



(a real estate investment trust constituted on 1 November 2013 under the laws of the Republic of Singapore)

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**IREIT GLOBAL  
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE  
MONTHS ENDED 30 SEPTEMBER 2017**

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**Introduction**

IREIT Global (“IREIT”) is a Singapore 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 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 current portfolio comprises five office properties in Germany, strategically located in Berlin, Bonn, Darmstadt, Münster and Munich.

As at 30 September 2017, 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 current distribution policy is to distribute at least 90% of its annual distributable income for each financial year, with the actual level of distribution to be determined at the Manager’s discretion, having regard to funding requirements, other capital management considerations and ensuring the overall stability of distributions.

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 2017 to 31 December 2017.

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**SUMMARY OF CONSOLIDATED RESULTS OF IREIT GLOBAL**

	<b>3Q 2017</b>	<b>3Q 2016</b>	<b>Variance (%)</b>	<b>9M 2017</b>	<b>9M 2016</b>	<b>Variance (%)</b>
Gross revenue (€'000)	<b>8,692</b>	<b>8,543</b>	<b>1.7</b>	<b>26,266</b>	<b>25,815</b>	<b>1.7</b>
Net property income (€'000)	<b>7,851</b>	<b>7,678</b>	<b>2.3</b>	<b>23,583</b>	<b>22,934</b>	<b>2.8</b>
Income available for distribution (€'000)	<b>6,443</b>	<b>6,344</b>	<b>1.6</b>	<b>19,389</b>	<b>19,163</b>	<b>1.2</b>
Less: Income retained	<b>(644)</b>	<b>-</b>	<b>NM</b>	<b>(1,939)</b>	<b>-</b>	<b>NM</b>
Income to be distributed to Unitholders (€'000)	<b>5,799</b>	<b>6,344</b>	<b>(8.6)</b>	<b>17,450</b>	<b>19,163</b>	<b>(8.9)</b>

<b>Total distribution per Unit</b>						
Before retention						
- € cents	<b>1.03</b>	<b>1.03</b>	<b>-</b>	<b>3.10</b>	<b>3.11</b>	<b>(0.3)</b>
- S\$ cents <sup>(1)</sup>	<b>1.60</b>	<b>1.57</b>	<b>1.9</b>	<b>4.81</b>	<b>4.75</b>	<b>1.3</b>
After retention						
- € cents	<b>0.92</b>	<b>1.03</b>	<b>(10.7)</b>	<b>2.78</b>	<b>3.11</b>	<b>(10.6)</b>
- S\$ cents <sup>(1)</sup>	<b>1.42</b>	<b>1.57</b>	<b>(9.6)</b>	<b>4.31</b>	<b>4.75</b>	<b>(9.3)</b>

**Footnotes:**

- (1) 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.

NM Not meaningful

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**1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Note	3Q 2017 (€'000)	3Q 2016 (€'000)	Variance (%)	Note	9M 2017 (€'000)	9M 2016 (€'000)	Variance (%)
Gross revenue		8,692	8,543	1.7		26,266	25,815	1.7
Property operating expenses		(841)	(865)	(2.8)		(2,683)	(2,881)	(6.9)
<b>Net property income</b>		<b>7,851</b>	<b>7,678</b>	<b>2.3</b>		<b>23,583</b>	<b>22,934</b>	<b>2.8</b>
Finance costs		(1,004)	(1,009)	(0.5)		(3,008)	(3,001)	0.2
Management fees		(644)	(634)	1.6		(1,939)	(1,916)	1.2
Trustee's fees		(24)	(24)	-		(71)	(70)	1.4
Administrative costs		(74)	(75)	1.3	4	(249)	(221)	12.7
Other trust expenses		(374)	(390)	(4.1)	4	(789)	(509)	55.0
Net change in fair value of financial derivatives	1	137	(425)	(132.2)	1	(478)	695	(168.8)
Net change in fair value of investment properties	2	(81)	(100)	(19.0)	2	2,568	7,948	(67.7)
<b>Profit before tax</b>		<b>5,787</b>	<b>5,021</b>	<b>15.3</b>		<b>19,617</b>	<b>25,860</b>	<b>(24.1)</b>
Income tax expense		(451)	(420)	7.4	5	(1,834)	(2,455)	(25.3)
<b>Profit for the period, before transactions with Unitholders</b>		<b>5,336</b>	<b>4,601</b>	<b>16.0</b>		<b>17,783</b>	<b>23,405</b>	<b>(24.0)</b>
Distribution to Unitholders	3	(5,799)	(6,344)	(8.6)	6	(17,450)	(19,163)	(8.9)
<b>(Loss)/profit for the period, after transactions with Unitholders</b>		<b>(463)</b>	<b>(1,743)</b>	<b>(73.4)</b>		<b>333</b>	<b>4,242</b>	<b>(92.1)</b>
<b><u>Distribution Statement</u></b>								
Profit for the period, before transactions with Unitholders		5,336	4,601	16.0		17,783	23,405	(24.0)
Distribution adjustments	7	1,107	1,743	(36.5)	7	1,606	(4,242)	(137.9)
<b>Amount available for distribution to Unitholders</b>		<b>6,443</b>	<b>6,344</b>	<b>1.6</b>		<b>19,389</b>	<b>19,163</b>	<b>1.2</b>

