



(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 AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

---

**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 31 December 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.

**IREIT GLOBAL**  
**UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH**  
**QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**SUMMARY OF CONSOLIDATED RESULTS OF IREIT GLOBAL**

	4Q 2017	4Q 2016	Variance (%)	FY 2017	FY 2016	Variance (%)
Gross revenue (€'000)	8,693	8,584	1.3	34,959	34,399	1.6
Net property income (€'000)	7,945	7,922	0.3	31,528	30,856	2.2
Income available for distribution (€'000)	6,587	6,387	3.1	25,976	25,550	1.7
Less: Income retained	(659)	-	NM	(2,598)	-	NM
Income to be distributed to Unitholders (€'000)	5,928	6,387	(7.2)	23,378	25,550	(8.5)

<b>Total distribution per Unit</b>						
Before retention						
- € cents	1.05	1.03	1.9	4.15	4.14	0.2
- S\$ cents <sup>(1)</sup>	1.63	1.58	3.2	6.44	6.33	1.7
After retention						
- € cents	0.94	1.03	(8.7)	3.72	4.14	(10.1)
- S\$ cents <sup>(1)</sup>	1.46	1.58	(7.6)	5.77	6.33	(8.8)

**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

**IREIT GLOBAL**  
**UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH**  
**QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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

	<b>Note</b>	<b>4Q 2017 (€'000)</b>	<b>4Q 2016 (€'000)</b>	<b>Variance (%)</b>	<b>Note</b>	<b>FY 2017 (€'000)</b>	<b>FY 2016 (€'000)</b>	<b>Variance (%)</b>
Gross revenue		8,693	8,584	1.3		34,959	34,399	1.6
Property operating expenses	1	(748)	(662)	13.0		(3,431)	(3,543)	(3.2)
<b>Net property income</b>		<b>7,945</b>	<b>7,922</b>	<b>0.3</b>		<b>31,528</b>	<b>30,856</b>	<b>2.2</b>
Finance costs		(1,005)	(1,000)	0.5		(4,013)	(4,001)	0.3
Management fees								
- Base fee		(659)	(640)	3.0		(2,598)	(2,556)	1.6
- Performance fee		-	(1,154)	NM		-	(1,154)	NM
Trustee's fees		(24)	(24)	-		(95)	(94)	1.1
Administrative costs		(80)	(80)	-		(329)	(301)	9.3
Other trust expenses		(206)	(192)	7.3	6	(995)	(701)	41.9
Net change in fair value of financial derivatives	2	173	266	(35.0)	2	(305)	961	(131.7)
Net change in fair value of investment properties	3	7,219	3,148	129.3	3	9,787	11,096	(11.8)
<b>Profit before tax</b>		<b>13,363</b>	<b>8,246</b>	<b>62.1</b>		<b>32,980</b>	<b>34,106</b>	<b>(3.3)</b>
Income tax expense	4	(1,550)	(1,017)	52.4		(3,384)	(3,472)	(2.5)
<b>Profit for the period, before transactions with Unitholders</b>		<b>11,813</b>	<b>7,229</b>	<b>63.4</b>		<b>29,596</b>	<b>30,634</b>	<b>(3.4)</b>
Distribution to Unitholders	5	(5,928)	(6,387)	(7.2)	5	(23,378)	(25,550)	(8.5)
<b>Profit for the period, after transactions with Unitholders</b>		<b>5,885</b>	<b>842</b>	<b>598.9</b>		<b>6,218</b>	<b>5,084</b>	<b>22.3</b>
<b><u>Distribution Statement</u></b>								
Profit for the period, before transactions with Unitholders		11,813	7,229	63.4		29,596	30,634	(3.4)
Distribution adjustments	7	(5,226)	(842)	520.7	7	(3,620)	(5,084)	(28.8)
<b>Amount available for distribution to Unitholders</b>		<b>6,587</b>	<b>6,387</b>	<b>3.1</b>		<b>25,976</b>	<b>25,550</b>	<b>1.7</b>

