

Münster



Berlin



Bonn



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Munich



Financial Results 1Q 2016

12 May 2016

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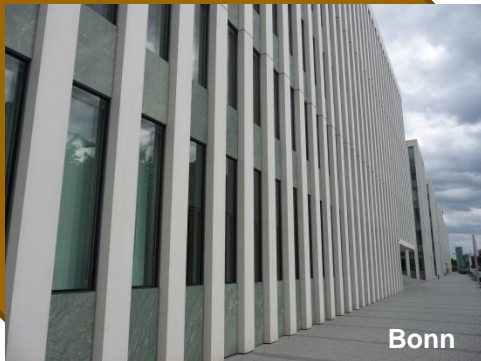
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- Key Highlights
- Financial Highlights
- Portfolio Updates
- Market Review and Outlook



- Key Highlights
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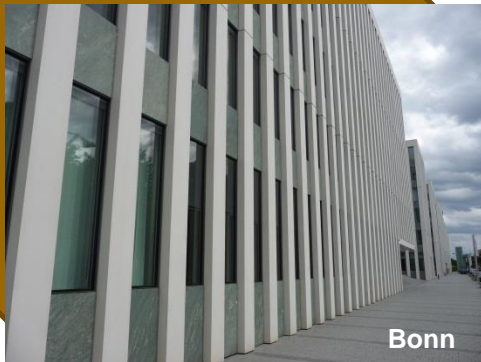
Key Highlights

- Gross revenue increased by 58% year-on-year to €8.8 million
- Distributable income increased by 47% year-on-year to €6.4 million
- DPU of S\$1.58 cents for 1Q 2016
 - Annualised distribution yield of 8.4% based on TERP ⁽¹⁾ and 9.2% based on quarter-end closing price ⁽²⁾
- Portfolio occupancy maintained at 99.7% with WALE of 6.7 years as at 31 March 2016
- Deutsche Telekom exercised option to renew lease in Münster South building for 2.5 years

Notes:

- 1) TERP refers to the theoretical ex-rights price of S\$0.7521 per Unit pursuant to the rights issue completed in Aug 2015
- 2) Based on the closing price of S\$0.690 per Unit as at 31 Mar 2016

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Actual Year-on-Year

(€'000)	1Q 2016 Actual	1Q 2015 Actual	Variance (%)
Gross revenue	8,797	5,569	58.0
Net property income	7,610	4,961	53.4
Distributable income	6,412	4,366	46.9
Available Distribution Per Unit			
- € cents ⁽¹⁾	1.04	0.71	46.5
- S\$ cents ⁽²⁾	1.58	1.10	43.6

Notes:

- 1) The 1Q 2016 actual available distribution per Unit ("DPU") was computed based on 616.2 million Units entitled to distribution while the 1Q 2015 actual available DPU was restated based on 611.0 million Units (consisting of 421.4 million Units issued and to be issued as at 31 Mar 2015 and 189.6 million rights Units issued on 6 Aug 2015) which were entitled to the amount available for distribution in respect of 1Q 2015.
- 2) 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

(€'000)	1Q 2016 Actual	1Q 2016 Forecast ⁽¹⁾	Variance (%)
Gross revenue	8,797	5,734	53.4
Net property income	7,610	5,105	49.1
Distributable income	6,412	4,389	46.1
Available Distribution Per Unit			
- € cents ⁽²⁾	1.04	1.03	1.0
- S\$ cents ⁽³⁾	1.58	1.75	(9.7)

Notes:

- 1) The forecast figures for the quarter ended 31 Mar 2016 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 31 Mar 2016
- 2) The 1Q 2016 actual available DPU was computed based on 616.2 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 31 Mar 2016	As at 31 Dec 2015
Investment Properties	441,400	441,400
Total Assets	460,743	466,476
Borrowings	197,476	197,392
Total Liabilities	209,604	215,395
Net Assets Attributable to Unitholders	251,139	251,081
NAV per Unit (€/unit) ⁽¹⁾	0.41	0.41

Note:

- 1) The NAV per Unit was computed based on net assets attributable to Unitholders as at 31 Mar 2016 and 31 Dec 2015, and the Units in issue and to be issued as at 31 Mar 2016 of 616,186,105 (31 Dec 2015: 614,771,099)

Capital Structure

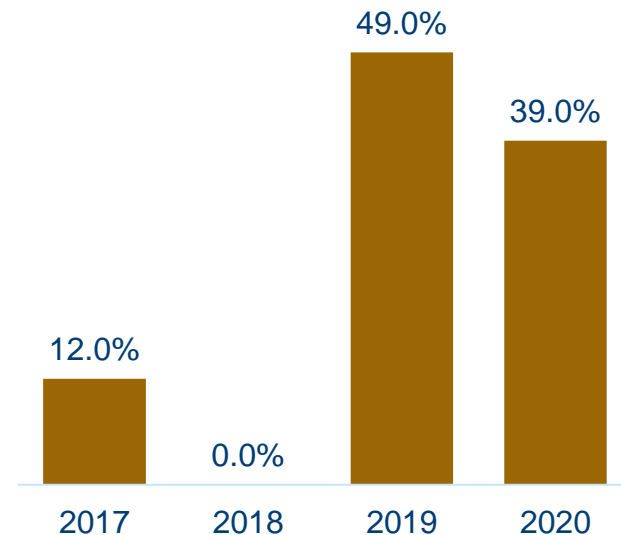
- Approximately 88% of the borrowings comprise term loans at fixed interest rates, which mitigate the volatility related to potential fluctuations in borrowing costs

