



2016 Annual General Meeting
20 April 2017

Our Speakers



Mr Aymeric Thibord
Chief Executive Officer



Mr Choo Boon Poh
Chief Financial Officer

Agenda

- **Key Highlights**
- **Introduction to Tikehau Capital**
- **Financial Highlights**
- **German Market Outlook & Portfolio Update**
- **Conclusion**



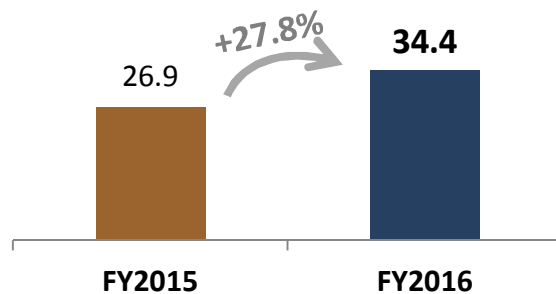


Key
Highlights

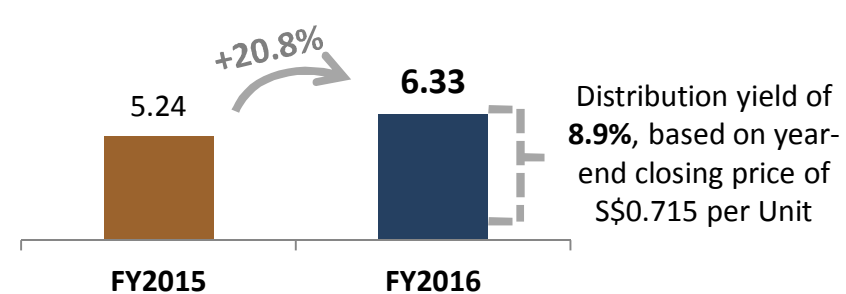
FY2016 Key Highlights

- **Increasing gross revenue and DPU from FY2015 to FY2016**

Gross Revenue (€'million)



Distribution per Unit (S\$ cents)



- **Maintained high occupancy, healthy operating cashflow**
 - ✓ 99.8% occupancy rate of portfolio
 - ✓ WALE of 5.9 years as at 31 December 2016
- **CPI-linked hurdle rate for Bonn Campus reached**
 - ✓ 10% increase in gross rental income from December 2016 onwards
- **Tikehau Capital completed acquisition of an 80% stake in the Manager**
 - ✓ IREIT to tap on Tikehau Capital's pan-European experience and strong presence in the real estate sector to diversify its portfolio



Introduction
to Tikehau
Capital

Overview of Tikehau Capital

- Pan-European diversified asset management and investment firm founded in 2004, with offices in London, Paris, Brussels, Milan and in Singapore
 - ✓ €10bn of AuM, of which €1.7bn is for real estate¹
 - ✓ €1.5bn of shareholders' equity is invested in the strategies of the firm¹
 - ✓ c.170 employees and partners
 - ✓ Established track record in Private and Public markets
 - ✓ Pioneer & leader in alternative financing for SMEs in Europe
 - ✓ Listed on Euronext Paris (market value €1,563m)²

