H 2015 mainly due to higher deferred tax liability provided on the properties that have increased in fair value.

11. Distribution adjustments

	2Q 2016 (€'000)	2Q 2015 (€'000)	1H 2016 (€'000)	1H 2015 (€'000)
Distribution adjustments				
- Difference between accounting and actual finance costs paid	84	137	168	273
- Management fees payable in Units	641	435	1,282	872
- Foreign exchange (gain) / loss	(48)	35	(105)	(171)
- Effects of recognising rental income on a straight line basis over the lease term	(99)	-	(197)	-
- Net change in fair value of financial derivatives	(713)	236	(1,120)	(184)
- Net change in fair value of investment properties	(8,124)	(1,200)	(8,048)	(1,200)
- Income tax expense	1,691	242	2,035	406
Net distribution adjustments	**(6,568)**	**(115)**	**(5,985)**	**(4)**

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

		Group (€'000)		Trust (€'000)	
	Note	**30 Jun 2016**	**31 Dec 2015**	**30 Jun 2016**	**31 Dec 2015**
Current assets					
Cash and cash equivalents	1	21,344	21,217	3,800	3,370
Trade and other receivables	2	1,239	1,558	8,370	8,251
Financial derivatives	3	406	-	406	-
		22,989	22,775	12,576	11,621
Non-current assets					
Investment properties	4	449,800	441,400	-	-
Investment in subsidiaries		-	-	256,221	261,081
Other receivables	5	370	173	-	-
Deferred tax assets	6	1,457	2,128	-	-
		451,627	443,701	256,221	261,081
Total assets		**474,616**	**466,476**	**268,797**	**272,702**
Current liabilities					
Trade and other payables	7	3,192	3,897	530	444
Distribution payable		12,819	12,058	12,819	12,058
Financial derivatives	3	-	392	-	392
		16,011	16,347	13,349	12,894
Non-current liabilities					
Borrowings		197,560	197,392	-	-
Deferred tax liabilities	6	2,697	1,333	-	-
Financial derivatives	3	-	323	-	323
		200,257	199,048	-	323
Total liabilities		**216,268**	**215,395**	**13,349**	**13,217**
Net assets attributable to Unitholders	8	**258,348**	**251,081**	**255,448**	**259,485**

Notes to Unaudited Statements of Financial Position

1. The Group's cash and cash equivalents as at 30 June 2016 were largely in line with the balance as at 31 December 2015.

   Please refer to the consolidated statement of cash flows for 2Q 2016 and 1H 2016 on Page 7 of this announcement for further details.

   The increase of €0.4 million in the Trust's cash and cash equivalents was mainly due to goods and services taxes recoverable as at 31 December 2015 pertaining to the Trust's rights issue expenses, which were recovered after 31 December 2015.

2. The decrease of €0.3 million in the Group's trade and other receivables was mainly due to goods and services taxes recoverable as at 31 December 2015 pertaining to the Trust's rights issue expenses, which were recovered after 31 December 2015.

3. 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.

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

Notes to Unaudited Statements of Financial Position (continued)

4. Investment properties are accounted for at fair value based on valuations undertaken by independent valuers as at 30 June 2016.

	Group (€'000)
At 1 January 2016	441,400
Capital expenditure on investment properties	352
Change in fair value of investment properties during the period	8,048
Fair value of investment properties as at 30 June 2016	449,800

5. 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.

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

7. The decrease of €0.7 million in the Group's trade and other payables was mainly due to the higher turnover in respect of trade creditors for 1H 2016.

8. 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 Jun 2016	**31 Dec 2015**
Secured borrowings		
Amount repayable after one year	198,594	198,594
Less: Upfront debt transaction costs(1)	(1,034)	(1,202)
Total secured borrowings	**197,560**	**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 "Facilities"):

(a) a secured €96.6 million term loan facility which has a tenor of 5 years and matures in August 2019; and
(b) a secured €102.0 million term loan facility consisting of (i) Facility A of €78.4 million which has a tenor of 5 years and matures in August 2020 and (ii) Facility B of €23.6 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

