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 FIRST QUARTER ENDED 31 MARCH 2015

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**"). The initial portfolio (the "**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). The IPO Portfolio consists of the following properties (the "**Properties**"):

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

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 January 2015 to 30 June 2015.

Note # - No comparative figures for the corresponding period of the preceding financial year have been presented as IREIT was only listed on the Listing Date. As disclosed in the prospectus of IREIT dated 4 August 2014 (the "**Prospectus**"), the SGX-ST has granted IREIT a waiver from the requirement to prepare historical pro forma financial statements. However, where appropriate, comparisons are made against the pro-rated forecast figures for the quarter ended 31 March 2015 as disclosed in the Prospectus.

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

	1 Jan 2015 to 31 Mar 2015		
	Actual	**Forecast[(1)]**	**Variance (%)**
Gross revenue (€'000)	**5,569**	**5,633**	**(1.1)**
Net property income (€'000)	**4,961**	**5,017**	**(1.1)**
Distributable income (€'000)	**4,366**	**4,392**	**(0.6)**
Available distribution per Unit			
- € cents	**1.04**	**1.04**	**-**
- S$ cents[(2)]	**1.61**	**1.75**	**(8.0)**

Footnotes:

(1) The forecast results for the quarter ended 31 March 2015 were derived from the Prospectus and have been pro-rated for the quarter.

(2) The available distribution per unit is 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. 100% of the distributable income for the financial year ending 31 December 2015 has been hedged at an average exchange rate of approximately S$1.55 per Euro.

1(a) Consolidated Statement of Profit or Loss and Other Comprehensive Income and Distribution Statement

	Note	1 Jan 2015 to 31 Mar 2015# (€'000)
Gross revenue		5,569
Property operating expenses		(608)
Net property income		**4,961**
Finance costs		(504)
Manager's management fees		(437)
Trustee's fees		(20)
Administrative costs		(100)
Other trust expenses		99
Net change in fair value of financial derivatives	1	420
Profit before tax		**4,419**
Income tax expense		(164)
Profit for the period, before transactions with Unitholders		**4,255**
Distributions payable to Unitholders		(4,366)
Loss for the period, after transactions with Unitholders		**(111)**
<u>**Distribution Statement**</u>		
Profit for the period, before transactions with Unitholders		4,255
Distribution adjustments(1)	2	111
Amount available for distribution to Unitholders		**4,366**

Footnote:

(1) Distribution adjustments comprise expenses relating to the Manager's management fees to be paid in Units, net change in fair value of financial derivatives, interest expense due to differences between accounting method of computation which is based on the effective interest rate method and actual interest payments made, and other adjustments.

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

1 Net change in fair value of financial derivatives

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.

2 Distribution adjustments

	1 Jan 2015 to 31 Mar 2015# (€'000)
<u>Distribution adjustments</u>	
- Difference between accounting and actual finance costs paid	136
- Management fee payable in Units	437
- Foreign exchange gain	(206)
- Net change in fair value of financial derivatives	(420)
- Income tax expense	164
Net distribution adjustments	**111**

1(b)(i) Statements of Financial Position

		Group (€'000)		Trust (€'000)	
	Note	**31 Mar 2015**	**31 Dec 2014**	**31 Mar 2015**	**31 Dec 2014**
Current assets					
Cash and cash equivalents		10,090	12,277	2,590	2,156
Trade and other receivables		1,453	1,967	600	6,047
Financial derivatives	1	699	279	699	279
		12,242	14,523	3,889	8,482
Non-current assets					
Investment properties		290,600	290,600	-	-
Investment in subsidiaries		-	-	206,729	208,309
Deferred tax assets		1,345	1,391	-	-
		291,945	291,991	206,729	208,309
Total assets		**304,187**	**306,514**	**210,618**	**216,791**
Current liabilities					
Trade and other payables		3,672	4,528	398	737
Distribution payable		4,366	6,417	4,366	6,417
		8,038	10,945	4,764	7,154
Non-current liabilities					
Borrowings		95,494	95,359	-	-
Deferred tax liabilities		355	236	-	-
		95,849	95,595	-	-
Total liabilities		**103,887**	**106,540**	**4,764**	**7,154**
Net assets attributable to Unitholders	2	**200,300**	**199,974**	**205,854**	**209,637**

Notes to Statements of Financial Position:

1. This represents the fair value of forward foreign currency exchange contracts which were entered into to hedge the currency risk for distribution to Unitholders.

