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 AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER 2016 AND THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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"). IREIT's IPO portfolio comprised four office properties in Germany, strategically located in Bonn, Darmstadt, Münster and Munich.

On 6 August 2015, IREIT completed the acquisition of Schreiberhauer Straße 2, 4, 6, 8, 10, 12, 14, 16, 18, 20 and 22, Berlin 10317, Germany (the "Berlin Campus") (the "Acquisition"). The Berlin Campus comprises two connected office buildings of 8 and 13 storeys respectively. The Acquisition was funded with a combination of debt and equity through a rights issue (the "Rights Issue").

As at 31 December 2016, IREIT's portfolio has an aggregate net lettable area of 200,673 sq m which consists of the following properties (the "Properties"):

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

IREIT is managed by IREIT Global Group Pte. Ltd. (the "Manager").

Distribution policy

IREIT's distribution policy has been 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 July 2016 to 31 December 2016.

SUMMARY CONSOLIDATED RESULTS OF IREIT GLOBAL

	Fourth Quarter Ended 31 December 2016			Financial Year Ended 31 December 2016		
	Actual	Forecast[1]	Variance (%)	Actual	Forecast[1]	Variance (%)
Gross revenue (€'000)	**8,584**	**5,735**	**49.7**	**34,399**	**22,937**	**50.0**
Net property income (€'000)	**7,922**	**5,105**	**55.2**	**30,856**	**20,420**	**51.1**
Distributable income (€'000)	**6,387**	**4,387**	**45.6**	**25,550**	**17,554**	**45.6**
Available distribution per Unit						
- € cents[2]	**1.03**	**1.02**	**1.0**	**4.14**	**4.11**	**0.7**
- S$ cents[3]	**1.58**	**1.76**	**(10.2)**	**6.33**	**7.01**	**(9.7)**

Footnotes:

(1) The forecast figures were derived from the Projection Year 2016 as disclosed in the IPO prospectus of IREIT dated 4 August 2014 (the "Prospectus'') and have been pro-rated for the quarter ended 31 December 2016.

(2) The actual available distribution per Unit ("DPU") was computed based on 618.8 million Units entitled to distribution while 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 entered into to hedge the currency risk for distribution to Unitholders.

1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income and Distribution Statement for the fourth quarter ("4Q 2016") and financial year ended 31 December 2016 ("FY 2016") respectively

	Note	4Q 2016 (€'000)	4Q 2015 (€'000)	Variance (%)	FY 2016 (€'000)	FY 2015 (€'000)	Variance (%)
Gross revenue	1	8,584	8,621	(0.4)	34,399	26,924	27.8
Property operating expenses	2	(662)	(962)	(31.2)	(3,543)	(2,895)	22.4
Net property income		**7,922**	**7,659**	**3.4**	**30,856**	**24,029**	**28.4**
Finance costs	3	(1,000)	(792)	26.3	(4,001)	(2,624)	52.5
Management fees							
- Base fee	4	(640)	(646)	(0.9)	(2,556)	(2,078)	23.0
- Performance fee	4	(1,154)	-	NM	(1,154)	-	NM
Trustee's fees		(24)	(23)	4.3	(94)	(93)	1.1
Administrative costs	5	(80)	(96)	(16.7)	(301)	(290)	3.8
Other trust expenses	6	(192)	(71)	170.4	(701)	(523)	34.0
Net change in fair value of financial derivatives including realised gain / (loss) on financial derivatives	7	266	(222)	(219.8)	961	(994)	(196.7)
Net change in fair value of investment properties	8	3,148	1,532	105.5	11,096	(5,240)	(311.8)
Profit before tax		**8,246**	**7,341**	**12.3**	**34,106**	**12,187**	**179.9**
Income tax expense	9	(1,017)	(696)	46.1	(3,472)	(360)	864.4
Profit for the period, before transactions with Unitholders		**7,229**	**6,645**	**8.8**	**30,634**	**11,827**	**159.0**
Distribution to Unitholders		(6,387)	(6,461)	(1.1)	(25,550)	(20,782)	22.9
Profit / (loss) for the period, after transactions with Unitholders		**842**	**184**	**357.6**	**5,084**	**(8,955)**	**(156.8)**
<u>**Distribution Statement**</u>							
Profit for the period, before transactions with Unitholders		7,229	6,645	8.8	30,634	11,827	159.0
Distribution adjustments	10	(842)	(184)	357.6	(5,084)	8,955	(156.8)
Amount available for distribution to Unitholders		**6,387**	**6,461**	**(1.1)**	**25,550**	**20,782**	**22.9**