		Group			
	Note	**2Q 2016 (€'000)**	**2Q 2015 (€'000) (reclassified)**	**1H 2016 (€'000)**	**1H 2015 (€'000) (reclassified)**
Cash flows from operating activities					
Profit for the period, after transactions with Unitholders		6,568	115	5,985	4
Adjustments for:					
Management fees payable in Units		641	435	1,282	872
Finance costs		994	509	1,992	1,013
Net change in fair value of financial derivatives		(713)	236	(1,120)	(184)
Net change in fair value of investment properties		(8,124)	(1,200)	(8,048)	(1,200)
Distribution to Unitholders		6,407	4,358	12,819	8,724
Income tax expense		1,691	242	2,035	406
Operating profit before working capital changes		7,464	4,695	14,945	9,635
Changes in working capital:					
Trade and other receivables		285	11	135	525
Trade and other payables		(731)	(322)	(705)	(596)
Cash generated from operations, representing net cash from operating activities		**7,018**	**4,384**	**14,375**	**9,564**
Cash flows from investing activity					
Capital expenditure on investment properties		(276)	-	(352)	-
Net cash used in investing activity		**(276)**	**-**	**(352)**	**-**
Cash flows from financing activities					
Distribution paid to Unitholders		-	-	(12,058)	(6,417)
Interest paid		(917)	(372)	(1,838)	(1,322)
Net cash used in financing activities		**(917)**	**(372)**	**(13,896)**	**(7,739)**
Net increase in cash and cash equivalents		5,825	4,012	127	1,825
Cash and cash equivalents at beginning of the period		15,519	10,090	21,217	12,277
Cash and cash equivalents at end of the period		**21,344**	**14,102**	**21,344**	**14,102**

Reclassifications and Comparative Figures

Certain reclassifications have been made to the consolidated statements of cash flows for 2Q 2015 and 1H 2015 to enhance comparability with the current period's presentation.

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

Reclassifications and Comparative Figures (continued)

The comparative figures were adjusted to account for:

	Group 2Q 2015 (€'000)			
	As previously stated	**Adjustments**		**Reclassified**
		(a)	**(b)**	
Cash flows from operating activities				
Adjustments for:				
Distribution to Unitholders	**-**	-	4,358	**4,358**
Operating profit before working capital changes	**337**	-	4,358	**4,695**
Changes in working capital:				
Trade and other payables*	**3,455**	581	(4,358)	**(322)**
Cash generated from operations, representing net cash from operating activities	**3,803**	581	-	**4,384**
Cash flows from financing activities				
Interest paid	**209**	(581)	**-**	**(372)**
Net cash used in financing activities	**209**	(581)	**-**	**(372)**

	Group 1H 2015 (€'000)			
	As previously stated	**Adjustments**		**Reclassified**
		(a)	**(b)**	
Cash flows from operating activities				
Adjustments for:				
Distribution to Unitholders	**-**	-	8,724	**8,724**
Operating profit before working capital changes	**911**	-	8,724	**9,635**
Changes in working capital:				
Trade and other payables*	**7,547**	581	(8,724)	**(596)**
Cash generated from operations, representing net cash from operating activities	**8,983**	581	-	**9,564**
Cash flows from financing activities				
Interest paid	**(741)**	(581)	-	(1,322)
Net cash used in financing activities	**(7,158)**	(581)	-	**(7,739)**

(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	
	2Q 2016	2Q 2015	2Q 2016	2Q 2015
	(€'000)	(€'000)	(€'000)	(€'000)
Operations				
Balance as at beginning of period	(22,135)	(12,708)	(19,811)	(7,153)
Profit for the period, before transactions with Unitholders	12,975	4,473	7,751	5,747
Distribution payable of 1.04€ cents per Unit for the period from 1 April 2016 to 30 June 2016	(6,407)	-	(6,407)	-
Distribution payable of 0.71€ cents per Unit for the period from 1 April 2015 to 30 June 2015	-	(4,358)	-	(4,358)
Total comprehensive loss for the period	(15,567)	(12,593)	(18,467)	(5,764)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	273,274	213,008	273,274	213,008
Management fees payable in Units	641	435	641	435
Net assets resulting from transactions	273,915	213,443	273,915	213,443
Net assets attributable to Unitholders as at end of period	**258,348**	**200,850**	**255,448**	**207,679**

