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## Financial Results 2Q 2016 and 1H 2016

10 August 2016

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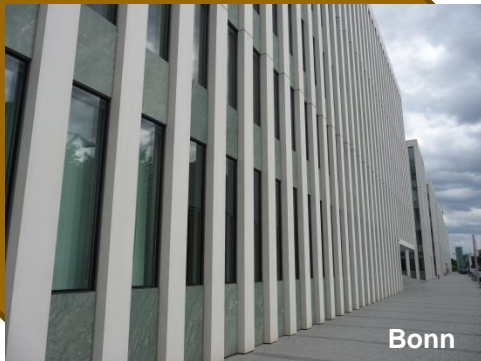
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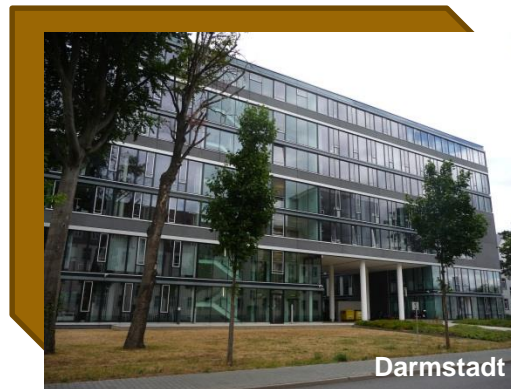
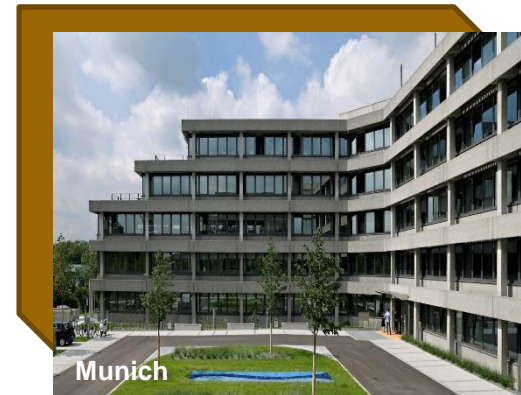
DBS Bank Ltd. is the sole global coordinator for the initial public offering and listing of the units in IREIT Global (the “Offering”). DBS Bank Ltd. and Barclays Bank PLC, Singapore Branch are the joint issue managers, bookrunners and underwriters for the Offering.

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





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## Key Highlights

- Gross revenue increased by
  - 57% year-on-year to €8.5 million for 2Q 2016
  - 58% year-on-year to €17.3 million for 1H 2016
- Distributable income increased by
  - 47% year-on-year to €6.4 million for 2Q 2016
  - 47% year-on-year to €12.8 million for 1H 2016
- DPU of 3.18 Singapore cents for 1H 2016
  - Annualised distribution yield of 8.7% based on half-year end closing price <sup>(1)</sup>
- Portfolio occupancy maintained at 99.7% with WALE of 6.4 years as at 30 June 2016
- Portfolio valuation increased marginally to €449.8 million as at 30 June 2016
- Hedging for IREIT's forecast distributable income for FY2016 increased to 100%

Note:

1) Closing price of S\$0.730 per Unit as at 30 Jun 2016

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## Actual Year-on-Year – 2Q 2016

(€'000)	2Q 2016 Actual	2Q 2015 Actual	Variance (%)
<b>Gross revenue</b>	<b>8,475</b>	<b>5,386</b>	<b>57.4</b>
<b>Net property income</b>	<b>7,646</b>	<b>4,870</b>	<b>57.0</b>
<b>Distributable income</b>	<b>6,407</b>	<b>4,358</b>	<b>47.0</b>
<b>Available Distribution Per Unit</b>			
- € cents <sup>(1)</sup>	1.04	0.71	46.5
- S\$ cents <sup>(2)</sup>	1.60	1.10	45.5

Notes:

- 1) The 2Q 2016 actual available distribution per Unit ("DPU") was computed based on 616.2 million Units while the 2Q 2015 actual available DPU was based on 611.0 million Units (which included the 189.6 million rights Units issued on 6 Aug 2015) which were entitled to the amount available for distribution for the respective periods
- 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 Year-on-Year – 1H 2016

(€'000)	1H 2016 Actual	1H 2015 Actual	Variance (%)
<b>Gross revenue</b>	17,272	10,955	57.7
<b>Net property income</b>	15,256	9,831	55.2
<b>Distributable income</b>	12,819	8,724	46.9
<b>Available Distribution Per Unit</b>			
- € cents <sup>(1)</sup>	2.08	1.43	45.5
- S\$ cents <sup>(2)</sup>	3.18	2.21	43.9