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

1. Gross revenue for FY 2016 were 27.8% higher mainly due to the rental contribution from the Berlin Campus which was acquired in August 2015.

2. Property operating expenses for 4Q 2016 were 31.2% lower mainly due to release of accruals which are no longer required, following the settlement of prior year service charge reconciliation. For FY 2016, the property operating expenses were 22.4% higher mainly due to additional expenses from the Berlin Campus. In addition, the higher expenses was also partly attributable to the adjustment of the prior year land tax expense for the Darmstadt Campus after finalisation from the tax office which took place in 1Q 2016. However, this has no impact on the net property income as the land tax expense is fully recoverable from the tenant.

1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income and Distribution Statement for the fourth quarter ("4Q 2016") and financial year ended 31 December 2016 ("FY 2016") respectively (continued)

Notes to Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income and Distribution Statement (continued)

3. Finance costs for 4Q 2016 and FY 2016 were higher largely due to the change in interest rate and the €102.0 million term loan taken up to part finance the acquisition of the Berlin Campus in August 2015.

4. Management fees for 4Q 2016 and FY 2016 were €1.1 million and €1.6 million higher respectively largely due to performance fees, as well as the increase in distributable income contributed by the Berlin Campus.

   Manager's performance fee is calculated as 25% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

5. Administrative costs for 4Q 2016 were 16.7% lower largely due to savings achieved for the period.

6. Included in other trust expenses for 4Q 2016 was a foreign exchange gain of €12,000 (4Q 2015: €91,000) arising mainly from the translation of Singapore dollar denominated cash balances as at the end of each reporting period. Excluding this foreign exchange gain, other trust expenses were €42,000 higher than that in 4Q 2015. This was mainly due to higher professional fees.

   Included in other trust expenses for FY 2016 was a foreign exchange gain of €16,000 (FY 2015: €191,000) arising mainly from the translation of Singapore dollar denominated cash balances as at the end of each reporting period. Excluding this foreign exchange gain, other trust expenses were in line with the preceding financial year.

7. 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. For FY 2016, this was offset with the gain on settlement of financial derivatives in 3Q 2016.

8. This relates to (i) the difference between the net book value and the fair value of the investment properties as at the end of each respective period; which is offset by (ii) the capital expenditure incurred during the period.

9. Income tax expense comprises current and deferred tax expenses. The increase for 4Q 2016 and FY 2016 were mainly due to the deferred tax liability provided on the properties that have increased in value.

10. Distribution adjustments

	4Q 2016 (€'000)	4Q 2015 (€'000)	FY 2016 (€'000)	FY 2015 (€'000)
Distribution adjustments				
- Difference between accounting and actual finance costs paid	87	48	339	438
- Management fees payable in Units	1,794	646	3,710	2,078
- Foreign exchange gain	(12)	(91)	(16)	(191)
- Rights Issue expenses	-	-	-	209
- Effects of recognising rental income on a straight line basis over the lease term	(99)	(173)	(394)	(173)
- Net change in fair value of financial derivatives	(266)	222	(884)	994
- Net change in fair value of investment properties	(3,148)	(1,532)	(11,096)	5,240
- Deferred tax expense	802	696	3,257	360
Net distribution adjustments	**(842)**	**(184)**	**(5,084)**	**8,955**