As at 31 Mar 2016

Aggregate Leverage Ratio ⁽¹⁾	Total Debt
43.1%	€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:
3.5 years ⁽⁴⁾**



Notes:

- 1) Based on total debt over deposited properties as at 31 Mar 2016
- 2) Effective interest rate computed over the tenure of the borrowings
- 3) Based on net property income over interest expense for the quarter ended 31 Mar 2016
- 4) As at 31 Mar 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 and has been hedged as follows:

	%	Average Hedge Rate
Distributable Income 2016	80	~S\$1.52 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.

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Portfolio at a Glance

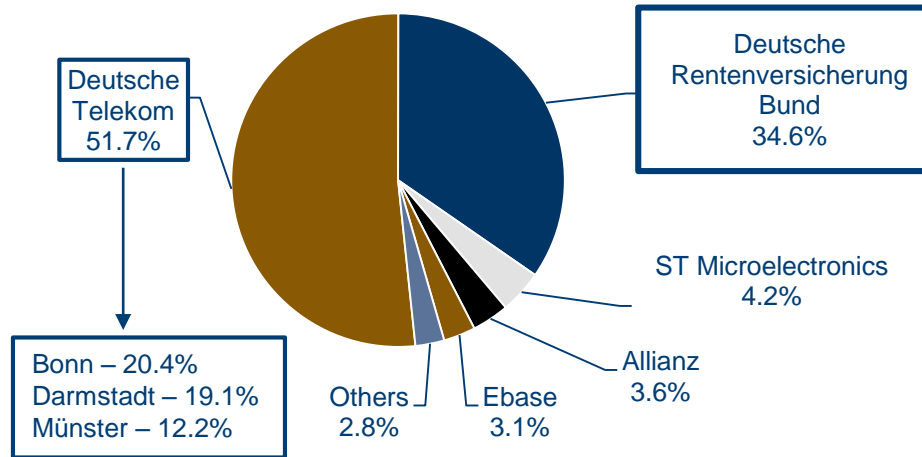
	Berlin Campus	Bonn Campus	Darmstadt Campus	Münster Campus	Concor Park	IREIT Portfolio
Location	Berlin	Bonn	Darmstadt	Münster	Munich	
Net Lettable Area (sqm)	79,097	32,736	30,371	27,183	31,216	200,603
Car Park Spaces	496	656	1,189	588	512	3,441
Occupancy rate⁽¹⁾	99.2%	100%	100%	100%	100%	99.7%
No. of 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⁾	8.2	7.0	6.7	3.8	4.0	6.7
Independent Appraisal ⁽³⁾	€148.7 mil	€100.0 mil	€82.5 mil	€48.5 mil	€61.7 mil	€441.4 mil

Notes:

- 1) Occupancy as at 31 Mar 2016
- 2) Based on gross rental income for the month of Mar 2016
- 3) Based on independent valuation as at 31 Dec 2015