Notes:

- 1) The 1H 2016 actual available DPU was computed based on 616.2 million Units while the 1H 2015 actual available DPU was based on 611.0 million Units (which included the 189.6 million rights Units issued on 6 Aug 2015) which were entitled to the amount available for distribution for the respective periods
- 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 – 2Q 2016

(€'000)	2Q 2016 Actual	2Q 2016 Forecast <sup>(1)</sup>	Variance (%)
<b>Gross revenue</b>	<b>8,475</b>	<b>5,734</b>	<b>47.8</b>
<b>Net property income</b>	<b>7,646</b>	<b>5,105</b>	<b>49.8</b>
<b>Distributable income</b>	<b>6,407</b>	<b>4,389</b>	<b>46.0</b>
<b>Available Distribution Per Unit</b>			
- € cents <sup>(2)</sup>	1.04	1.03	1.0
- S\$ cents <sup>(3)</sup>	1.60	1.75	(8.6)

Notes:

- 1) The forecast figures for the quarter ended 30 Jun 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 30 Jun 2016
- 2) The 2Q 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

## Actual vs Forecast – 1H 2016

(€'000)	1H 2016 Actual	1H 2016 Forecast <sup>(1)</sup>	Variance (%)
<b>Gross revenue</b>	17,272	11,468	50.6
<b>Net property income</b>	15,256	10,210	49.4
<b>Distributable income</b>	12,819	8,778	46.0
<b>Available Distribution Per Unit</b>			
- € cents <sup>(2)</sup>	2.08	2.06	1.0
- S\$ cents <sup>(3)</sup>	3.18	3.50	(9.1)

Notes:

- 1) The forecast figures for the half-year ended 30 Jun 2016 were derived from the Projection Year 2016 as disclosed in the Prospectus and have been pro-rated for the half-year ended 30 Jun 2016
- 2) The 1H 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 30 Jun 2016	As at 31 Dec 2015
<b>Investment Properties</b>	449,800	441,400
<b>Total Assets</b>	474,616	466,476
<b>Borrowings</b>	197,560	197,392
<b>Total Liabilities</b>	216,268	215,395
<b>Net Assets Attributable to Unitholders</b>	258,348	251,081
<b>NAV per Unit (€/unit) <sup>(1)</sup></b>	0.42	0.41

Note:

- 1) The NAV per Unit was computed based on net assets attributable to Unitholders as at 30 Jun 2016 and 31 Dec 2015, and the Units in issue and to be issued as at 30 Jun 2016 of 617.5 million (31 Dec 2015: 614.8 million)

# 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

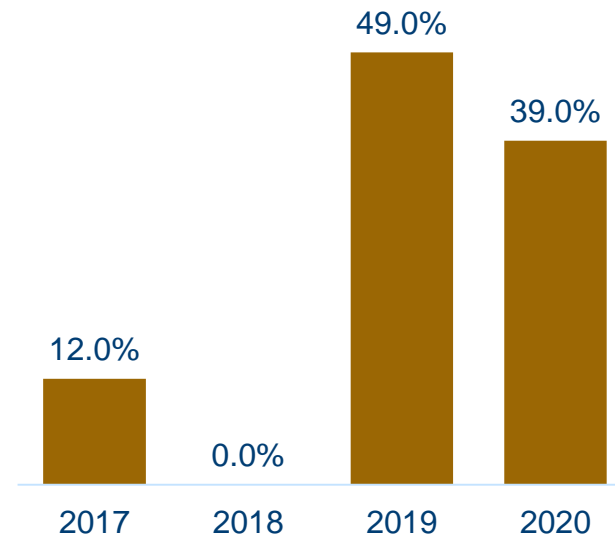
As at 30 Jun 2016

Aggregate Leverage Ratio <sup>(1)</sup>	Total Debt
41.8%	€198.6 mil

Effective Interest Rate <sup>(2)</sup>	Interest Cover Ratio <sup>(3)</sup>
2.0% per annum	8.3 times

## Debt Maturity Profile

Average Weighted Debt Maturity:  
3.3 years <sup>(4)</sup>



Notes:

- 1) Based on total debt over deposited properties as at 30 Jun 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 30 Jun 2016
- 4) As at 30 Jun 2016