1(b)(i) Unaudited Statements of Financial Position

		Group (€'000)		Trust (€'000)	
	Note	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Current assets					
Cash and cash equivalents	1	20,803	21,217	2,870	3,370
Trade and other receivables		1,438	1,558	8,383	8,251
Financial derivatives	2	85	-	85	-
		22,326	22,775	11,338	11,621
Non-current assets					
Investment properties	3	453,000	441,400	-	-
Investment in subsidiaries		-	-	251,756	261,081
Other receivables	4	567	173	-	-
Deferred tax assets	5	1,603	2,128	-	-
Financial derivatives	2	84	-	84	
		455,254	443,701	251,840	261,081
Total assets		**477,580**	**466,476**	**263,178**	**272,702**
Current liabilities					
Borrowings	6	23,587	-	-	-
Trade and other payables	7	2,963	3,897	445	444
Distribution payable		12,731	12,058	12,731	12,058
Financial derivatives	2	-	392	-	392
Income tax payable	8	215	-	-	-
		39,496	16,347	13,176	12,894
Non-current liabilities					
Borrowings	6	174,144	197,392	-	-
Deferred tax liabilities	5	4,065	1,333	-	-
Financial derivatives	2	-	323	-	323
		178,209	199,048	-	323
Total liabilities		**217,705**	**215,395**	**13,176**	**13,217**
Net assets attributable to Unitholders	9	**259,875**	**251,081**	**250,002**	**259,485**

Notes to Unaudited Statements of Financial Position

1. The Trust's cash and cash equivalents as at 31 December 2016 were €0.5 million lower than the balance as at 31 December 2015, mainly due to payment of distributions in (i) March 2016 for the half year ended 31 December 2015 and (ii) September 2016 for the half year ended 30 June 2016, offset by cash receipts from subsidiaries.

   Please refer to the consolidated statement of cash flows for 4Q 2016 and FY 2016 on Page 7-8 of this announcement for further details.

2. This represents the fair value as at the reporting dates of forward foreign currency exchange contracts which were entered into to hedge the currency risk for distribution to Unitholders.

3. Investment properties are accounted for at fair value based on valuations undertaken by independent valuers as at 31 December 2016.

	Group (€'000)
At 1 January 2016	441,400
Capital expenditure on investment properties	504
Change in fair value of investment properties during the period	11,096
Fair value of investment properties as at 31 December 2016	453,000

1(b)(i) Unaudited Statements of Financial Position (continued)

Notes to Unaudited Statements of Financial Position (continued)

4. This relates to the effects of accounting adjustments to recognise rental income on a straight-line basis over the term of the leases which have step-up rental escalation clauses.

5. The movements in deferred tax assets and deferred tax liabilities were mainly due to the deferred tax impact on those properties that have increased in fair value.

6. Please refer to the Aggregate Amount of Borrowings 1b(ii) for details.

7. The decrease of €0.7 million in the Group's trade and other payables was mainly due to the higher turnover in respect of trade creditors for FY 2016.

8. The income tax payable arises from the current income tax provision in respect of the Berlin Campus.

9. Please refer to the Unaudited Statement of Movements in Net Assets Attributable to Unitholders Item 1d(i) for details.

1(b)(ii) Aggregate Amount of Borrowings

	Group (€'000)	
	31 Dec 2016	**31 Dec 2015**
Repayable within one year		
Secured borrowings	23,625	-
Less: Upfront debt transaction costs[1]	(38)	-
	23,587	-
Repayable after one year		
Secured borrowings	174,969	198,594
Less: Upfront debt transaction costs[1]	(825)	(1,202)
	174,144	197,392
Total		
Secured borrowings	198,594	198,594
Less: Upfront debt transaction costs[1]	(863)	(1,202)
	197,731	**197,392**

Footnotes:

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

<u>Details of borrowings and collaterals</u>

The secured borrowings comprise the following term loan facilities (together, the "Facilities"):

(a) a secured €96.6 million term loan facility which has a tenor of 5 years and matures in August 2019; and
(b) a secured €102.0 million term loan facility consisting of (i) Facility A of €78.4 million which has a tenor of 5 years and matures in August 2020 and (ii) Facility B of €23.6 million which has a tenor of 2 years and matures in August 2017.

