



Financial Results 2Q 2015 and 1H 2015

13 Aug 2015

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- Performance Highlights
- Portfolio Updates
- Outlook & Strategy



PERFORMANCE HIGHLIGHTS

Key Highlights

- DPU for the first half of 2015 was 2.21 Singapore cents, to be distributed to Unitholders on 28 Sep 2015
- Completed acquisition of Berlin Campus on 6 Aug 2015
 - NPI yield of 7.1%
 - Purchase consideration of €144.2 mil
- Successfully completed Rights Issue
 - Issue Price of S\$0.468 per Rights Unit
 - Fully subscribed with a subscription rate of 116.6%
 - Raised gross proceeds of S\$88.7 mil
- Drawn down a loan of a gross amount of €102.0 mil from a local German bank

2Q 2015 Financial Performance

(€'000)	Actual	Forecast ⁽¹⁾	Variance (%)
Gross revenue	5,386	5,633	(4.4)
Net property income	4,870	5,017	(2.9)
Distributable income	4,358	4,394	(0.8)
Available distribution per unit			
- € cents ⁽²⁾	1.03	1.03	-
- S\$ cents ⁽⁴⁾	1.59	1.75	(9.1)
Available distribution per unit, including effects of the Rights Issue			
- € cents ⁽³⁾	0.71	-	NM
- S\$ cents ⁽⁴⁾	1.10	-	NM

Notes:

- 1) The forecast figures were derived from the Projection Year 2015 (for the period 1 Jan 2015 to 30 Jun 2015) as disclosed in the Prospectus and have been pro-rated for the quarter and half year ended 30 Jun 2015 respectively.
- 2) Available distribution per unit was calculated based on the number of issued units as at 30 Jun 2015.
- 3) Available distribution per unit was calculated based on the number of issued units as at 30 Jun 2015 and the 189,607,567 Rights Units, which commenced trading on the SGX-ST on 6 Aug 2015.
- 4) The available distribution per unit 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. 100% of the distributable income relating to the Properties and the Berlin Campus for the financial year ending 31 Dec 2015 have been hedged at an average exchange rate of approximately S\$1.54 per Euro.

1H 2015 Financial Performance

(€'000)	Actual	Forecast ⁽¹⁾	Variance (%)
Gross revenue	10,955	11,267	(2.8)
Net property income	9,831	10,033	(2.0)
Distributable income	8,724	8,786	(0.7)
Available distribution per unit			
- € cents ⁽²⁾	2.07	2.07	-
- S\$ cents ⁽⁴⁾	3.20	3.50	(8.6)
Available distribution per unit, including effects of the Rights Issue			
- € cents ⁽³⁾	1.43	-	NM
- S\$ cents ⁽⁴⁾	2.21	-	NM

Notes:

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Healthy Balance Sheet

€ '000	As at 30 Jun 2015	As at 31 Dec 2014
Investment Properties	291,800	290,600
Total Assets	309,279	306,514
Borrowings	95,632	95,359
Total Liabilities	108,429	106,540
Net Assets Attributable to Unitholders	220,850	199,974
Number of Units in issue and to be issued at end of period ('000)	422,294 ⁽¹⁾	420,502
NAV per Unit (€/unit)	0.48	0.48

Note:

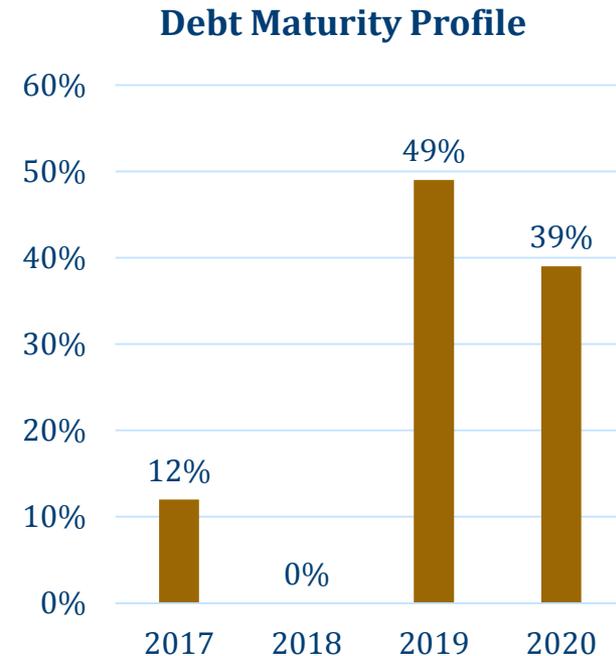
- 1) The NAV per Unit was computed based on the Units in issue and to be issued as at 30 Jun 2015 of 422,293,862 (31 December 2014: 420,501,704). The Units to be issued as at 30 Jun 2015 was 934,712 Units pertaining to the Manager's fee payable in Units, which was based on the issue price of S\$0.6964 per Unit ("Issue Price"). The Issue Price was computed based on the volume weighted average traded price for a Unit for all trades on the SGX-ST for the last 10 business days immediately preceding 30 Jun 2015, and adjusted for the effects of the Rights Issue, subject to approval by the Trustee.