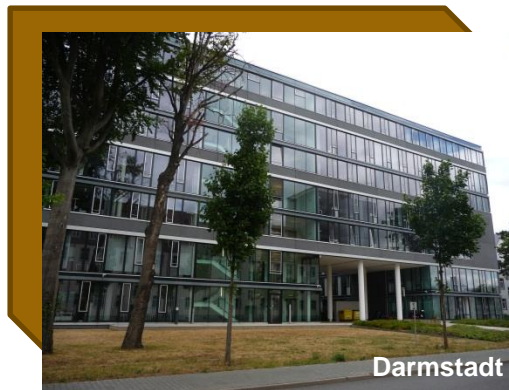
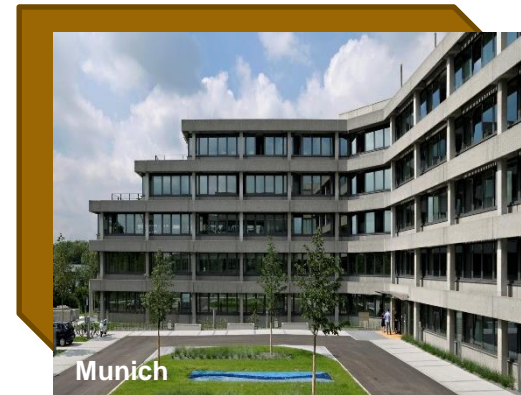
## Forex Risk Management

- 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. Hedging for IREIT's forecast distributable income for FY2016 increased to 100%, in order to mitigate foreign exchange risks for more steady returns to Unitholders

	%	Average Hedge Rate
Distributable Income 2016	100	~S\$1.53 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

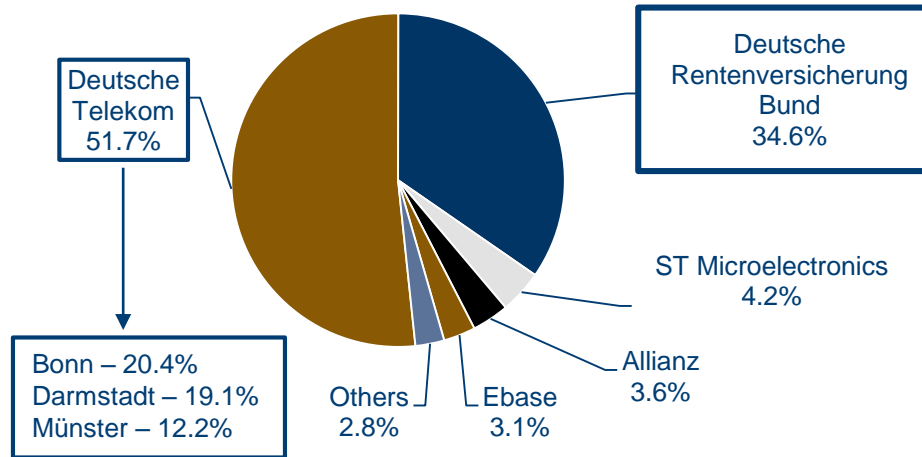
	Berlin Campus	Bonn Campus	Darmstadt Campus	Münster Campus	Concor Park	IREIT Portfolio
<b>Location</b>	Berlin	Bonn	Darmstadt	Münster	Munich	
<b>Net Lettable Area (sqm)</b>	79,097	32,736	30,371	27,183	31,216	<b>200,603</b>
<b>Car Park Spaces</b>	496	656	1,189	588	512	<b>3,441</b>
<b>Occupancy rate<sup>(1)</sup></b>	99.2%	100%	100%	100%	100%	<b>99.7%</b>
<b>No. of Tenants</b>	5	1	1	1	13	<b>19</b>
<b>Key Tenant(s)</b>	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 Micro-electronics, Allianz, Ebase, Yamaichi	
<b>WALE <sup>(2)</sup></b>	8.0	6.8	6.3	4.4	3.7	6.4
<b>Independent Appraisal <sup>(3)</sup></b>	€157.0 mil	€100.0 mil	€82.5 mil	€48.1 mil	€62.2 mil	<b>€449.8 mil</b>

Notes:

- 1) Occupancy as at 30 Jun 2016
- 2) Based on gross rental income for the month of Jun 2016
- 3) Based on independent valuation as at 30 Jun 2016