The Facilities are secured by way of the following:

- land charges over the investment properties;
- pledges over the rent and other relevant bank accounts in relation to the investment properties;
- assignments of claims under the lease agreements, insurance agreements, sale and purchase agreements, property management agreements and other key agreements in relation to the investment properties;
- pledges over the shares in the borrowing entities; and
- pledges over the intra-group loans under the borrowing entities.

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

	Note	Group			
		4Q 2016 (€'000)	**4Q 2015 (€'000)**	**FY 2016 (€'000)**	**FY 2015 (€'000)**
Cash flows from operating activities					
Profit / (loss) for the period, after transactions with Unitholders		842	184	5,084	(8,955)
Adjustments for:					
Management fees payable in Units		1,794	646	3,710	2,078
Finance costs		1,000	792	4,001	2,624
Net change in fair value of financial derivatives		(266)	222	(884)	994
Net change in fair value of investment properties		(3,148)	(1,532)	(11,096)	5,240
Distribution to Unitholders		6,387	6,461	25,550	20,782
Income tax expense		1,017	696	3,472	360
Operating profit before working capital changes		7,626	7,469	29,837	23,123
Changes in working capital:					
Trade and other receivables		(85)	(276)	(247)	240
Trade and other payables		77	842	(934)	(454)
Cash generated from operations, representing net cash from operating activities		**7,618**	**8,035**	**28,656**	**22,909**
Cash flows from investing activity					
Acquisition of investment property		-	-	-	(155,372)
Release of warranty retention sum in relation to the acquisition of investment property		-	(668)	-	(668)
Capital expenditure on investment properties		(52)	-	(504)	-
Net cash used in investing activity		**(52)**	**(668)**	**(504)**	**(156,040)**
Cash flows from financing activities					
Proceeds from issuance of new Units		-	-	-	58,777
Payment of transaction costs related to the issue of Units		-	-	-	(793)
Proceeds from bank borrowings		-	-	-	102,000
Payment of transaction costs related to bank borrowings		-	-	-	(582)
Distribution paid to Unitholders		-	-	(24,877)	(15,141)
Interest paid		(920)	(748)	(3,689)	(2,190)
Net cash (used in) / from financing activities		**(920)**	**(748)**	**(28,566)**	**142,071**
Net (decrease) / increase in cash and cash equivalents		6,646	6,619	(414)	8,940
Cash and cash equivalents at beginning of the period		14,157	14,598	21,217	12,277
Cash and cash equivalents at end of the period	1	**20,803**	**21,217**	**20,803**	**21,217**

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

Notes to Unaudited Consolidated Statement of Cash Flows

1. For FY 2016, the use of the remaining balances of the IPO and Rights Issue proceeds is set out below:

	(€'000)	
	IPO Proceeds	Right Issue Proceeds
Balance of proceeds at 1 January 2016	2,496	2,984
Amount utilised:		
Payment of land tax in relation to Darmstadt Campus [(1)]	(303)	-
Capital expenditure on investment properties	(379)	(125)
Remaining balance at 31 December 2016	1,814	2,859

Footnote:

(1) As explained in "Land tax in relation to Darmstadt Campus" on Page 183 of the Prospectus.