Prudent Capital Structure

- Diversified funding of acquisition through a combination of equity and debt
- Completed Rights Issue
- Drawn down a loan of a gross amount of €102.0 mil from a local German bank

Aggregate Leverage Ratio	Total Debt
31.2% ⁽¹⁾	€96.6 mil
43.5% ⁽²⁾	€198.6 mil

Effective Interest Rate	Legend
2.1% per annum	Pre-acquisition
2.0% per annum	Post-acquisition



Notes:

- 1) Actual ratio based on total debt over deposited properties as at 30 Jun 2015
- 2) Pro-forma ratio after taking into account additional bank borrowings of €102 million and valuation of Berlin Campus

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 2015	100	~S\$1.54 per EUR

- For future distributable income, the Manager may enter into hedging transactions in respect of distributions for future periods, as and when appropriate.

PORTFOLIO UPDATES

Expansion into Berlin

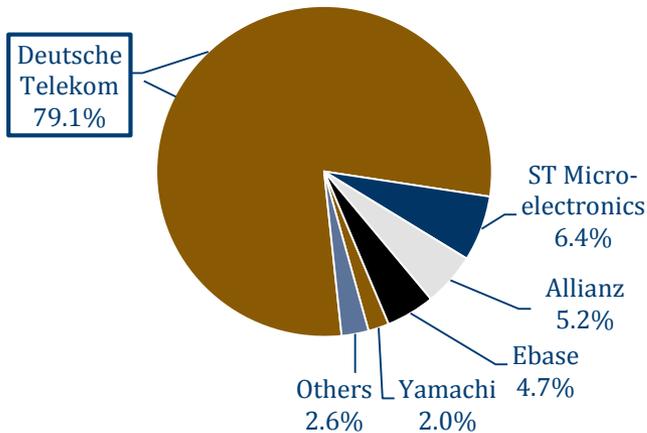
- Completed acquisition of Berlin Campus on 6 Aug 2015
- Berlin Campus' pro-forma annualised NPI yield is 7.1%
- Enlarge IREIT's portfolio value to €439.2 mil from €291.8 mil
- Strong main tenant - Deutsche Rentenversicherung Bund ("DRB")



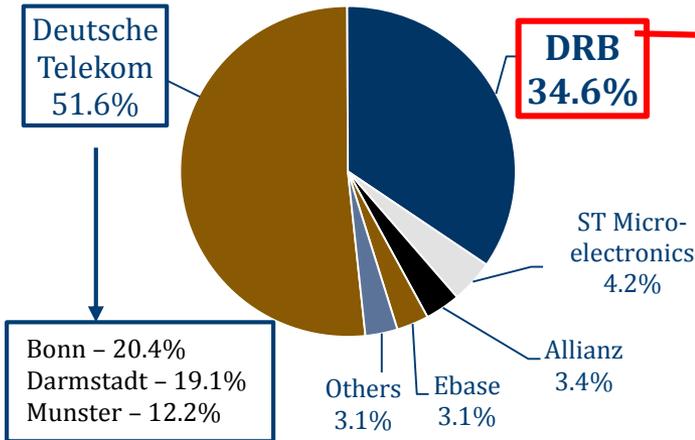
Diversified Tenant Mix & Stable Long Leases