2. Please refer to the Statement of Movements in Unitholders' Funds Item 1d(i) for details.

1(b)(ii) Aggregate Amount of Borrowings for IREIT Group

	Group (€'000)	
	31 Mar 2015	**31 Dec 2014**
Secured borrowings		
Amount repayable after one year	96,594	96,594
Less: Upfront debt transaction costs[(1)]	(1,100)	(1,235)
Total secured borrowings	**95,494**	**95,359**

Footnote:

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

Details of any collaterals

IREIT has secured and drawn down €96.6 million through a bank facility agreement with a bank in Germany for a 5-year secured term loan facility (the "**Facility**"). The Facility of €96.6 million was drawn down as part payment of the acquisition value of the Properties.

The loan amount of €96.6 million drawn down under the bank facility is secured on:

(a) the investment properties;
(b) the assignment of rental proceeds; and
(c) a fixed charge over the rent and deposit accounts.

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

	Note	1 Jan 2015 to 31 Mar 2015# (€'000)
Cash flows from operating activities		
Profit before tax		4,419
Adjustments for:		
Manager's management fees payable in Units		437
Finance costs		504
Net change in fair value of financial derivatives		(420)
Operating profit before working capital changes		4,940
Changes in working capital:		
Trade and other receivables		514
Trade and other payables		(275)
Net cash from operating activities		**5,179**
Cash flows from financing activities		
Distributions to Unitholders		(6,417)
Interest paid		(949)
Net cash used in financing activities		**(7,366)**
Net decrease in cash and cash equivalents		(2,187)
Cash and cash equivalents at beginning of the period		12,277
Cash and cash equivalents at end of the period		**10,090**

1(d)(i) Statement of Changes in Unitholders' Funds

	1 Jan 2015 to 31 Mar 2015# (€'000)
Operations	
At beginning of the period	(6,180)
Profit for the period, before transactions with Unitholders	4,255
At end of the period	(1,925)
Unitholders' transactions	
At beginning of the period	206,154
Issue of new Units for payment of the Manager's management fees	437
Distributions payable to Unitholders	(4,366)
At end of the period	202,225
Total Unitholders' Funds as at end of the period	**200,300**

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

	1 Jan 2015 to 31 Mar 2015# (Units)
Unit in issue:	
At beginning of the period	419,337,000
Issue of new Units in lieu of the Manager’s management fees	1,164,704
At end of the period	420,501,704
Units to be issued:	
Manager's management fees payable in Units	848,446
At end of the period	421,350,150

2. Whether the figures have been audited, or reviewed and in accordance with which standard, (e.g. the Singapore Standard on Auditing 910 (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 period ended 31 December 2014.

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

	1 Jan 2015 to 31 Mar 2015#
Weighted average number of Units ('000)(1)	96,307
Earnings per Unit (**"EPU"**)	
Basic and Diluted(1) (€ Cents)	4.41
Number of Units entitled to distribution ('000)	421,350
Distribution per Unit (**"DPU"**)(2)	
- € Cents	1.04
- S$ Cents(3)	1.61

Footnotes:

(1) The weighted average number of Units has been adjusted to take into effect the additional units as payment of management fees for the period from 1 January 2015 to 31 March 2015.

The Diluted EPU is the same as the Basic EPU as there is no dilutive instrument in issue at the end of the period.

(2) For illustrative purposes only, the computation of DPU is based on 420,501,704 Units in issue as at 31 March 2015 and 848,446 Units to be issued. The 848,446 Units to be issued was included in the computation of DPU as these Units would be issued before the next books closure date. Consequently, these 848,446 Units would be entitled to the next semi-annual distribution for the period from 1 January 2015 to 30 Jun 2015.

(3) IREIT had entered into forward foreign currency exchange contracts to hedge the currency risk for distribution to Unitholders. The DPU is computed taking such contracts into consideration. 100% of the distributable income for the financial year ending 31 December 2015 has been hedged at an average exchange rate of approximately S$1.55 per Euro.

7. Net Asset Value Per Unit

	Group	
	31 Mar 2015	31 Dec 2014
Number of Units in issue and to be issued at end of period ('000)(1)	421,350	420,502
Net asset value (**"NAV"**) per Unit (€)	0.48	0.48

Footnote:

(1) The NAV per Unit is computed based on the Units in issue and to be issued as at 31 March 2015 of 421,350,150 (31 December 2014: 420,501,704).

8. Review of the Performance for the First Quarter Ended 31 March 2015

Please refer to Section 9 on the review of the actual results of IREIT for the quarter ended 31 March 2015 against the forecast as disclosed in the Prospectus.

