



Berlin Property

ACQUISITION OF BERLIN PROPERTY

30 JUNE 2015

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Key Details of Berlin Property Acquisition

Property Address	Schreiberhauer Straße 2, 4, 6, 8, 10, 12, 14, 16, 18, 20 and 22, Berlin 10317, Germany	Site Area	25,018 sq m (269,291 sq ft) ²
Property Type	Office	Lettable Area	79,097 sq m (851,392 sq ft) ²
Completion Year	1994	Car Park Spaces	496
Land Tenure	Freehold	Purchase Price	€144.2 million (S\$ 217.7 million) ³
Main Tenant	Deutsche Rentenversicherung Bund (“DRB”) - 98.8% ¹	Average Market Value per sq m	€ 1,864
Vendor	H.F.S. Immobilienfonds Deutschland 6 GmbH & Co. KG	Lease Term (DRB)	9 years until 30/06/2024
		Committed Occupancy	99.2% ⁴

Note:

- 1) Based on Berlin Property total lettable area as at 1 May 2015
- 2) Based on the conversion rate of 1 sq m = 10.7639 sq ft.
- 3) Based on illustrative exchange rate of €1.00: SGD1.51
- 4) **“Committed Occupancy”** means the occupancy rate based on all current leases in respect of the Berlin Property as at 1 May 2015, based on total lettable area.

Berlin Property



- Property comprises two fully connected building sections of 8 storeys and 13 storeys, respectively
- Located in the district of Lichtenberg, 6 km east of Berlin city centre
- Within walking distance to the Ostkreuz railway station
- In 2017/2018, train station will expand to offer regional train services across Germany¹
- In Lichtenberg, the commercial office development and occupancy demand have been growing
- Conveniently situated about 14km between the two airports in Berlin, Tegel Airport and Berlin Schönefeld Airport

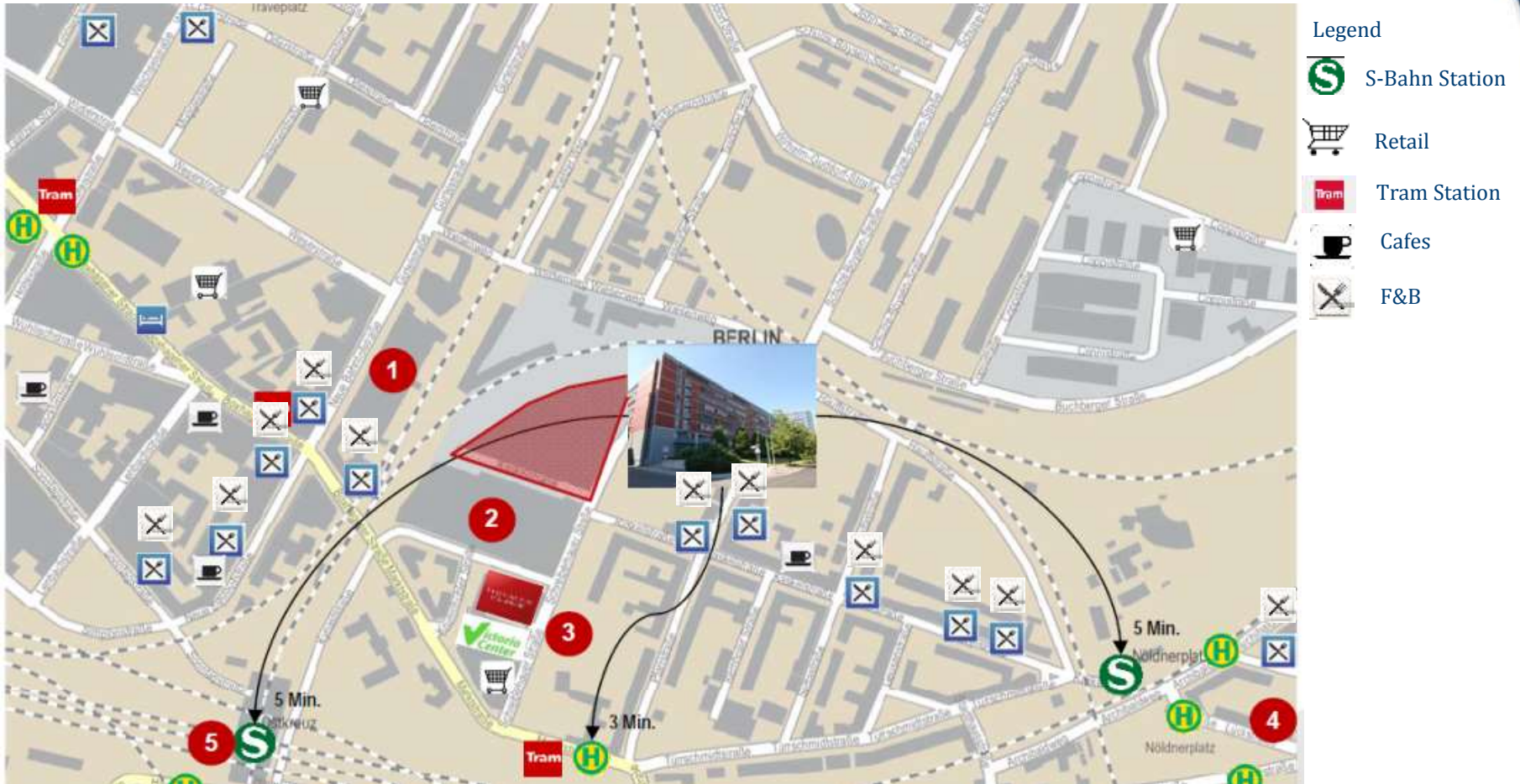
Note:

1) Source: Debenham Tie Leung Limited (“DTZ”)

Strategic Location within Berlin

'ABBA' Investment Strategy at Work

'B' Property in 'A' City

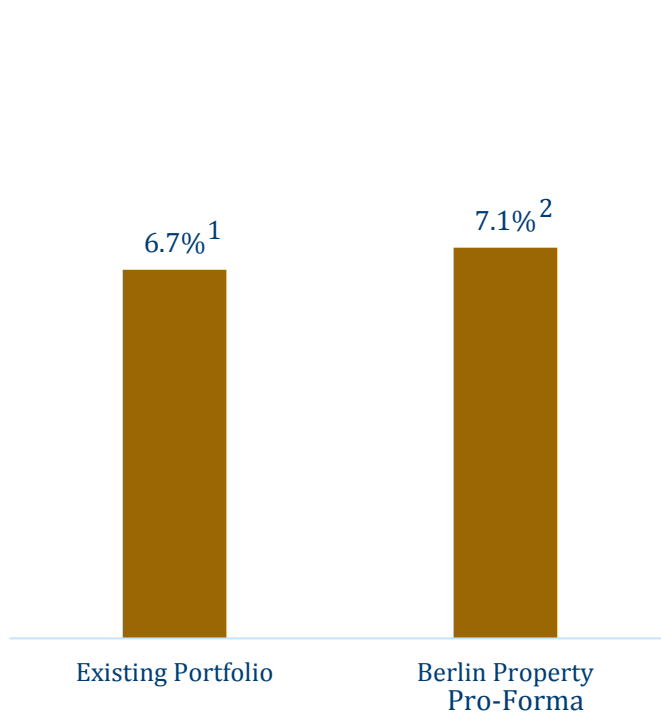


Key Fundamentals of the Acquisition

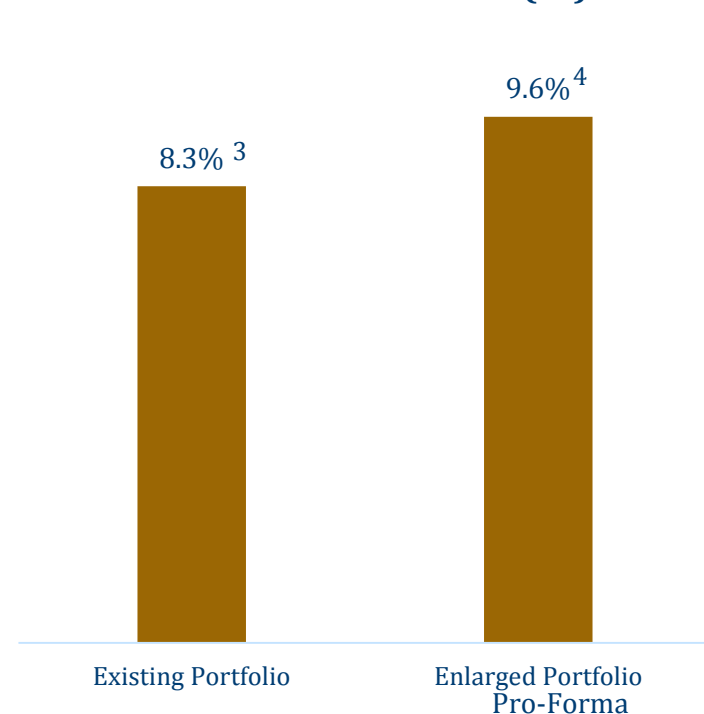
1	Accretive Acquisition
2	Berlin, a Leading City
3	Strong Principal Tenant with Long Lease
4	Increase in Portfolio Size, Diversification & WALE
5	Resilient German Economy