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

1. 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.
2. This relates to the difference between the carrying values and the fair value of the investment properties as at the end of each respective period.
3. The distribution to Unitholders for 3Q 2017 stood at €5.8 million, a decrease of 8.6% compared to 3Q 2016, mainly due to the retention of part of the distributable income for the period, in accordance with IREIT's current distribution policy.

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**1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)**

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

4. Administrative costs and other trust expenses for 9M 2017 were 12.7% and 55.0% higher than that of 9M 2016 respectively. Included in other trust expenses was a foreign exchange loss of €146,000 (9M 2016: foreign exchange gain of €3,000) arising mainly from the translation of Singapore dollar denominated cash balances as at 30 September 2017. Excluding the foreign exchange differences, other trust expenses were €643,000 (9M 2016: €512,000). The increase in administrative costs and other trust expenses for 9M 2017 was due to higher fees as a result of an increase in scope of certain professional services procured on both recurring and one-time basis, as well as timing differences in the accruals of certain other trust expenses.
5. The decrease in income tax expense for 9M 2017 was due to the lower deferred tax effect on the temporary differences arising from the investment properties.
6. The distribution to Unitholders for 9M 2017 stood at €17.5 million, a decrease of 8.9% compared to 9M 2016, mainly due to the retention of part of the distributable income for the period, in accordance with IREIT's current distribution policy.
7. Distribution adjustments

	<b>3Q 2017 (€'000)</b>	<b>3Q 2016 (€'000)</b>	<b>9M 2017 (€'000)</b>	<b>9M 2016 (€'000)</b>
<u>Distribution adjustments</u>				
- Difference between accounting and actual finance costs paid	83	85	252	253
- Management fees payable in Units	644	634	1,939	1,916
- Foreign exchange loss / (gain)	137	102	146	(3)
- Effects of recognising rental income on a straight line basis over the lease term	(99)	(99)	(296)	(296)
- Net change in fair value of financial derivatives	(137)	502	478	(618)
- Net change in fair value of investment properties	81	100	(2,568)	(7,948)
- Deferred tax expense	398	419	1,655	2,454
<b>Net distribution adjustments</b>	<b>1,107</b>	<b>1,743</b>	<b>1,606</b>	<b>(4,242)</b>

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

	Note	Group (€'000)		Trust (€'000)	
		30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
<b>Current assets</b>					
Cash and cash equivalents	1	14,045	20,803	3,444	2,870
Trade and other receivables	2	1,066	1,438	579	8,383
Financial derivatives	3	24	85	-	85
		15,135	22,326	4,023	11,338
<b>Non-current assets</b>					
Investment properties	4	455,800	453,000	-	-
Investment in subsidiaries		-	-	241,406	251,756
Other receivables	5	863	567	-	-
Deferred tax assets	6	1,813	1,603	-	-
Financial derivatives	3	24	84	24	84
		458,500	455,254	241,430	251,840
<b>Total assets</b>		<b>473,635</b>	<b>477,580</b>	<b>245,453</b>	<b>263,178</b>
<b>Current liabilities</b>					
Borrowings	7	22,321	23,587	-	-
Trade and other payables	8	2,458	2,963	432	445
Distribution payable		5,799	12,731	5,799	12,731
Financial derivatives	3	357	-	333	-
Income tax payable	9	271	215	-	-
		31,206	39,496	6,564	13,176
<b>Non-current liabilities</b>					
Borrowings	7	174,351	174,144	-	-
Deferred tax liabilities	6	5,931	4,065	-	-
		180,282	178,209	-	-
<b>Total liabilities</b>		<b>211,488</b>	<b>217,705</b>	<b>6,564</b>	<b>13,176</b>
<b>Net assets attributable to Unitholders</b>	10	<b>262,147</b>	<b>259,875</b>	<b>238,889</b>	<b>250,002</b>