9. Variance between Actual and Forecast Results

Consolidated Statement of Profit or Loss and Other Comprehensive Income and Distribution Statement

	1 Jan 2015 to 31 Mar 2015		Variance
	Actual (€'000)	**Forecast[1] (€'000)**	**%**
Gross revenue	5,569	5,633	(1.1)
Property operating expenses	(608)	(617)	(1.4)
Net property income	**4,961**	**5,017**	**(1.1)**
Finance costs	(504)	(513)	(1.7)
Manager's management fees	(437)	(494)	(11.5)
Trustee's fees	(20)	(18)	11.8
Administrative costs	(100)	(96)	3.8
Other trust expenses	99	(137)	(172.2)
Net change in fair value of financial derivatives	420	-	NM
Profit before tax	**4,419**	**3,759**	**17.6**
Income tax (expense)/benefit	(164)	96	(271.4)
Profit for the period, before transactions with Unitholders	**4,255**	**3,855**	**10.4**
Distributions payable to Unitholders	(4,366)	(4,392)	(0.6)
Loss for the period, after transactions with Unitholders	**(111)**	**(537)**	**(79.3)**
<u>Distribution Statement</u>			
Profit for the period	4,255	3,855	10.4
Distribution adjustments	111	537	(79.3)
Amount available for distribution to Unitholders	**4,366**	**4,392**	**(0.6)**

Footnotes:

(1) The forecast results for the quarter ended 31 March 2015 were derived from the Prospectus and have been pro-rated for the quarter.

(2) NM denotes "Not meaningful".

<u>Review of the Performance</u>

Gross revenue of €5.6 million was largely in line with forecast. The 1.1% unfavourable variance was mainly due to the pro-rata effects of the upward rental adjustment for the Bonn Campus, which was forecast to only take place in the second half of the financial year ending 31 December 2015.

Property operating expenses of €0.6 million was 1.4% lower than forecast, resulting in a net property income of €5.0 million, marginally lower than forecast by 1.1%.

9. Variance between Actual and Forecast Results (continued)

Finance costs, trustee fees and administrative expenses were largely in line with forecast.

Manager's management fees were lower than forecast by €57,000 mainly due to the absence of performance fees.

Included in other trust expenses were foreign exchange gain of €206,000 arising mainly from the translation of Singapore dollar denominated cash balances as at 31 March 2015. Excluding this foreign exchange gain, other trust expenses were €30,000 lower than forecast, mainly due to savings achieved in respect of professional fees.

The net change in fair value of financial derivatives was due to the remeasurement to fair value as at 31 March 2015 of the forward foreign currency exchange contracts entered into to hedge the currency risk for distribution to Unitholders.

Income tax expense was higher mainly due to the higher deferred tax effect on the reversal of deductible temporary differences arising from the investment properties.

Amount available for distribution to Unitholders of €4.4 million was largely in line with forecast.

10. 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

Germany's growth forecast for 2015 has been revised upwards to 1.8% in April 2015 versus an earlier outlook of 1.6% in January 2015. The market is steadily recovering as the robust labour market with increasing wages and growing employment is expected to drive higher domestic consumption.(1)

In addition to the improving market sentiments, the German consumer price index ("**CPI**") is also gradually rising. In February 2015, the German CPI was up 0.9% over January 2015. Following that, in March 2015, it climbed 0.5% compared to the previous month. This was a turnaround from January 2015's index, which registered a decline of 1.1% month-on-month.(2)

According to Colliers International(3), office leasing activity for the first three months of 2015 was the strongest for a quarter since 2008, with the take-up for the seven largest German office markets increasing by 12% year-on-year. The commercial investment market also continued its strong uptrend, with transaction volume of €9.7 billion for the quarter matching that in the corresponding period of the previous year.

Overall, demand for German commercial real estate remains strong. Market competition for German office properties continues to increase as a result of the high liquidity, the weakened Euro and the low interest rates in Europe. However, IREIT will take advantage of the market conditions as it provides equal opportunities and access to yield accretive acquisition deals. The Manager is proactively pursuing acquisition opportunities that are in line with IREIT's 'ABBA' strategy.

Footnotes:

(1) The Business Times, 22 April 2015 article, "Germany raises 2015 growth forecast to 1.8% on consumer spending"
(2) Data from the website of the Federal Statistical Office of Germany (Destatis), *https://www.destatis.de/EN/FactsFigures/NationalEconomyEnvironment/Prices/ConsumerPriceIndices/Tables_/ConsumerPricesSpecial.html*
(3) Colliers International, "Germany's Office and Investment Report Q1 2015"

11. 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?	Not applicable

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

12. 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 January 2015 to 31 March 2015.

13. 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 IPTs.

14. 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 quarter ended 31 March 2015 to be false or misleading in any material respect.

BY ORDER OF THE BOARD OF DIRECTORS
Evelyn Low
Company Secretary
IREIT Global Group Pte. Ltd.
(As Manager for IREIT)
(Company Registration No. 201331623K)

7 May 2015

This announcement may contain forward-looking statements that involve risks and uncertainties. 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.