	Group		Trust	
	1H 2016	1H 2015	1H 2016	1H 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	18,804	8,728	7,500	5,894
Distribution payable of 2.08€ cents per Unit for the period from 1 January 2016 to 30 June 2016	(12,819)	-	(12,819)	-
Distribution payable of 1.43€ cents per Unit for the period from 1 January 2015 to 30 June 2015	-	(8,724)	-	(8,724)
Total comprehensive loss for the period	(15,567)	(12,593)	(18,467)	(5,764)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	272,633	212,571	272,633	212,571
Management fees payable in Units	1,282	872	1,282	872
Net assets resulting from transactions	273,915	213,443	273,915	213,443
Net assets attributable to Unitholders as at end of period	**258,348**	**200,850**	**255,448**	**207,679**

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

	Group			
	2Q 2016 (Units)	2Q 2015 (Units)	1H 2016 (Units)	1H 2015 (Units)
Unit in issue:				
At beginning of the period	613,314,089	420,501,704	613,314,089	419,337,000
Issue of new Units:				
- Management fees paid in Units	2,872,016	848,446	2,872,016	2,013,150
At end of the period	**616,186,105**	**421,350,150**	**616,186,105**	**421,350,150**
Units to be issued:				
Management fees payable in Units	1,331,273	943,712	1,331,273	943,712
At end of the period	**617,517,378**	**422,293,862**	**617,517,378**	**422,293,862**

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 but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410.

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

Please see attached review report.

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			
	2Q 2016	2Q 2015	1H 2016	1H 2015
Weighted average number of Units ('000)(1)	614,968	486,100	614,141	485,360
Earnings per Unit ("EPU") Basic and Diluted(1) (€ cents)	2.10	0.92	3.05	1.80
Number of Units entitled to distribution ('000)(2)	616,186	610,957	616,186	610,957
Distribution per Unit ("DPU")				
- € cents	1.04	0.71	2.08	1.43
- S$ cents(3)	1.60	1.10	3.18	2.21

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 2Q 2015 included the 189.6 million rights Units issued on 6 August 2015.

(3) IREIT has entered into forward foreign currency exchange contracts to hedge the currency risk for distribution to Unitholders. 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 June 2016	**31 December 2015**
Number of Units in issue and to be issued at end of period ('000)[1]	617,517	614,771
Net asset value ("NAV") per Unit (€)	0.42	0.41
Net tangible asset ("NTA") per Unit (€)	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 June 2016 and 31 December 2015 and the Units in issue and to be issued as at 30 June 2016 of 617,517,378 (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 Second Quarter and Financial Period from 1 January 2016 to 30 June 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 and Distribution Statement

	2Q 2016			1H 2016		
	Actual (€'000)	**Forecast[(1)] (€'000)**	**Variance %**	**Actual (€'000)**	**Forecast[(1)] (€'000)**	**Variance %**
Gross revenue	8,475	5,734	47.8	17,272	11,468	50.6
Property operating expenses	(829)	(629)	31.8	(2,016)	(1,258)	60.3
Net property income	**7,646**	**5,105**	**49.8**	**15,256**	**10,210**	**49.4**
Finance costs	(994)	(514)	93.4	(1,992)	(1,028)	93.8
Management fees	(641)	(439)	46.0	(1,282)	(878)	46.0
Trustee's fees	(23)	(18)	27.8	(46)	(36)	27.8
Administrative costs	(76)	(98)	(22.4)	(146)	(196)	(25.5)
Other trust expenses	(83)	(139)	(40.3)	(119)	(278)	(57.2)
Net change in fair value of financial derivatives	713	-	NM	1,120	-	NM
Net change in fair value of investment properties	8,124	-	NM	8,048	-	NM
Profit before tax	**14,666**	**3,897**	**276.3**	**20,839**	**7,794**	**167.4**
Income tax (expense) / benefit	(1,691)	68	NM	(2,035)	136	NM
Profit for the period, before transactions with Unitholders	**12,975**	**3,965**	**227.2**	**18,804**	**7,930**	**137.1**
Distribution to Unitholders	(6,407)	(4,389)	46.0	(12,819)	(8,778)	46.0
Profit / (Loss) for the period, after transactions with Unitholders	**6,568**	**(424)**	**NM**	**5,985**	**(848)**	**NM**
Distribution Statement						
Profit for the period, before transactions with Unitholders	12,975	3,965	227.2	18,804	7,930	137.1
Distribution adjustments	(6,568)	424	NM	(5,985)	848	NM
Amount available for distribution to Unitholders	**6,407**	**4,389**	**46.0**	**12,819**	**8,778**	**46.0**

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 half year ended 30 June 2016 respectively.