1(d)(i) Unaudited Statement of Changes in Net Assets Attributable to Unitholders

	Group		Trust	
	4Q 2016	4Q 2015	4Q 2016	4Q 2015
	(€'000)	(€'000)	(€'000)	(€'000)
Operations				
Balance as at beginning of period	(17,310)	(21,736)	(26,183)	(14,391)
Profit for the period, before transactions with Unitholders	7,229	6,645	6,229	7,704
Distribution payable of 1.03€ cents per Unit for 4Q 2016	(6,387)	-	(6,387)	-
Distribution payable of 1.05€ cents per Unit for 4Q 2015	-	(6,461)	-	(6,461)
Balance as at the end of the period	(16,468)	(21,552)	(26,341)	(13,148)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	274,549	271,987	274,549	271,987
Management fees payable in Units	1,794	646	1,794	646
Net assets resulting from transactions	276,343	272,633	276,343	272,633
Net assets attributable to Unitholders as at end of period	**259,875**	**251,081**	**250,002**	**259,485**

1(d)(i) Unaudited Statement of Changes in Net Assets Attributable to Unitholders (continued)

	Group		Trust	
	FY 2016 (€'000)	FY 2015 (€'000)	FY 2016 (€'000)	FY 2015 (€'000)
Operations				
Balance as at beginning of the year	(21,552)	(12,597)	(13,148)	(2,934)
Profit for the period, before transactions with Unitholders	30,634	11,827	12,357	10,568
Distribution paid of 2.08€ cents per Unit for the period from 1 January 2016 to 30 June 2016	(12,819)	-	(12,819)	-
Distribution payable of 2.06€ cents per Unit for the period from 1 July 2016 to 31 December 2016	(12,731)	-	(12,731)	-
Distribution paid of 1.43€ cents per Unit for the period from 1 January 2015 to 30 June 2015	-	(8,724)	-	(8,724)
Distribution payable of 1.96€ cents per Unit for the period from 1 July 2015 to 31 December 2015	-	(12,058)	-	(12,058)
Balance as at the end of the year	(16,468)	(21,552)	(26,341)	(13,148)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of the year	272,633	212,571	272,633	212,571
Issue of Units pursuant to the Rights Issue	-	57,984	-	57,984
Management fees payable in Units	3,710	2,078	3,710	2,078
Net assets resulting from Transactions	276,343	272,633	276,343	272,633
Net assets attributable to Unitholders as at end of the year	**259,875**	**251,081**	**250,002**	**259,485**

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

	Group			
	4Q 2016 (Units)	4Q 2015 (Units)	FY 2016 (Units)	FY 2015 (Units)
Unit in issue:				
At beginning of the period / year	617,517,378	610,957,717	613,314,089	419,337,000
Issue of new Units:				
- Management fees paid in Units	1,324,192	-	5,527,481	4,369,522
- Rights Issue	-	2,356,372	-	189,607,567
At end of the period / year	**618,841,570**	**613,314,089**	**618,841,570**	**613,314,089**
Units to be issued:				
Management fees payable in Units	3,777,227	1,457,010	3,777,227	1,457,010
At end of the period / year	**622,618,797**	**614,771,099**	**622,618,797**	**614,771,099**

2. Whether the figures have been audited, or reviewed and in accordance with which standard, (e.g. the Singapore Standard on Auditing 2410 (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 year ended 31 December 2015**.**

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

	Group			
	4Q 2016	**4Q 2015**	**FY 2016**	**FY 2015**
Weighted average number of Units ('000)[1]	618,134	611,537	615,735	536,564
Earnings per Unit ("EPU") Basic and Diluted[1] (€ cents)	1.16	1.08	4.97	2.20
Number of Units entitled to distribution ('000)[2]	618,842	613,314	618,842	613,314
Distribution per Unit ("DPU")				
- € cents	1.03	1.05	4.14	3.39
- S$ cents[3]	1.58	1.62	6.33	5.24

Footnotes:

(1) The weighted average number of Units and EPU have been adjusted to take into effect the bonus element in the 189.6 million Units issued on 6 August 2015 pursuant to the Rights Issue.

The Diluted EPU was the same as the Basic EPU as there were no dilutive instruments in issue at the reporting date.

(2) The number of Units entitled to distribution for 4Q 2015 included the 189.6 million rights Units issued on 6 August 2015.