TKO
LISTED
EURONEXT



Private Debt **49% of AuM¹**

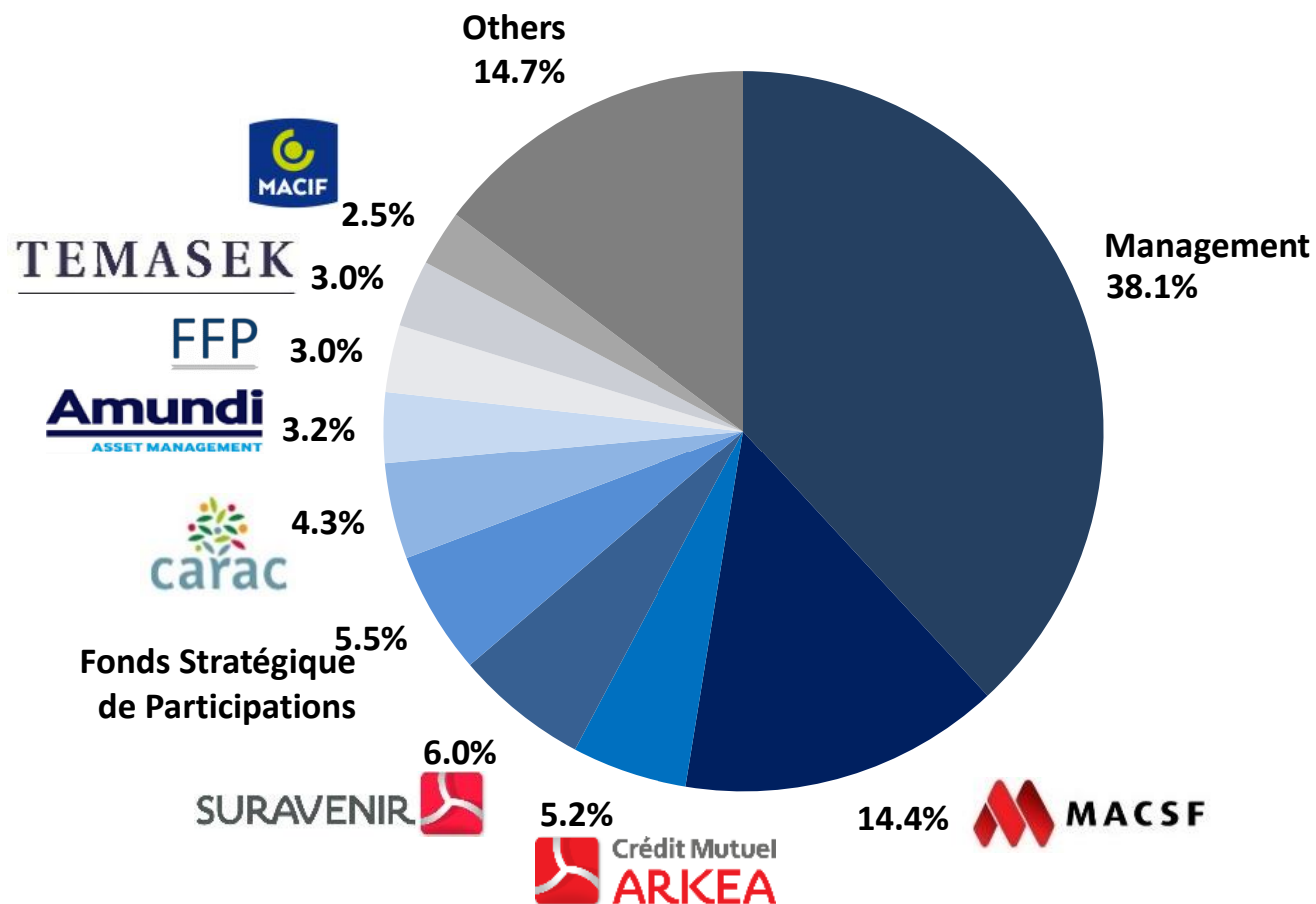
Real Estate **18% of AuM¹**

Private Equity **14% of AuM¹**

Liquid Strategies **19% of AuM¹**

First-Tier Institutional Shareholders

Tikehau Capital's Shareholder Structure¹



Recent Milestones in Real Estate Business

2014 investments



22 industrial sites
Full equity
c.€100m

March / June 2014



37 retail park assets
in France
c.€135m

December 2014

2015 investments



35 retail park assets in
France
c.€250m

October 2015



Parisian shopping
center of 25,200m²
c.€80m

October 2015

2016 investments



I PETALI

Italian shopping
center of 27,900m²
c.€90m

February 2016



Bercy 2
2,000m² add-on
Darty store

April 2016



Logistics park of
28,800m²

July 2016



Singapore listed REIT
Office portfolio
200,673m²
c.€450m
November 2016

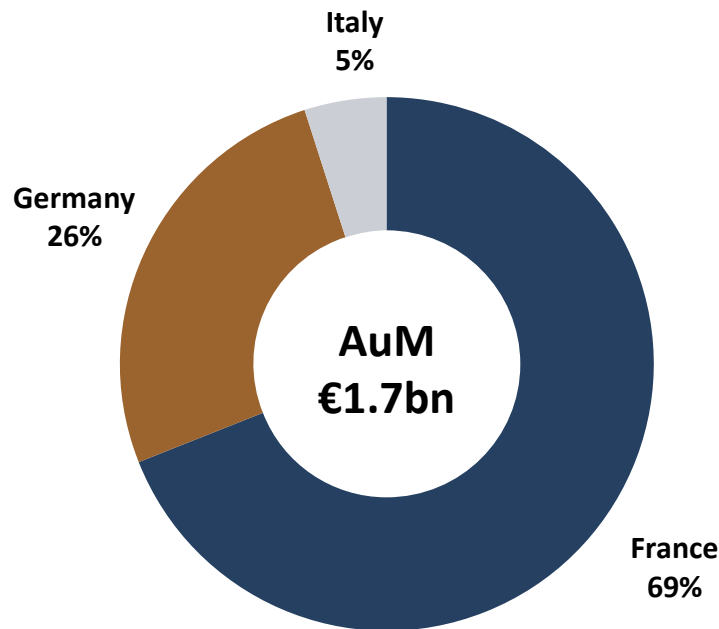


Mixed portfolio of
office / activity
c.300,000m²

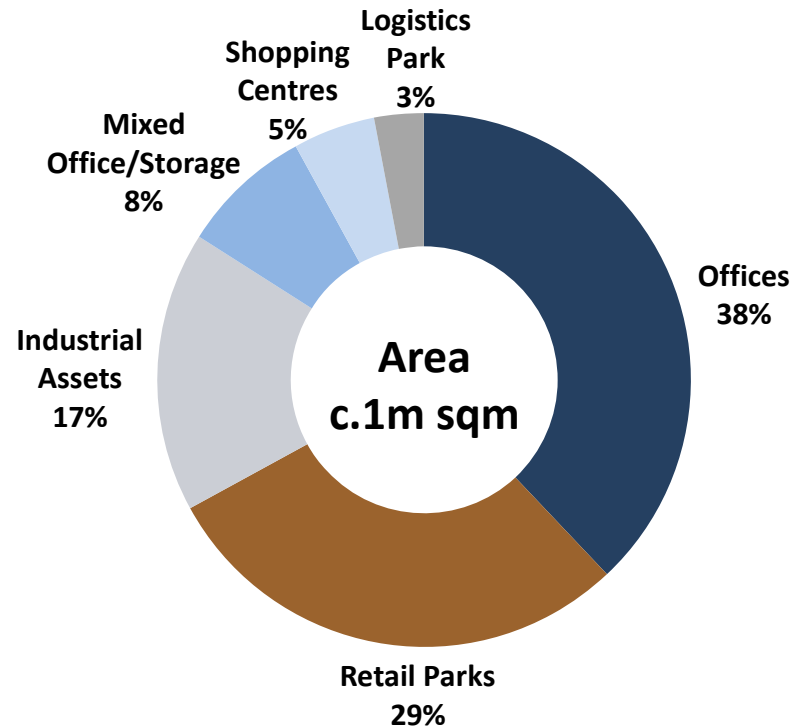
December 2016

Overview of Tikehau's Real Estate Portfolio

AuM by Country



Area by Asset Category



Highly diversified portfolio under management generating a rental income of €106m
231 assets under management with c.200 tenants as at 31 December 2016



Financial Highlights

Operating & Financial Performance

(€'000)	FY2016 ACTUAL	FY2015 ACTUAL	VARIANCE (%)