NM denotes "Not meaningful".

Review of the Performance

2Q 2016

Gross revenue of €8.5 million was 47.8% 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 and Distribution Statement (continued)

Review of the Performance (continued)

2Q 2016

Correspondingly, property operating expenses of €0.8 million were 31.8% higher than forecast of €0.6 million. As a result, net property income was €7.6 million, 49.8% higher than forecast of €5.1 million.

Finance costs were higher than forecast of €0.5 million by 93.4% largely due to the €102.0 million term loan taken up to part finance the Berlin Campus acquisition in August 2015.

Management fees were 46.0% higher than forecast of €0.4 million due to the higher distributable income achieved as compared to forecast.

Trustee's fees were higher than forecast by 27.8% in line with the increase in the portfolio size of IREIT.

Administrative costs were 22.4% lower than forecast mainly due to lower actual fees incurred.

Included in other trust expenses was a foreign exchange gain of €48,000 arising mainly from the translation of Singapore dollar denominated cash balances as at 30 June 2016. Excluding this foreign exchange gain, other trust expenses of €131,000 were largely in line with forecast.

The net change in fair value of financial derivatives was due to the re-measurement to fair value as at 30 June 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 appraised by independent valuers of €449.8 million as at 30 June 2016 (31 December 2015: €441.4 million), offset by capital expenditure incurred on investment properties in 2Q 2016.

Income tax expense of €1.7 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 €6.4 million was higher than forecast of €4.4 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 and Distribution Statement (continued)

Review of the Performance (continued)

1H 2016

For the six months ended 30 June 2016, gross revenue of €17.3 million was 50.6% higher than forecast of €11.5 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 €2.0 million were 60.3% higher than forecast of €1.3 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 €15.3 million, 49.4% higher than forecast of €10.2 million.

Finance costs were higher than forecast of €1.0 million by 93.8% largely due to the €102.0 million term loan taken up to part finance the Berlin Campus acquisition in August 2015.

Management fees were 46.0% higher than forecast of €0.9 million due to the higher distributable income achieved as compared to forecast.

Trustee's fees were higher than forecast by 27.8% in line with the increase in the portfolio size of IREIT.

Administrative costs were 25.5% lower than forecast mainly due to lower actual fees incurred.

Included in other trust expenses was a foreign exchange gain of €105,000 arising mainly from the translation of Singapore dollar denominated cash balances. Excluding this foreign exchange gain for 1H 2016, other trust expenses will be €54,000 lower than forecast, mainly due to the savings achieved in respect of professional fees.

The net change in fair value of financial derivatives was due to the re-measurement to fair value as at 30 June 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 appraised by independent valuers of €449.8 million as at 30 June 2016 (31 December 2015: €441.4 million), offset by capital expenditure incurred on investment properties in 1H 2016.

Income tax expense of €2.0 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 €12.8 million was higher than forecast of €8.8 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

The British public's vote to leave the European Union has led to global uncertainties, even though the formal legal process of the exit has yet to commence. Based on UK and global sentiment, many are predicting that a soft Brexit, which retains as close as possible a relationship with the rest of the European Union, could be a possible outcome. Although the initial financial market turmoil has somewhat subsided, the long-term impact remains uncertain given the unprecedented referendum result.