**Notes to Unaudited Statements of Financial Position**

- The Group's cash and cash equivalents as at 30 September 2017 were €6.8 million lower than the balance as at 31 December 2016, mainly due to the payments of distributions in (i) March 2017 for the half year ended 31 December 2016 and (ii) September 2017 for the half year ended 30 June 2017, offset by the cash flows generated from operations for 9M 2017.

Please refer to the consolidated statement of cash flows for 3Q 2017 and 9M 2017 on Page 7-8 of this announcement for further details.

The increase of €0.6 million in the Trust's cash and cash equivalents was mainly due to the retention of part of the distributable income for the half year ended 30 June 2017.

- The decrease of €0.4 million in the Group's trade and other receivables was mainly due to faster recovery of the trade and other receivables.

The decrease of €7.8 million in the Trust's trade and other receivables was mainly due to balances due from subsidiaries as at 31 December 2016, which were received subsequent to 31 December 2016.

- 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.
- Investment properties are accounted for at fair value based on valuations as at the end of each reporting period.

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

**Notes to Unaudited Statements of Financial Position (continued)**

5. 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.
6. The increase was due to the higher deferred tax effect on the temporary differences arising from the investment properties.
7. Please refer to the Aggregate Amount of Borrowings 1b(ii) for details.
8. The decrease of €0.5 million in the Group's trade and other payables were mainly due to higher turnover of trade creditors for the period.
9. The income tax payable arises from the current income tax provision on taxable profits at the property level.
10. 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**

	<b>Group (€'000)</b>	
	<b>30 Sep 2017</b>	<b>31 Dec 2016</b>
<b>Repayable within one year</b>		
Secured borrowings	22,350	23,625
Less: Upfront debt transaction costs <sup>(1)</sup>	(29)	(38)
	<b>22,321</b>	<b>23,587</b>
<b>Repayable after one year</b>		
Secured borrowings	174,969	174,969
Less: Upfront debt transaction costs <sup>(1)</sup>	(618)	(825)
	<b>174,351</b>	<b>174,144</b>
<b>Total</b>		
Secured borrowings	197,319	198,594
Less: Upfront debt transaction costs <sup>(1)</sup>	(647)	(863)
	<b>196,672</b>	<b>197,731</b>

**Footnotes:**

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

**Details of borrowings and collaterals**

As at 30 September 2017, 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, the maturity date for which has been extended from August 2017 to July 2018. Commencing August 2017, partial loan repayments in four quarterly instalments of €1.275 million each will be made with the remaining principal repayable on a bullet basis in July 2018.

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**1(b)(ii) Aggregate Amount of Borrowings (continued)**

**Details of borrowings and collaterals (continued)**

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**

	<b>Group</b>			
	<b>3Q 2017</b>	<b>3Q 2016</b>	<b>9M 2017</b>	<b>9M 2016</b>
	<b>(€'000)</b>	<b>(€'000)</b>	<b>(€'000)</b>	<b>(€'000)</b>
<b>Cash flows from operating activities</b>				
(Loss)/profit for the period, after transactions with Unitholders	(463)	(1,743)	333	4,242
Adjustments for:				
Management fees payable in Units	644	634	1,939	1,916
Finance costs	1,004	1,009	3,007	3,001
Net change in fair value of financial derivatives	(137)	502	478	(618)
Net change in fair value of investment properties	81	100	(2,568)	(7,948)
Distribution to Unitholders	5,799	6,344	17,450	19,163
Income tax expense	451	420	1,834	2,455
Operating profit before working capital changes	7,379	7,266	22,473	22,211
Changes in working capital:				
Trade and other receivables	298	(297)	91	(162)
Trade and other payables	(377)	(306)	(513)	(1,011)
Income taxes paid	(12)	-	(124)	-
<b>Cash generated from operations, representing net cash from operating activities</b>	<b>7,288</b>	<b>6,663</b>	<b>21,927</b>	<b>21,038</b>
<b>Cash flows from investing activity</b>				
Capital expenditure on investment properties	(81)	(100)	(232)	(452)
<b>Net cash used in investing activity</b>	<b>(81)</b>	<b>(100)</b>	<b>(232)</b>	<b>(452)</b>
<b>Cash flows from financing activities</b>				
Repayment of bank borrowings	(1,275)	-	(1,275)	-
Costs related to bank borrowings	(9)	-	(29)	-
Distribution paid to Unitholders	(11,651)	(12,819)	(24,382)	(24,877)
Net interest paid	(926)	(931)	(2,767)	(2,769)
<b>Net cash used in financing activities</b>	<b>(13,861)</b>	<b>(13,750)</b>	<b>(28,453)</b>	<b>(27,646)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,654)</b>	<b>(7,187)</b>	<b>(6,758)</b>	<b>(7,060)</b>
Cash and cash equivalents at beginning of the period	20,699	21,344	20,803	21,217
<b>Cash and cash equivalents at end of the period</b>	<b>14,045</b>	<b>14,157</b>	<b>14,045</b>	<b>14,157</b>