Gross Revenue	34,399	26,924	27.8
Net Property Income	30,856	24,029	28.4
Distributable Income	25,550	20,782	22.9
Available Distribution Per Unit			
- € cents	4.14	3.39	22.1
- S\$ cents ¹	6.33	5.24	20.8

- FY2016 operating and financial performance enhanced by full year contribution from Berlin Campus (acquired in August 2015)
- From FY2017, the Manager will determine the level of distribution, taking into account funding requirements and other capital management considerations, subject to the minimum of 90% of the distributable income

Financial Position

€ '000	AS AT 31 DECEMBER 2016	AS AT 31 DECEMBER 2015	VARIANCE (%)
Investment Properties	453,000	441,400	2.6
Total Assets	477,580	466,476	2.4
Borrowings	197,731	197,392	0.2
Total Liabilities	217,705	215,395	1.1
Net Assets Attributable to Unitholders	259,875	251,081	3.5
NAV per Unit (€/unit) ¹	0.42	0.41	2.4

- Marginal increase in NAV contributed mainly by higher portfolio value

Capital Management

- ~88.0% of borrowings at fixed interest rates – mitigates volatility from potential fluctuations in borrowing costs
- €23.6 million short term loan restructured
 - ✓ Amortisation of €5.1 million (€2.55 million in 2017 and €2.55 million in 2018)
 - ✓ Maturity date of the remaining principal amount (€18.5 million) extended from August 2017 to July 2018