Accretive Acquisition

Annualised NPI Yield (%)



Annualised DPU Yield (%)



Note:

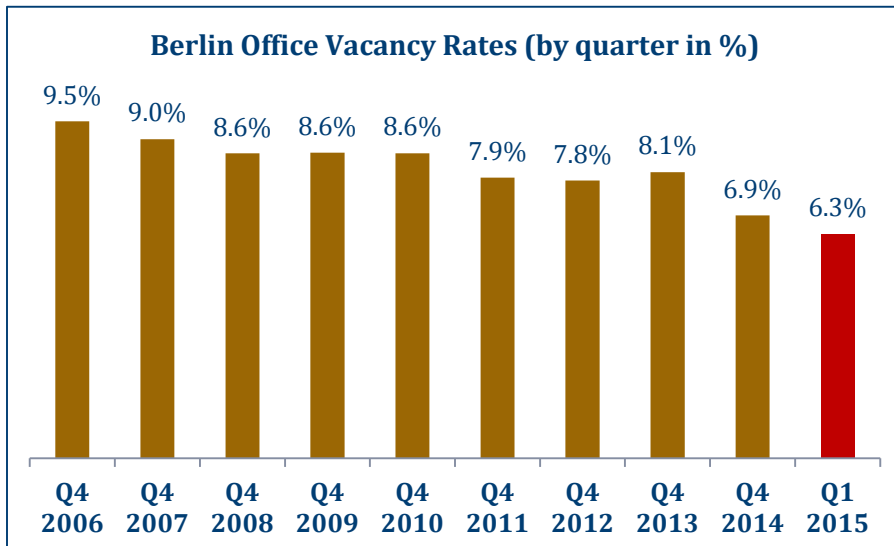
- 1) Based on the annualised NPI of the existing portfolio for the Pro Forma Financial Year 2014 divided by appraised value of €290.6 million
- 2) Based on the annualised NPI of the existing portfolio for the Pro Forma Financial Year 2014 divided by purchase consideration of €290.6 million
- 3) For the existing portfolio, based on the actual DPU of 2.57 Singapore cents declared for the Financial Year 2014 and annualised, divided by Closing Price on 29 June 2015 of S\$0.805
- 4) For the enlarged portfolio, based on the pro forma DPU of 2.58 Singapore cents for the Pro Forma Financial Year 2014 and annualised, divided by the theoretical ex-rights price of S\$0.700

Berlin, a Leading City

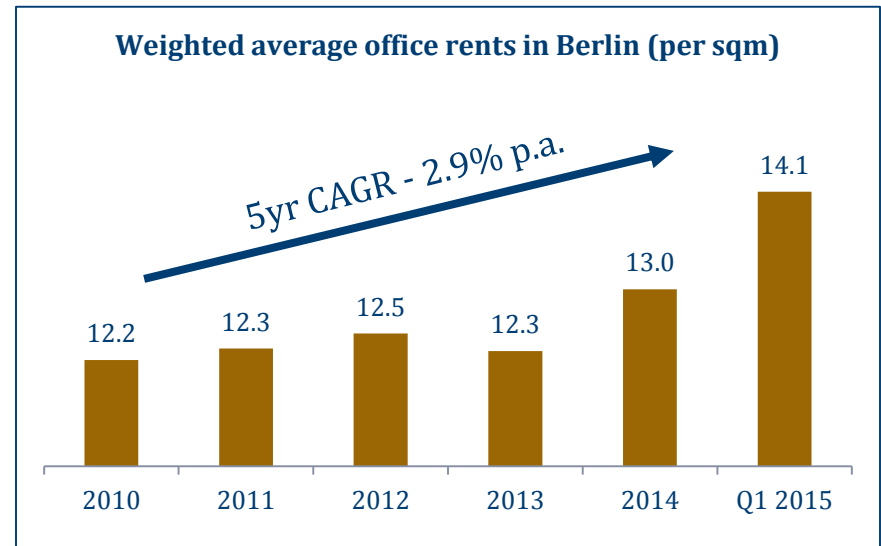
1	Strongest developing economic region in Germany
2	Capital of politics and research
3	Office market, growing and highly demanded asset class
4	Population of over 3.5 million
5	Europe's no.1 property boom market



