

IREIT Global strengthens portfolio and declares DPU of 2.93 Singapore cents for 1H2019

- ◆ Lease extensions at Concor Park and new lease at Münster South Building secured during the quarter will add stability to portfolio
- ◆ Aggregate leverage improved 1.8 percentage points quarter-on-quarter to 36.2%, supported by an increase in portfolio valuation
- ◆ IREIT remains focused on building scale and diversification to portfolio, while continuing to undertake initiatives to upkeep existing properties

SINGAPORE ◆ 7 AUGUST 2019

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 announce a consistent set of results for the financial quarter ended 30 June 2019 (2Q2019).

Gross revenue for 2Q2019 was 1.8% higher year-on-year at €8.8 million, whereas net property income was relatively stable at €7.9 million, registering a decrease of 0.6% year-on-year. While property operating expenses increased by 26.9%, the impact on net property income was marginal as a majority of the increase in expenses were recoverable from tenants.

Income available for distribution for the quarter came in at €6.7 million, 3.3% higher year-on-year due mainly to lower finance expenses post refinancing of the borrowings in February 2019. This contributed to a similar 3.3% rise in the 2Q2019 distribution per unit (DPU) to 0.95 € cents. However, the increase in DPU in SGD terms was partially offset by slightly weaker SGD/EUR exchange rates¹, resulting in a 1.3% increase in DPU to 1.51 Singapore cents. Coupled with 1Q2019 distribution, 1H2019 DPU amounted to 2.93 Singapore cents, representing an attractive annualised DPU yield of 7.7%².

¹ The DPU in SGD was computed after taking into consideration the forward foreign currency exchange contracts entered into to hedge the currency risk for distribution to Unitholders

² Based on IREIT's closing unit price of S\$0.765 as at the last trading day of 2Q2019



During the quarter, the Manager concluded a number of lease extensions for the key tenants at Concor Park. The extensions, ranging from 5 years to 7 years, have resulted in a marked improvement in the weighted average lease to expiry (WALE) for the property from 2.7 years as at 31 March 2019 to 7.7 years as at 30 June 2019. At the Münster South Building, the Manager also secured an 8.5-year lease commencing on 1 July 2019 with a new tenant for the entire second floor previously vacated by the single tenant.

Mr Aymeric Thibord, Chief Executive Officer of the Manager, said, “It was a busy yet fruitful quarter for us. The positive outcome on the leasing front is expected to lend greater stability to IREIT’s portfolio.”

As at 30 June 2019, the portfolio WALE stood at 4.6 years, an increase from 4.2 years as at 31 March 2019 despite the passing of time. Helped by the stable portfolio and healthy real estate market, IREIT’s portfolio also witnessed a 4.3% quarter-on-quarter gain in the appraised value to €526.4 million as at 30 June 2019. This in turn led to a sequential improvement of 1.8 percentage points in IREIT’s aggregate leverage to 36.2%.

As part of its proactive asset management strategy, the Manager will continue to engage its tenants and undertake various initiatives to upkeep the existing properties as they age in order to ensure strong tenant retention. In addition, it will constantly review IREIT’s portfolio for value creation and repositioning opportunities, as well as seek investment opportunities to strengthen IREIT’s portfolio.

Mr Thibord added, “While the real estate investment market remains very competitive and future acquisitions may have some dilutive impact on distributions in the short term, building IREIT’s portfolio base is a necessary step for diversification and scale.”

Financial Results Summary

	Quarter Ended 30 June			Half Year Ended 30 June		
	2Q2019 Actual	2Q2018 Actual	Variance (%)	1H2019 Actual	1H2018 Actual	Variance (%)
Gross revenue (€ '000)	8,807	8,653	1.8	17,503	17,232	1.6
Net property income (€ '000)	7,855	7,903	(0.6)	15,442	15,630	(1.2)
Income available for distribution (€ '000)	6,682	6,470	3.3	12,967	12,786	1.4
Income to be distributed to Unitholders (€ '000)	6,014	5,823	3.3	11,671	11,507	1.4
Distribution per Unit						
- € cents	0.95	0.92	3.3	1.84	1.82	1.1
- Singapore cents ³	1.51	1.49	1.3	2.93	2.95	(0.7)

ABOUT IREIT GLOBAL

www.ireitglobal.com ♦ SGX Main Board Listing

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 German cities of Berlin, Bonn, Darmstadt, Münster and Munich with a total net lettable area of approximately 200,600 sqm and 3,400 car park spaces.

IREIT Global is managed by IREIT Global Group Pte. Ltd. (the Manager), a subsidiary of Tikehau Capital, an asset management and investment group listed in France. City Developments Limited, a leading real estate operating company listed in Singapore, is also a strategic investor in the Manager.

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



IREIT GLOBAL GROUP PTE. LTD.

8 Marina View
#15-07A Asia Square Tower 1
Singapore 018960

Tel: +65 6718 0590
Fax: +65 6718 0599

ABOUT TIKEHAU CAPITAL

www.tikehaucapital.com ♦ Paris Euronext, Compartment A Listing

Tikehau Capital is an asset management and investment group with €23.4 billion of assets under management as at 30 June 2019 and shareholders' equity of €3.0 billion (as at 31 March 2019, including the amount of June 2019 capital increase). Tikehau Capital invests in various asset classes (private debt, real estate, private equity and liquid strategies), including through its asset management subsidiaries, on behalf of institutional and private investors. Controlled by its managers, alongside leading institutional partners, Tikehau Capital employs more than 480 staff as at 30 June 2019 in its Paris, London, Brussels, Madrid, Milan, New York, Seoul, Singapore and Tokyo offices.

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

ABOUT CITY DEVELOPMENTS LIMITED

www.cdl.com.sg ♦ SGX Main Board Listing

City Developments Limited (CDL) is a leading Singapore-listed real estate operating company with a global network spanning 103 locations in 29 countries and regions. Building on its proven track record of over 55 years in real estate development, investment and management in Singapore, CDL has developed its growth platforms in its key international markets of China, United Kingdom, Japan and Australia and is also developing a fund management business. CDL's London-listed subsidiary, Millennium & Copthorne Hotels plc is one of the world's largest hotel chains with over 135 hotels worldwide.

FOR FURTHER ENQUIRIES

MR KEVIN TAN

+65 6718 0593

HEAD OF INVESTOR RELATIONS

Kevin.Tan@ireitglobal.com