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

**Notes to Unaudited Consolidated Statement of Cash Flows (continued)**

For 9M 2017, the following funds were materially disbursed from the proceeds of the rights issue completed in August 2015 as set out below:

	<b>Right Issue Proceeds (€'000)</b>
Balance as at 1 January 2017:	2,859
Amount disbursed:	
Repayment of bank borrowings <sup>(1)</sup>	(1,275)
Balance as at 30 September 2017	<b>1,584</b>

**Footnote:**

(1) As explained in the announcement titled "Extension of Loan Maturity" dated 13 March 2017.

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

	<b>Group</b>		<b>Trust</b>	
	<b>3Q 2017 (€'000)</b>	<b>3Q 2016 (€'000)</b>	<b>3Q 2017 (€'000)</b>	<b>3Q 2016 (€'000)</b>
<b>Operations</b>				
Balance as at beginning of period	(15,672)	(15,567)	(40,199)	(18,467)
Profit for the period, before transactions with Unitholders	5,336	4,601	6,605	(1,372)
Distribution payable of 0.92€ cents per Unit for 3Q 2017	(5,799)	-	(5,799)	-
Distribution payable of 1.03€ cents per Unit for 3Q 2016	-	(6,344)	-	(6,344)
Balance as at the end of the period	<b>(16,135)</b>	<b>(17,310)</b>	<b>(39,393)</b>	<b>(26,183)</b>
<b>Unitholders' transactions</b>				
Issue of Units:				
Balance as at beginning of period	277,638	273,915	277,638	273,915
Management fees payable in Units	644	634	644	634
Net assets resulting from transactions	<b>278,282</b>	<b>274,549</b>	<b>278,282</b>	<b>274,549</b>
<b>Net assets attributable to Unitholders as at end of period</b>	<b>262,147</b>	<b>257,239</b>	<b>238,889</b>	<b>248,366</b>



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

	Group		Trust	
	9M 2017 (€'000)	9M 2016 (€'000)	9M 2017 (€'000)	9M 2016 (€'000)
<b>Operations</b>				
Balance as at beginning of period	(16,468)	(21,552)	(26,341)	(13,148)
Profit for the period, before transactions with Unitholders	17,783	23,405	4,398	6,128
Distribution paid of 1.86€ cents per Unit for 1H 2017	(11,651)	-	(11,651)	-
Distribution payable of 0.92€ cents per Unit for 3Q 2017	(5,799)	-	(5,799)	-
Distribution paid of 2.08€ cents per Unit for 1H 2016	-	(12,819)	-	(12,819)
Distribution payable of 1.03€ cents per Unit for 3Q 2016	-	(6,344)	-	(6,344)
Balance as at the end of the period	(16,135)	(17,310)	(39,393)	(26,183)
<b>Unitholders' transactions</b>				
Issue of Units:				
Balance as at beginning of period	276,343	272,633	276,343	272,633
Management fees payable in Units	1,939	1,916	1,939	1,916
Net assets resulting from transactions	278,282	274,549	278,282	274,549
<b>Net assets attributable to Unitholders as at end of period</b>	<b>262,147</b>	<b>257,239</b>	<b>238,889</b>	<b>248,366</b>