Source: DTZ



Source: DTZ

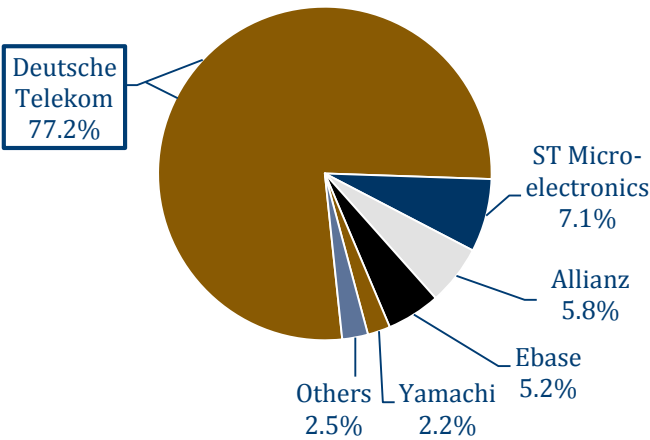


Source: DTZ

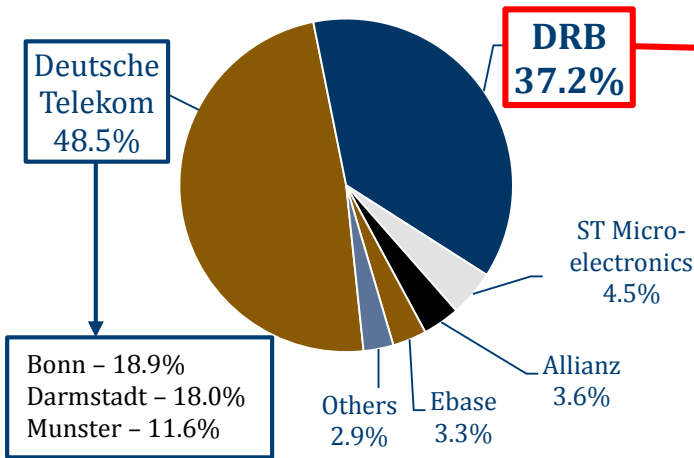
Diversified Tenant Mix & Stable Long Leases