After a strong performance in the first quarter, Germany's economy has experienced a decline with falling industrial production, weak orders and decreasing exports raising doubts about its prospects. However, in its monthly report on 18 July 2016, Deutsche Bundesbank attributed the weak second quarter to one-off factors, and held the view that the economy will rebound in the coming months, as the fundamental trend remains strong. It also said that estimating the impact of Brexit was difficult but said for now it only saw a limited near term impact.[1]

For the first half of 2016, just under 1.7 million square metres of office space was leased in the 7 largest German markets, an increase of 9.3% year-on-year. The robust leasing activity is expected to continue into the second half of the year. However, the increase in demand is already reaching supply limits in a number of locations. Commercial properties in Germany changed hands for €17.8 billion in the first 6 months of 2016, down 26% from the previous year's exceptional results, which enjoyed the contribution of several mega deals. The investment transaction volume up to June 2016 was still the second-strongest first half recorded since the onset of the financial crisis. Looking ahead, transaction volume on the German investment market is once again expected to reach a record high. However, limited supply in the core and core plus segments is becoming increasingly evident.[2]

The performance of IREIT's property portfolio is expected to remain stable, underpinned by its freehold quality assets, long stable leases and diversified blue chip tenant base. On the financial management front, the Manager has increased the amount of IREIT's distributable income hedged to 100% of its forecast distributable income for FY2016, in order to mitigate foreign exchange risks and provide steady returns to Unitholders. Consequently, 100% the forecast distributable income for FY2016 has been hedged at an average exchange rate of approximately 1.53 per Euro. When and if appropriate, the Manager may enter into hedging transactions in respect of distributions for future periods.

Barring any unforeseen circumstances, the Manager remains optimistic that the underlying strength of the German economy as well as the quality of its properties will enable IREIT to continue delivering stable income to its Unitholders for FY2016.

Footnotes:

(1) Source: Reuters article, "German economy to rebound after weak second quarter: Bundesbank" dated 18 July 2016. Reuters has not provided its consent. While the Manager has taken reasonable actions to ensure that the information from the relevant article published by Reuters is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such article, none of the Manager or any other party has conducted an independent review of the information contained in such article or verified the accuracy of the contents of the relevant information.

(2) Source: Colliers International, Germany Market Report, "Office and Investment Market H1 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?	Yes
Name of distribution	Distribution for the period from 1 January 2016 to 30 June 2016
Distribution type	Tax-exempt income
Distribution rate	3.18 Singapore cents per Unit
Tax rate	These distributions are made out of IREIT's tax exempt income. Unitholders receiving distributions will not be assessable to Singapore income tax on the distribution received.

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period?	Yes
Name of distribution	Distribution for the period from 1 January 2015 to 30 June 2015
Distribution type	Tax-exempt income
Distribution rate	2.21 Singapore cents per Unit
Tax rate	These distributions are made out of IREIT's tax exempt income. Unitholders receiving distributions will not be assessable to Singapore income tax on the distribution received.

(c) Books closure date 31 August 2016

(d) Date payable 16 September 2016

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

Not applicable.

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render these unaudited financial results for the second quarter and financial period from 1 January 2016 to 30 June 2016 to be false or misleading in any material aspect.

On behalf of the Board of the Manager,
IREIT Global Group Pte. Ltd.

Lim Kok Min, John Director	Itzhak Sella Director

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

10 August 2016

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/ distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

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

Deloitte.

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The Board of Directors
IREIT Global Group Pte. Ltd.
(as Manager of IREIT Global) (the "Manager")
156 Cecil Street
#08-01, Far Eastern Bank Building
Singapore 069544

DBS Trustee Limited
(in its capacity as trustee of IREIT) (the "Trustee")
12 Marina Boulevard,
Level 44, Marina Bay Financial Centre Tower 3
Singapore 018982

Attention: Mr. Itzhak Sella

Dear Sirs

We have reviewed the accompanying interim condensed financial information of IREIT Global ("IREIT") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and IREIT as of 30 June 2016, and the statements of changes in net assets attributable to unitholders of the Group and of IREIT and the statement of profit or loss and other comprehensive income and statement of cash flows of the Group for the Second Quarter and Half Year then ended, and selected explanatory notes as enumerated in sections 1, 4, 5, 6, 7, 8, 12 and 13 of the announcement ("interim condensed financial information").

The management of IREIT Global Group Pte. Ltd. (the "Manager" of IREIT) is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with the International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Such interim condensed financial information has been prepared by the Manager for announcement on the Singapore Exchange Securities Trading Limited. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Deloitte.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared in all material respects, in accordance with IAS 34.

Yours faithfully,

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

10 August 2016