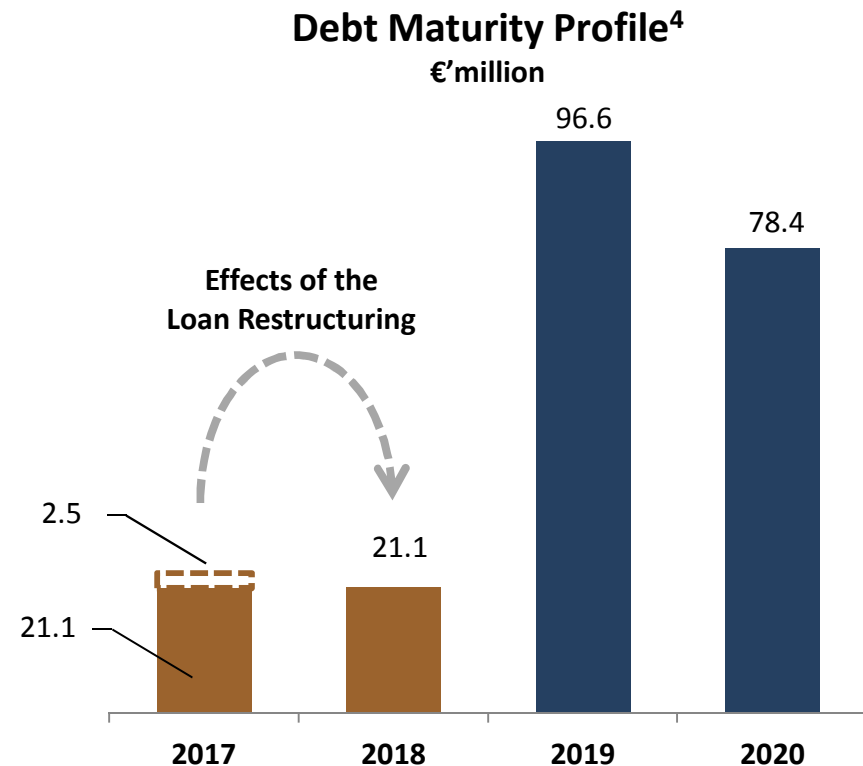
As at 31 December 2016	
Aggregate Leverage¹	Total Borrowings Outstanding
41.6%	€198.6 million
Effective Interest Rate²	Interest Coverage Ratio³
2.0% per annum	8.4 times
Average Weighted Debt Maturity: 2.9 years⁴	

¹ Based on total debt over deposited properties as at 31 December 2016

² Effective interest rate computed over the tenure of the borrowings

³ Based on net property income over interest expense for FY2016

⁴ On a pro forma basis, assuming that the loan extension had been effected on 31 December 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 FY2017 has been hedged as follows:

	%	Average Hedge Rate
Distributable Income 2017	100	~S\$1.55 per Euro

- For future distributable income, the Manager may enter into hedging transactions in respect of distributions for future periods, as and when appropriate.



German Market Outlook & Portfolio Update

German Economy & Political Situation

Economy

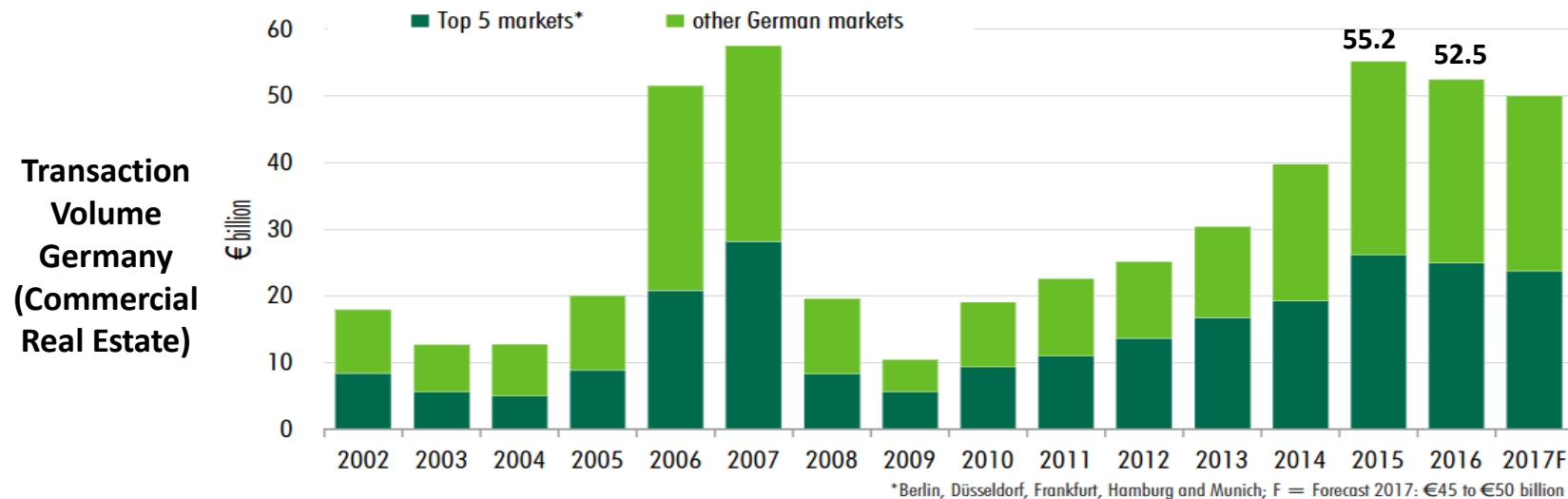
- Record trade surplus of €252.9bn in 2016¹
- GDP expected to grow at 1.6% in 2017, forecast raised by Association of German Chambers of Industry and Commerce²
- Continued high level of domestic demand supported by still low interest rates and strong employment market (unemployment rate of 5.8% in March 2017, lowest in more than 25 years)²
- Inflation subdued at 1.5% in March 2017 mainly due to lower energy prices²
- ECB continues to maintain its accommodative monetary policy