(3) The DPU was computed after taking into consideration the forward foreign currency exchange contracts entered into to hedge the currency risk for distribution to Unitholders.

7. Net Asset Value and Net Tangible Asset Per Unit

	Group	
	31 Dec 2016	**31 Dec 2015**
Number of Units in issue and to be issued at end of period ('000)[1]	622,618	614,771
Net asset value ("NAV") per Unit (€)	0.42	0.41
Net tangible asset ("NTA") per Unit (€)	0.42	0.41

Footnote:

1. The NAV and NTA per Unit was computed based on the net assets attributable to Unitholders as at 31 December 2016 and 31 December 2015 and the Units in issue and to be issued as at 31 December 2016 of 622,618,797 (31 December 2015: 614,771,099).

8. Segmental Reporting

Operating segments are identified on the basis of internal reports on components of IREIT that are regularly reviewed by the chief operating decision maker, which is the management of the Manager, in order to allocate resources to segments and to assess their performance.

IREIT owns five properties which are all located in Germany. Revenue and net property income of the five properties (which constitute an operating segment on an aggregated basis) are the measures reported to the Manager for the purposes of resource allocation and performance assessment. The Manager considers that the five properties held by IREIT have similar economic characteristics and have similar nature in providing leasing services to similar type of tenants for rental income. In addition, the cost structure and the economic environment in which each of the five properties operate are similar. Therefore, the Manager concluded that the five properties should be aggregated into a single reportable segment and no further analysis for segment information is presented by property.

9. Review of the Performance for the Fourth Quarter and the Financial Year ended 31 December 2016

Please refer to Section 10 on the review of the actual results of IREIT against forecast.

10. Variance between Actual and Forecast Results

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

	4Q 2016			FY 2016		
	Actual (€'000)	**Forecast[(1)] (€'000)**	**Variance %**	**Actual (€'000)**	**Forecast[(1)] (€'000)**	**Variance %**
Gross revenue	8,584	5,735	49.7	34,399	22,937	50.0
Property operating expenses	(662)	(630)	5.1	(3,543)	(2,517)	40.8
Net property income	**7,922**	**5,105**	**55.2**	**30,856**	**20,420**	**51.1**
Finance costs	(1,000)	(514)	94.6	(4,001)	(2,056)	94.6
Management fees						
- Base fee	(640)	(438)	46.1	(2,556)	(1,755)	45.6
- Performance fee	(1,154)	-	NM	(1,154)	-	NM
Trustee's fees	(24)	(17)	41.2	(94)	(71)	32.4
Administrative costs	(80)	(97)	(17.5)	(301)	(391)	(23.0)
Other trust expenses	(192)	(137)	40.1	(701)	(554)	26.5
Net change in fair value of financial derivatives	266	-	NM	961	-	NM
Net change in fair value of investment properties	3,148	-	NM	11,096	-	NM
Profit before tax	**8,246**	**3,902**	**111.3**	**34,106**	**15,593**	**118.7**
Income tax (expense) / benefit	(1,017)	67	NM	(3,472)	271	NM
Profit for the period, before transactions with Unitholders	**7,229**	**3,969**	**82.1**	**30,634**	**15,864**	**93.1**
Distribution to Unitholders	(6,387)	(4,387)	45.6	(25,550)	(17,554)	45.6
Profit / (loss) for the period, after transactions with Unitholders	**842**	**(418)**	**NM**	**5,084**	**(1,690)**	**NM**
<u>**Distribution Statement**</u>						
Profit for the period, before transactions with Unitholders	7,229	3,969	82.1	30,634	15,864	93.1
Distribution adjustments	(842)	418	NM	(5,084)	1,690	NM
Amount available for distribution to Unitholders	**6,387**	**4,387**	**45.6**	**25,550**	**17,554**	**45.6**

Footnotes:

(1) The forecast figures were derived from the Projection Year 2016 as disclosed in the Prospectus of IREIT dated 4 August 2014 and have been pro-rated for the quarter ended 31 December 2016.