Top 5 Tenants Profile - by gross rental income

Pre-Acquisition



Post-Acquisition

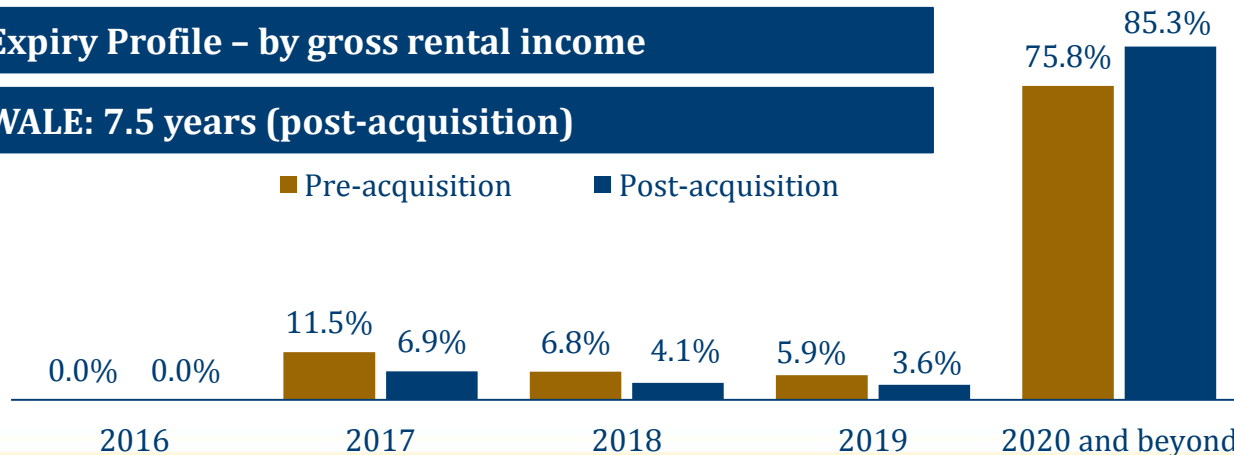


Strong and Stable Principal Tenant - DRB

- A federal pension fund and the largest of the 16 federal pension institutions in Germany
- 'AAA' rating

Lease Expiry Profile - by gross rental income

IREIT WALE: 7.5 years (post-acquisition)



Increase in IREIT Portfolio

Total Asset Value
€438.0 million¹

€290.6 million (As at 31 March 2015)

Occupancy rate
99.8%

100.0% (As at 31 March 2015)

Net Lettable Area
200,603 sq m

121,506 sq m (As at 31 March 2015)

Car Park Spaces
3,441

2,945 (As at 31 March 2015)

Number of Tenants
18

13 (As at 31 March 2015)

WALE
7.5 years²

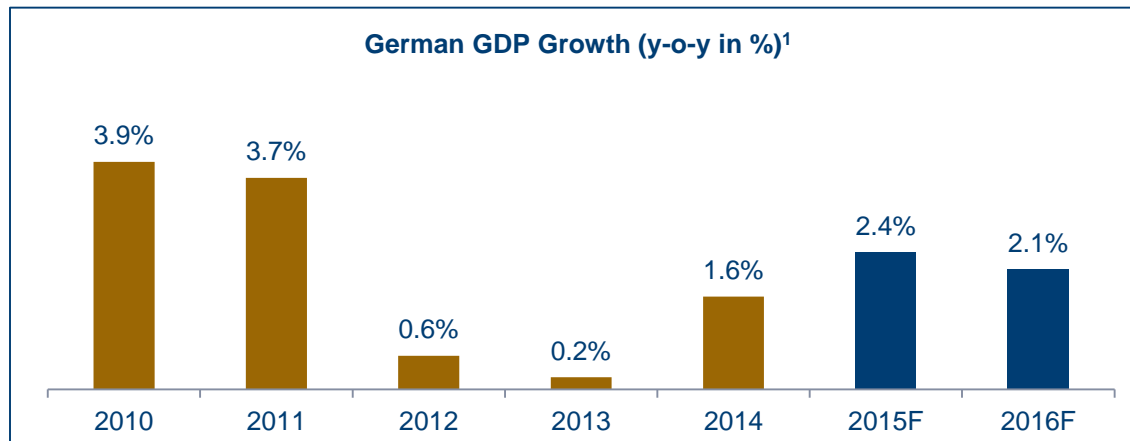
6.2 years (As at 31 March 2015)

Note:

- 1) Based on the appraised values of the Existing Portfolio comprising Bonn Campus, Darmstadt Campus, Münster Campus and Concor Park as at 31 December 2014 and the appraised value of Berlin Property as at 1 May 2015.
- 2) By gross rental income

Resilient German Economy

- Germany is the largest economy in the Eurozone
 - Approximately 28% of Eurozone's GDP
 - 2014 GDP of €3.5 trillion
- 'AAA' credit rating with stable outlook from Fitch Inc, Moody's and Standard & Poor's¹
- Businesses still thriving amidst economic slowdown
- Rise in official wages and low inflation rate contributing to increased demand domestically
- DTZ forecasts the German economy to grow year-on-year by 2.4% in 2015 and 2.1% in 2016



Note:

1) Source: DTZ

Financing Details

- Acquisition will be funded by a combination of Equity and Debt
- Issuance of Rights Issue
 - Aim to raise gross proceeds of S\$88.7 mil
 - Issue Price of S\$0.468 per Rights Unit
 - Rights Issue will increase the number of Units in issue by 189,607,567 Units
- IREIT will draw down a loan of a gross amount of approximately €102 mil¹ from a local German bank
 - Provide natural hedge
 - Diversify source of funds

Note:

1) This includes debt upfront transaction costs of approximately €0.9 million

END