Political Situation

- Issues arising from Brexit and USA's protectionist economic policies will impact Germany, as the UK and USA are two of its most important trading partners
- No major surprises expected although there may be bouts of political uncertainty and market volatility in the run up to the elections in September

A Strong German Real Estate Environment

- Recognised safe investment heaven due to its solid economic fundamentals and growth in letting take-up and rent, in office, retail and logistics markets
- Germany remains an important real estate target market for institutional investors, especially in prime locations with net initial yields reaching 3.4% in Berlin and 3.2% in Munich (CBRE Research, 2017)



Portfolio Summary



As at 31 December 2016

Total Net Lettable Area
200,673 sqm

Occupancy Rate
99.8%

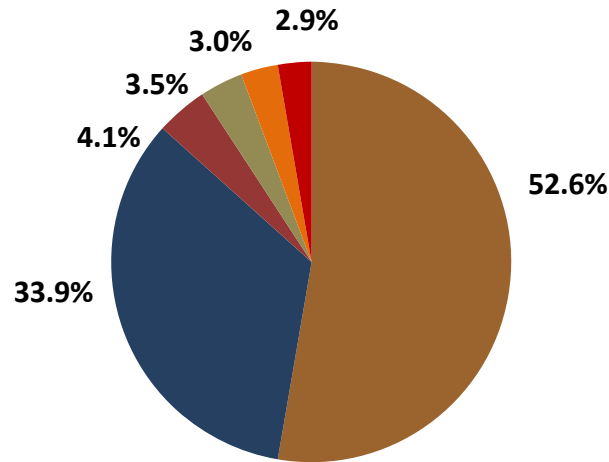
Number of Tenants
19

Weighted Average Lease Expiry
5.9 years

Portfolio Value
€453.0 million

Diversified Blue Chip Tenant Mix

Top Five Tenants¹



- GMG - Deutsche Telekom
- Deutsche Rentenversicherung Bund
- ST Microelectronics
- Allianz Handwerker Services GmbH
- Ebase
- Others



Deutsche Telekom is one of the world's leading integrated telcos with around c. 165 mil mobile customers, c. 30 mil fixed-network lines and c. 18.7 mil broadband lines. S&P's long-term rating stands at BBB+.



Deutsche Rentenversicherung Bund is a federal pension fund and the largest of the 16 federal pension institutions in Germany with 'AAA' credit rating.



ST Microelectronics is Europe's largest semiconductor chip maker based on revenue.



Allianz Handwerker Services is a unit of Allianz SE, one of the world's largest insurance companies. S&P's long-term rating stands at AA.

