



## **IREIT's 1Q 2017 performance firmly supported by long term leases of quality asset portfolio**

- ◆ Gross revenue from its five office assets in Germany held steady at €8.8m; net property income rose 3.5% to €7.9m
- ◆ DPU of S\$1.44 cts for 1Q 2017, in line with distribution policy of at least 90% of IREIT's annual distributable income
- ◆ Strength of Europe's economy and real estate market bodes well for existing portfolio
- ◆ Manager to enhance long-term income by growing and diversifying IREIT's portfolio in the office, retail & industrial (including logistics) sectors across Europe, particularly in Germany, France and Italy

SINGAPORE ◆ 11 MAY 2017

For immediate release

IREIT Global (IREIT), a Europe-focused real estate investment trust managed by IREIT Global Group Pte. Ltd. (the Manager), is pleased to report a stable performance for the first quarter of its financial year ended 31 December 2017 (1Q 2017).

With firm support from the long term leases of its five quality office properties in Germany, gross revenue held steady at €8.8 million in 1Q 2017 as the 10% CPI-linked increase in rental income for Bonn Campus from December 2016 was offset by a decrease in service charges income.

The lower service charges income corresponds directly to the amount in recoverable property operating expenses, which was 26% lower in 1Q 2017 due mainly to a decrease in recoverable property expenses for the period, as well as a one-time adjustment of prior year land tax expenses for Darmstadt Campus (this land tax expense is fully recoverable from the tenant). The 3.5% rise in IREIT's net property income to €7.9 million was therefore due mainly to the higher rental income contribution from Bonn Campus.

Distributable income was €6.5 million for the quarter and Unitholders will be entitled to a distribution per unit (DPU) of €0.93 cents (S\$1.44 cents), in line with IREIT's distribution policy of a payout of at least 90% of its annual distributable income. The DPU for 1Q 2017 translates to an attractive annualised yield of approximately 7.9%, based on IREIT's closing unit price of S\$0.725 on 31 March 2017.

Mr Aymeric Thibord, the Chief Executive Officer of the Manager, said: "The underlying strength of Europe's economy and real estate market bodes well for our existing portfolio. This stability will provide a good foundation to grow IREIT's long term stable income as well as our asset base in the office, retail and industrial (including logistics) sectors.

Sustained economic growth in Europe, decreasing vacancy rates and attractive yield spreads will back our efforts to expand, particularly in Germany, France and Italy. We are presently looking into a number of opportunities and plan to diversify by asset class, country (within Europe), tenant and lease expiry. A broader and larger portfolio will enhance IREIT's long term recurring income and earnings visibility. "

On the operational front, the search for new tenants to occupy the 1,800 sq m of vacant space in the Münster South Building is progressing. IREIT's five strategically located freehold properties in Berlin, Bonn, Darmstadt, Münster and Munich are leased to 19 blue chip tenants and have a weighted average lease expiry of 5.7 years as at 31 March 2017.

	1QFY2017	1QFY2016	VARIANCE (%)
Gross Revenue (€'000)	8,758	8,797	(0.4)
Property Operating Expenses (€'000)	(878)	(1,187)	(26.0)
Net Property Income (€'000)	7,880	7,610	3.5
Income Available for Distribution (€'000)	6,503	6,412	1.4
Income to be Distributed to Unitholders (€'000)	5,852	6,412	(8.7)
Distribution per Unit			
Before Retention			
- € cents	1.04	1.04	-
- S\$ cents <sup>1</sup>	1.61	1.58	1.9
After Retention			
- € cents	0.93	1.04	(10.6)
- S\$ cents <sup>1</sup>	1.44	1.58	(8.9)

<sup>1</sup>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



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#### ABOUT IREIT GLOBAL

[www.ireitglobal.com](http://www.ireitglobal.com) ♦ SGX mainboard listing: August 2014

IREIT Global (SGX-UD1U) which was listed on 13 August 2014, is the first Singapore-listed real estate investment trust 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, retail and industrial (including logistics) purposes, as well as real estate-related assets.

IREIT Global's current portfolio comprises five freehold properties strategically located in the key German cities of Berlin, Bonn, Darmstadt, Münster and Munich with a total net lettable area of 200,673 sqm and 3,441 car park spaces.

IREIT Global is managed by IREIT Global Group Pte. Ltd., a subsidiary of pan-European asset management and investment firm Tikehau Capital.

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#### ABOUT TIKEHAU CAPITAL

[www.tikehaucapital.com](http://www.tikehaucapital.com) ♦ Paris Euronext, compartment A listing: March 2017

Tikehau Capital is an asset management and investment firm which manages approximately €10bn of assets, with shareholders' equity of €1.5bn. The group invests in various asset classes (private debt, real-estate, private equity and liquid strategies), including through its asset management subsidiary Tikehau IM, on behalf of institutional and private investors. Controlled by its managers, alongside leading institutional partners, Tikehau Capital employs 170 staff in its Paris, Milan, Brussels, London and Singapore offices.

Tikehau Capital's independent positioning has consolidated its value and reputation within the asset management industry year after year. Its independence has enabled it to develop a business model with a flexible approach to allocate capital across all four business lines, clearly differentiating it from the competition. By deploying its shareholders' equity towards its investment strategies, Tikehau Capital, working alongside leading institutional partners, continues to fortify its culture of aligning its interests with those of its shareholders and investors, thereby establishing a relationship founded on trust.

Tikehau Capital is listed on Euronext Paris, compartment A (ISIN code: FR0013230612; Ticker: TKO.FP)



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