Top 5 Tenants Profile – by Gross Rental Income (“GRI”) as at 30 Jun 2015

**Pre-Acquisition
as at 30 Jun 2015**



Post-Acquisition of Berlin Campus

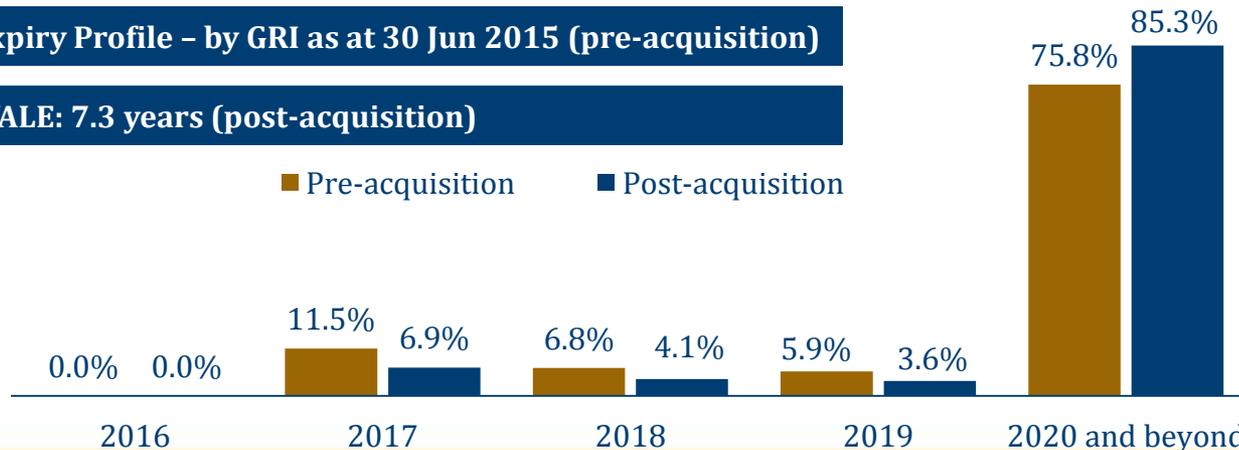


**Strong and Stable
Principal Tenant - DRB**

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

Lease Expiry Profile – by GRI as at 30 Jun 2015 (pre-acquisition)

IREIT WALE: 7.3 years (post-acquisition)



Portfolio at a Glance

	Berlin Campus (Completed on 6 Aug 15)	Bonn Campus	Darmstadt Campus	Münster Campus	Concor Park	IREIT Portfolio (incl Berlin Campus)
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%	99.8%
No. of Tenants	5	1	1	1	12	18
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 Micro-electronics, Allianz, Ebase, Yamaichi	
WALE⁽²⁾	9.0	7.8	7.4	4.3	4.4	7.3
Independent Appraisal	€147.4 mil ⁽³⁾	€100.0 mil ⁽⁴⁾	€81.4 mil ⁽⁴⁾	€49.1 mil ⁽⁴⁾	€61.3 mil ⁽⁵⁾	€439.2 mil

Notes: 1) Occupancy as at 30 Jun 2015

2) By GRI as at 30 Jun 2015

3) Based on independent valuation as at 1 May 2015 by DTZ Debenham Tie Leung Limited

4) Based on independent valuation as at 30 Jun 2015 by Colliers International Valuation UK LLP

5) Based on independent valuation as at 30 Jun 2015 by Cushman & Wakefield LLP

OUTLOOK & STRATEGY

Outlook for 2015

- In June 2015, the Deutsche Bundesbank revised its GDP forecasts for Germany's economic growth to 1.7% for 2015 and 1.8% for 2016 as compared to the earlier forecasts in December 2014 of 1.0% and 1.6% respectively¹
- First half of 2015, the total office space take-up in the top seven cities, Berlin, Dusseldorf, Frankfurt am Main, Hamburg, Cologne, Munich and Stuttgart in Germany was about 1,521,200 sqm which represents a year-on-year increase of 13%
- Among the seven cities, Berlin recorded the highest take-up with a total of 337,000 sqm. Total investment transactions in the same period amounted to about €24.2 bil²
 - Office assets remain as the most popular with transactions of about €9.5 bil²
 - Commercial Investment market continues to thrive with strong demand from both local German investors as well as those from Asia, North America and France²

Notes:

- 1) Source: Bloomberg's article titled "German Factory Orders Increase as Economic Outlook Improves" on 5 June 2015, which is available on the website of Bloomberg at www.bloomberg.com
- 2) Source: Colliers International, Market report, "Mid-year 2015 for Office Letting and Investment"

Strategy

- Actively pursuing acquisition opportunities in Germany and other European markets through networking with vendors, banks, private funds, brokers and others
- Proactive asset management and tenant management initiatives to provide value add services to tenants
- Deploying prudent capital management strategies to ensure financial flexibility and further strengthen IREIT's balance sheet

Distribution Timetable

Distribution Details	
Distribution Period	1 Jan 2015 – 30 Jun 2015
Distribution Type	Tax-exempt income
Distribution Rate	2.21 Singapore cents per Unit
Last Trading Day on a “Cum Distribution” Basis	4 Sep 2015 (Friday)
Ex-date	7 Sep 2015 (Monday)
Books Closure Date	9 Sep 2015 (5pm) (Wednesday)
Distribution Payment Date	28 Sep 2015 (Monday)

Thank You