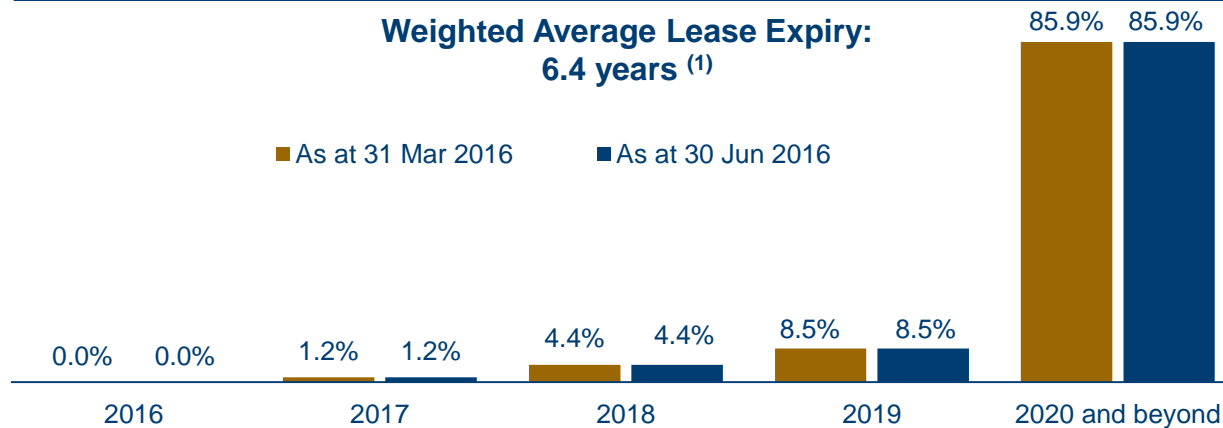
# Tenant Mix and Lease Expiry Profile

## Top 5 Tenants <sup>(1)</sup>



## Lease Expiry Profile <sup>(1)</sup>

**Weighted Average Lease Expiry:  
6.4 years <sup>(1)</sup>**

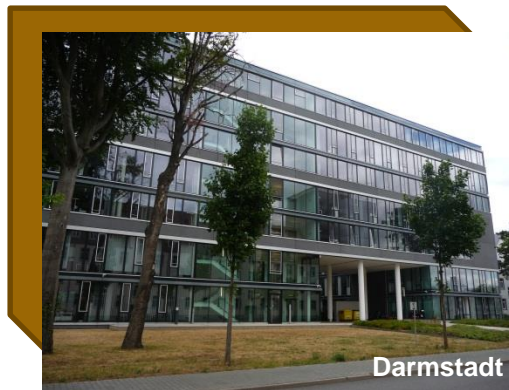
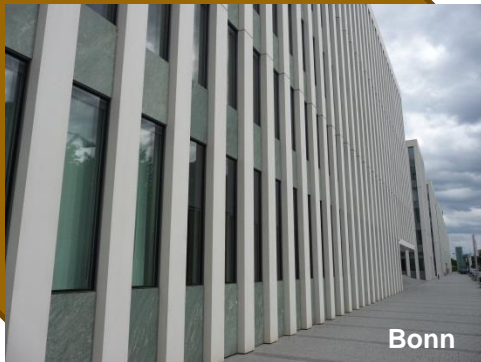
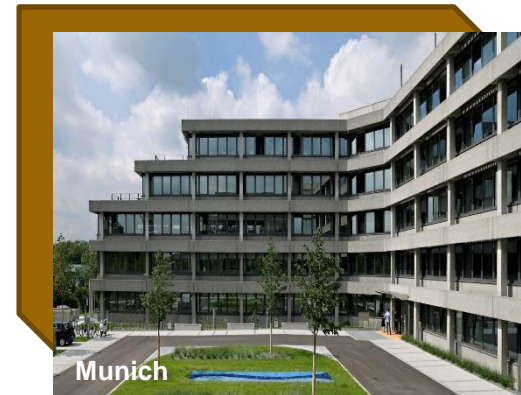


Note:

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



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## Economic and Market Review

- Brexit voting result 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
  - Due to falling industrial production, weak orders and decreasing exports raising doubts about its prospects
  - However, 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 <sup>1</sup>

Notes:

- 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.

## Economic and Market Review (cont'd)

- German office leasing volume
  - 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. German office leasing market should perform well for the entire year of 2016, but supply could be a limiting factor <sup>1</sup>
  
- German commercial real estate transaction volume
  - €17.8 billion for 1H2016, down 26% from the previous year's exceptional results, which enjoyed the contribution of several mega deals
  - But 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 <sup>1</sup>

Notes:

- 1) 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 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

## Outlook

- 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
- 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



## Distribution Timetable

Distribution Details	
Distribution Period	1 Jan 2016 – 30 Jun 2016
Distribution Type	Tax-exempt income
Distribution Rate	3.18 Singapore cents per Unit
Last Trading Day on a “Cum Distribution” Basis	26 Aug 2016 (Friday)
Ex-date	29 Aug 2016 (Monday)
Books Closure Date	31 Aug 2016 (5pm) (Wednesday)
Distribution Payment Date	16 Sep 2016 (Friday)

**THANK YOU**