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

	Group			
	3Q 2017 (Units)	3Q 2016 (Units)	9M 2017 (Units)	9M 2016 (Units)
<b>Unit in issue:</b>				
At beginning of the period	623,970,731	616,186,105	618,841,570	613,314,089
Issue of new Units:				
- Management fees paid in Units	1,342,075	1,331,273	6,471,236	4,203,289
At end of the period	<b>625,312,806</b>	<b>617,517,378</b>	<b>625,312,806</b>	<b>617,517,378</b>
<b>Units to be issued:</b>				
Management fees payable in Units	1,352,713	1,324,192	1,352,713	1,324,192
At end of the period	<b>626,665,519</b>	<b>618,841,570</b>	<b>626,665,519</b>	<b>618,841,570</b>

**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 2016.

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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**

	<b>Group</b>			
	<b>3Q 2017</b>	<b>3Q 2016</b>	<b>9M 2017</b>	<b>9M 2016</b>
Weighted average number of Units ('000)	624,540	616,519	622,522	614,934
Earnings per Unit Basic and Diluted (€ cents)	0.85	0.74	2.85	3.79
Number of Units entitled to distribution ('000)	626,666	618,842	626,666	618,842
Distribution per Unit ("DPU")				
- € cents	0.92	1.03	2.78	3.11
- S\$ cents <sup>(1)</sup>	1.42	1.57	4.31	4.75

**Footnotes:**

- (1) 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**

	<b>Group</b>	
	<b>30 Sep 2017</b>	<b>31 Dec 2016</b>
Number of Units in issue and to be issued at end of the period ('000) <sup>(1)</sup>	626,666	622,618
Net asset value ("NAV") per Unit (€)	0.42	0.42
Net tangible asset ("NTA") per Unit (€)	0.42	0.42

**Footnote:**

1. The NAV and NTA per Unit was computed based on the net assets attributable to Unitholders as at 30 September 2017 and 31 December 2016 and the Units in issue and to be issued as at 30 September 2017 of 626,665,519 (31 December 2016: 622,618,797).

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.

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**9. Review of the Performance for the Third Quarter and Financial Period from 1 January 2017 to 30 September 2017**

A review of the performance for 3Q 2017 and 9M 2017 is set out in Item 1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income and Item 1(b)(i) Unaudited Statements of Financial Position as at 30 September 2017.

**10. Variance between actual and forecast**

Not applicable as no forecast has been previously disclosed.

**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**

Sustained economic growth, healthy employment and favourable business prospects have continued to support the office sector in Germany, both in terms of leasing and investment.

During the quarter, one of IREIT's key tenants at Concor Park has exercised its prolongation option to extend its lease for another three years, one year ahead of its lease expiry in September 2018.

As IREIT progresses into the final quarter of 2017, it has undertaken further hedging in respect of its distribution for FY2018. To date, an amount of equivalent to about 80% of the annualised income distribution for FY2017<sup>(1)</sup> has been hedged at an average hedge rate of approximately S\$1.63 per Euro, compared to S\$1.55 per Euro for FY2017. In order to better manage its foreign currency risk exposure and provide more clarity to unitholders, IREIT have established a formal currency hedging policy for its income to be repatriated from overseas to Singapore starting from FY2019. This policy will be based on the use of currency forwards on a quarterly basis to hedge approximately 80% of the expected EUR-denominated income to be repatriated, one year in advance.

The €23.6 million term loan facility provided by HSH Nordbank AG has been restructured in early 2017. The first of the four quarterly repayments of €1.275 million each has been made in August 2017. The gradual reduction in borrowings via loan amortisation will improve the loan-to-value of IREIT's assets and strengthen its balance sheet.

Looking ahead, IREIT will continue to seek to enhance its long-term income by investing in income-producing quality assets across Europe. It intends to execute a growth strategy based on four pillars, namely seeking diversification, taking a long-term approach, achieving economies of scale, and having a local presence.

**Footnote:**

- (1) Annualised income distribution for FY2017 is derived by extrapolating on a straight-line basis the income to be distributed of €17.45 million for the three quarters ended 30 September 2017 to the full four quarters of 2017.

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**12. Distributions**

**(a) Current financial period**

Any distributions declared for the current financial period? No

**(b) Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial period? No

**(c) Books closure date** Not applicable

**(d) Date payable** Not applicable

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

No distribution has been declared or recommended for the current financial quarter from 1 July 2017 to 30 September 2017.

**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. Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render these unaudited financial results for the third quarter and financial period from 1 January 2017 to 30 September 2017 to be false or misleading in any material aspect.

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**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  
9 November 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.