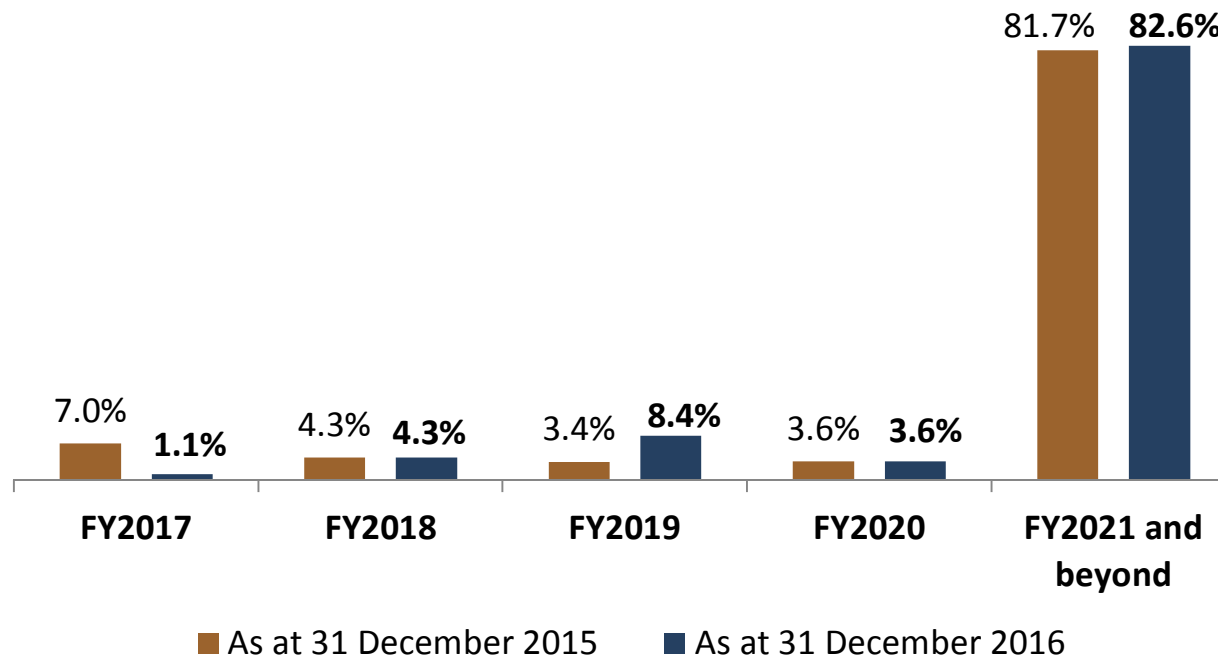


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¹ Based on Gross Rental Income as at 31 December 2016

Stable Long Leases

Lease Expiry by Gross Rental Income



Weighted Average Lease Expiry: 5.9 years¹

Berlin Campus



As at 31 December 2016

Total Net Lettable Area
79,097 sqm

Occupancy Rate
99.2%

Number of Tenants
5

Weighted Average Lease Expiry
7.5 years

Property Value
€158.6 million

Well-integrated into the portfolio after acquisition in August 2015

Bonn Campus



As at 31 December 2016

Total Net Lettable Area
32,736 sqm

Occupancy Rate
100.0%

Number of Tenants
1

Weighted Average Lease Expiry
6.3 years

Property Value
€100.5 million



As the CPI-linked hurdle has been reached, the rental income has increased by 10%

Darmstadt Campus



As at 31 December 2016

Total Net Lettable Area

30,371 sqm

Occupancy Rate

100.0%

Number of Tenants

1

Weighted Average Lease Expiry

5.8 years

Property Value

€82.2 million



Stable property with a WALE of 5.8 years

Münster Campus



As at 31 December 2016

Total Net Lettable Area
27,183 sqm

Occupancy Rate
100.0%

Number of Tenants
1

Weighted Average Lease Expiry
3.9 years

Property Value
€47.9 million



Deutsche Telekom has vacated one out of six floors of Münster South Building (c. 1,800 m²) and extended the lease for 2.5 years on the rest of the building

Concor Park



As at 31 December 2016

Total Net Lettable Area
31,286 sqm

Occupancy Rate
100.0%

Number of Tenants
13

Weighted Average Lease Expiry
3.2 years

Property Value
€63.8 million



First redevelopment project in Germany to land the Green Building Gold Certificate, awarded by the German Sustainable Building Council



Conclusion

Conclusion

- IREIT remains the only S-REIT investing solely in European real estate through quality assets providing solid long-term returns
- IREIT is characterised by a freehold quality portfolio with blue chip tenants and stable long leases providing regular distribution
- Outlook for the European real estate market remains positive on the back of sustained economic growth, decreasing vacancy rates and attractive yield spreads
- Seeks to enhance long-term income by investing in income-producing quality assets across Europe, in particular in Germany, France and Italy
- Focused on executing diversification strategy (in terms of tenant, lease expiry, country and asset class) to improve portfolio income stability



Thank You



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