NM denotes "Not meaningful".

<u>Review of the Performance</u>

<u>4Q 2016</u>

Gross revenue of €8.6 million was 49.7% higher than forecast of €5.7 million largely due to the rental contribution from the Berlin Campus which was acquired in August 2015. As a result, net property income was €7.9 million, 55.2% higher than forecast of €5.1 million.

10. Variance between Actual and Forecast Results (continued)

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income and Distribution Statement (continued)

Review of the Performance (continued)

4Q 2016 (continued)

Finance costs were higher than forecast of €0.5 million by 94.6% largely due to the €102.0 million term loan taken up to part finance the Berlin Campus acquisition in August 2015.

Management fees were €1.4 million higher than forecast of €0.4 million largely due to the performance fees for FY 2016, as well as higher distributable income achieved as compared to forecast.

Trustee's fees were higher than forecast by 41.2% in line with the increase in the portfolio size of IREIT.

Administrative costs were 17.5% lower than forecast mainly due to savings achieved during the period.

Included in other trust expenses was a foreign exchange gain of €12,000 arising mainly from the translation of Singapore dollar denominated cash balances as at 31 December 2016. Excluding this foreign exchange gain, other trust expenses were €67,000 higher than forecast. This was mainly attributable to the increase in the portfolio size of IREIT.

The net change in fair value of financial derivatives was due to the re-measurement to fair value as at 31 December 2016 of the forward foreign currency exchange contracts entered into to hedge the currency risk for distribution to Unitholders.

The net gain in fair value of investment properties was due to the higher valuation appraised by independent valuers as at 31 December 2016, offset by capital expenditure incurred on investment properties in 4Q 2016.

Income tax expense of €1.0 million was higher than forecast largely due to the higher deferred tax effect on the revaluation differences arising from the investment properties.

Amount available for distribution of €6.4 million was higher than forecast of €4.4 million mainly due to the contribution from the Berlin Campus which was acquired in August 2015.

FY 2016

Gross revenue of €34.4 million was 50.0% higher than forecast of €22.9 million. The increase was mainly due to the rental contribution from the Berlin Campus which was acquired in August 2015.

Correspondingly, property operating expenses of €3.5 million were 40.8% higher than forecast of €2.5 million. The adjustment of the prior year land tax expense for the Darmstadt Campus after finalisation from the tax office also contributed to the higher property operating expenses. However, the land tax expense is fully recoverable from the tenant and has no impact on the net property income. As a result, net property income was €30.9 million, 51.1% higher than forecast of €20.4 million.

Finance costs were higher than forecast of €2.1 million by 94.6% largely due to the €102.0 million term loan taken up to part finance the Berlin Campus acquisition in August 2015.

Management fees were €2.0 million higher than forecast of €1.8 million largely due to the performance fees for FY 2016, as well as higher distributable income achieved as compared to forecast.

Trustee's fees were higher than forecast by 32.4% in line with the increase in the portfolio size of IREIT.

Administrative costs were 23.0% lower than forecast mainly due to savings achieved during the year.

10. Variance between Actual and Forecast Results (continued)

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income and Distribution Statement (continued)

Review of the Performance (continued)

FY 2016 (continued)

Included in other trust expenses was a foreign exchange gain of €16,000 arising mainly from the translation of Singapore dollar denominated cash balances. Excluding this foreign exchange gain for FY Sep 2016, other trust expenses were €163,000 higher than forecast. This was mainly attributable to the increase in the portfolio size of IREIT.

The net change in fair value of financial derivatives was due to the re-measurement to fair value as at 31 December 2016 of the forward foreign currency exchange contracts entered into to hedge the currency risk for distribution to Unitholders.

The net gain in fair value of investment properties was due to the higher valuation appraised by independent valuers as at 31 December 2016, offset by capital expenditure incurred on investment properties in FY 2016.