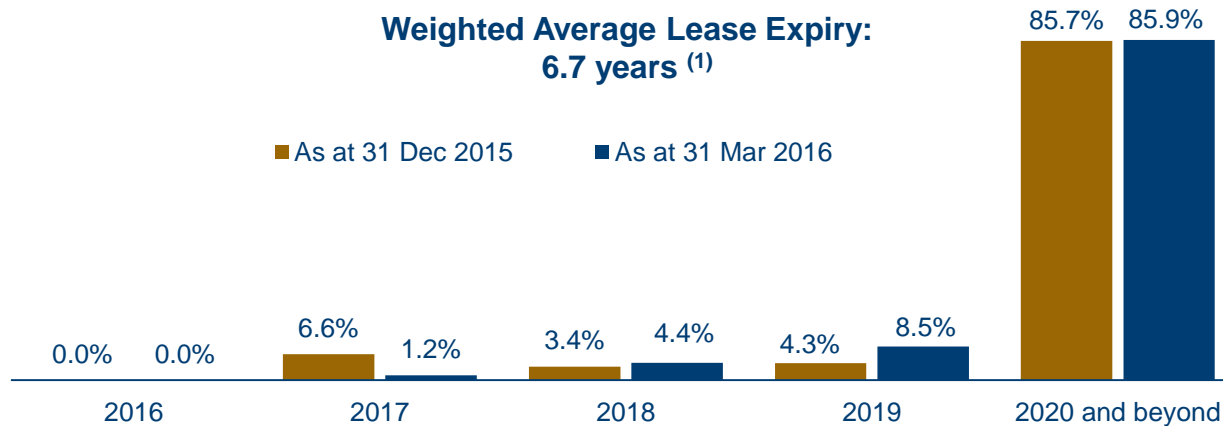
Tenant Mix and Lease Expiry Profile

Top 5 Tenants ⁽¹⁾



Lease Expiry Profile ⁽¹⁾

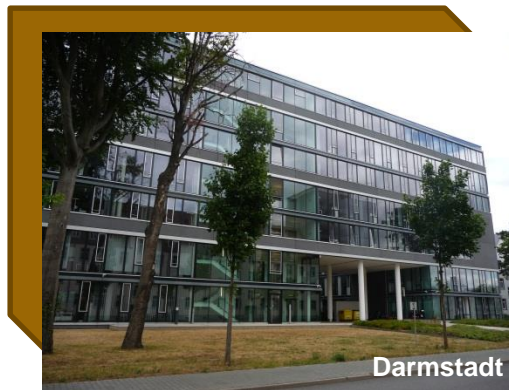
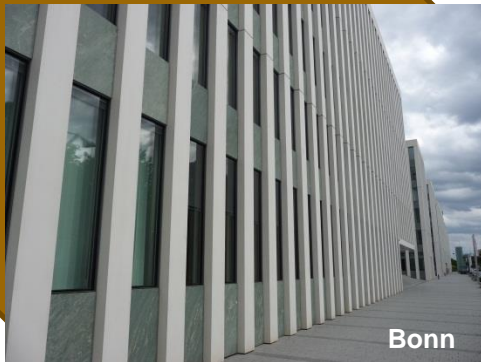
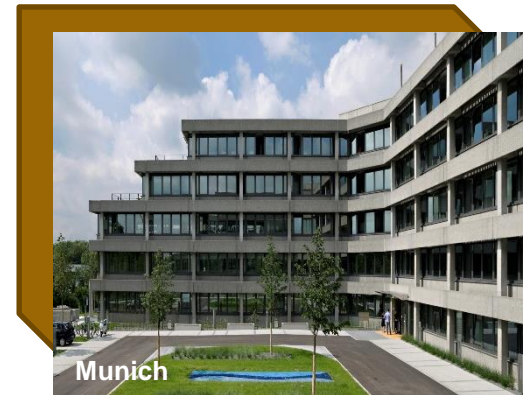
**Weighted Average Lease Expiry:
6.7 years ⁽¹⁾**



Note:

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

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- Economic and Market Review



Economic and Market Review

- Economic growth in Europe expected to remain modest
 - Euro area GDP growth forecast - 1.6% in 2016, 1.8% in 2017
 - Low oil prices, low funding costs, lagged effects from the depreciation of the Euro, a slightly expansionary fiscal stance, and structural reforms are expected to continue supporting activity but with diminishing strength
 - At the same time, modest global growth, weak global trade, and increased uncertainty look set to weigh more heavily on activity than previously expected
 - Outlook is exposed to considerable downside risks, including the possibility of slower growth in emerging markets, particularly China, and Brexit concerns

- Germany's economic growth keeping pace
 - Germany GDP growth forecast - 1.6% in 2016 and 2017
 - Economic activity accelerated somewhat in 1Q 2016 but is likely to slow down again in 2Q 2016, due to a deteriorating business outlook, less optimistic export expectations and softening industrial orders
 - Nevertheless, the robust labour market, favourable financing conditions, low energy prices and additional public spending on the large number of asylum seekers should contribute to domestic demand-driven growth
 - Risks include a further weakening in the external environment and uncertainty surrounding the economic impact of the inflow of asylum seekers

Notes:

- 1) Source: The European Commission, "European Economic Forecast, Spring 2016". The European Commission has not provided its consent. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by the European Commission 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.

Economic and Market Review (cont'd)

- Office leasing activity in the German market continued to pick up speed in 1Q2016
 - Take-up of 794,000 square metres for the 7 largest German office markets was an increase of 8.3% year-on-year
 - German office leasing market should perform well for the entire year of 2016, but development supply could be a limiting factor

- German commercial real estate transaction volume of €8.2 billion for 1Q2016
 - Half of the volume in the previous quarter - the lack of mega deals, particularly in terms of portfolio deals being one of the key reasons. However, transaction volume remained high compared to the long-term average
 - With Germany's continuing status as a safe investment haven, strong results for 2016 are still expected, barring the scarcity of high-volume landmark properties dampening the growth in investment volume

Notes:

- 1) Source: Colliers International, Germany Market Report, "Office and Investment Market Q1 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

Growth Strategy

- Germany continues to be main focus market for acquisitions
- Concurrently, we are actively seeking new European markets for office property investments, which fulfil our overall investment strategy. Our criteria for market entry include:
 - Market size and liquidity for investment properties
 - Strong office letting market with opportunity for long-term letting prospects
 - Strong underlying economic fundamentals driving and sustaining the office market
 - Transparent real estate market and legal system
 - Optimal tax regime for Singapore REIT holding structure.

THANK YOU