Income tax expense of €3.4 million was higher than forecast largely due to the higher deferred tax effect on the revaluation differences arising from the investment properties.

Amount available for distribution of €25.6 million was higher than forecast of €17.6 million mainly due to the contribution from the Berlin Campus which was acquired in August 2015.

11. 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

The outlook for the European real estate market remains positive, due to sustained economic growth, decreasing vacancy rates and attractive yield spreads that will provide better returns. Leasing and investment activity of commercial space in Germany is expected to remain firm. For IREIT, the Manager expects that with its freehold quality assets, long stable leases and diversified blue chip client base, the performance of its existing portfolio should remain stable for the coming year.

Deutsche Telekom's real estate leasing subsidiary, GMG GeneralmietgesellschaftmbH, will be vacating one out of the six floors it currently occupies in the Münster South Building, from 1 April 2017. The release of the space presents an opportunity for IREIT to convert the building into a multi-tenant building. The introduction of new tenants into this asset is in line with IREIT's strategy to retain its blue-chip tenants as the core base, while continuing to broaden its tenant profile.

During 4Q 2016, the CPI-linked hurdle rate for the rental adjustment in respect of the Bonn Campus was reached. This has allowed the Bonn Campus to enjoy a 10% increase in its gross rental income from December 2016 onwards.

The Manager is now part of Tikehau Capital, a pan-European asset management and investment company supported by shareholders' equity of €1.5 billion and directly or indirectly manages assets of over €9.9 billion as at 31 December 2016. These assets include €1.7 billion worth of real estate in the office, retail and industrial sectors which are managed by its regulated asset management company, Tikehau Investment Management SAS. In order for IREIT to leverage on Tikehau Capital's pan-European network, experience and expertise across the various real estate sectors, the Manager will be seeking the approval of unitholders to broaden IREIT's investment mandate to invest in income-producing real estate beyond the office sector, into the retail and industrial (including logistics) sectors. The geographical focus of IREIT's investments shall remain as Europe. The Manager believes that the broader mandate will be beneficial to IREIT in achieving its objectives of long-term portfolio growth and greater asset and tenant diversification. Further details will be provided to unitholders in due course.

11. 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 (continued)

In terms of capital management, as previously announced, 100% of IREIT's expected distributable income for 2017 has been hedged at an average exchange rate of approximately S$1.55 per Euro. The Manager will continue to implement hedging strategies where appropriate as part of its proactive currency management strategies. A term loan facility of €23.6 million is due to mature in August 2017. The Manager has received credit approval from the lending bank to extend the maturity date of the facility by one year with partial amortisation, and is now in the process of finalising the legal documentation. A separate announcement with further details will be provided in due course.

IREIT's distribution policy has been 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. The actual level of distribution will be determined at the Manager's discretion. Going forward, the Manager intends to exercise its discretion as appropriate, taking into account IREIT's funding requirements, other capital management considerations (including any needs for loan amortisations) and the overall stability of distributions.

12. Distributions

(a) Current financial period

Any distributions declared for the current financial period?	Yes
Name of distribution	Distribution for the period from 1 July 2016 to 31 December 2016
Distribution type	Tax-exempt income
Distribution rate	3.15 Singapore cents per Unit
Tax rate	These distributions are made out of IREIT'S tax exempt income. Unitholders receiving distributions will not be assessable to Singapore income tax on the distribution received.

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period?	Yes

(c) Books closure date 8 March 2017

(d) Date payable 22 March 2017

13. If no distribution has been declared/(recommended), a statement to that effect.

Not applicable.

14. 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 Interested Person Transactions.

15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in the Manager, who is a relative of a director or the chief executive officer or a substantial shareholder of the Manager or a substantial unitholder of IREIT.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD OF DIRECTORS
IREIT Global Group Pte. Ltd.
(Company Registration No. 201331623K)
(As manager for IREIT GLOBAL)

Lee Wei Hsiung
Company Secretary
28 February 2017

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