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

- Property operating expenses for 4Q 2017 were 13.0% higher compared to 4Q 2016, as in the latter period, there was a release of certain accruals which were no longer required, following the settlement of prior year's service charge reconciliation for Berlin Campus.
- 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.
- This relates to the difference between the carrying value and the fair value of the investment properties as at the end of each respective period.
- Income tax expense comprises current and deferred tax expenses. The increase for 4Q 2017 was mainly due to the deferred tax liability provided on the properties that have increased in value by a greater extent during 4Q 2017 as compared to 4Q 2016.

**IREIT GLOBAL**  
**UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH**  
**QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**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)**

5. The distribution to Unitholders for 4Q 2017 and FY 2017 stood at €5.9 million and €23.4 million respectively, representing a decrease of 7.2% and 8.5% compared to the same corresponding period last year, mainly due to the retention of part of the distributable income for the period, in accordance with IREIT's current distribution policy.
6. Other trust expenses for FY 2017 were 41.9% higher compared to FY 2016. Included in other trust expenses was a foreign exchange loss of €137,000 (FY 2016: foreign exchange gain of €16,000) arising mainly from the translation of Singapore dollar denominated cash balances as at 31 December 2017. Excluding the foreign exchange differences, other trust expenses were €858,000 (FY 2016: €717,000). The increase in other trust expenses for FY 2017 of 19.7% 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, as explained in the financial results announcement for the third quarter ended 30 September 2017.
7. Distribution adjustments

	<b>4Q 2017 (€'000)</b>	<b>4Q 2016 (€'000)</b>	<b>FY 2017 (€'000)</b>	<b>FY 2016 (€'000)</b>
<u>Distribution adjustments</u>				
- Difference between accounting and actual finance costs paid	80	87	332	339
- Management fees payable in Units	659	1,794	2,598	3,710
- Foreign exchange loss / (gain)	(9)	(12)	137	(16)
- Effects of recognising rental income on a straight line basis over the lease term	(98)	(99)	(394)	(394)
- Net change in fair value of financial derivatives	(173)	(266)	305	(884)
- Net change in fair value of investment properties	(7,219)	(3,148)	(9,787)	(11,096)
- Deferred tax expense	1,534	802	3,189	3,257
<b>Net distribution adjustments</b>	<b>(5,226)</b>	<b>(842)</b>	<b>(3,620)</b>	<b>(5,084)</b>

**IREIT GLOBAL**  
**UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH**  
**QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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

	Note	Group (€'000)		Trust (€'000)	
		31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
<b>Current assets</b>					
Cash and cash equivalents	1	19,106	20,803	3,370	2,870
Trade and other receivables		1,579	1,438	7,930	8,383
Financial derivatives	2	68	85	68	85
		<b>20,753</b>	<b>22,326</b>	<b>11,368</b>	<b>11,338</b>
<b>Non-current assets</b>					
Investment properties	3	463,100	453,000	-	-
Investment in subsidiaries		-	-	241,406	251,756
Other receivables	4	961	567	-	-
Deferred tax assets	5	1,867	1,603	-	-
Financial derivatives	2	74	84	74	84
		<b>466,002</b>	<b>455,254</b>	<b>241,480</b>	<b>251,840</b>
<b>Total assets</b>		<b>486,755</b>	<b>477,580</b>	<b>252,848</b>	<b>263,178</b>
<b>Current liabilities</b>					
Borrowings	6	21,055	23,587	-	-
Trade and other payables		2,790	2,963	471	445
Distribution payable		11,727	12,731	11,727	12,731
Financial derivatives	2	278	-	278	-
Income tax payable	7	274	215	6	-
		<b>36,124</b>	<b>39,496</b>	<b>12,482</b>	<b>13,176</b>
<b>Non-current liabilities</b>					
Borrowings	6	174,421	174,144	-	-
Deferred tax liabilities	5	7,519	4,065	-	-
		<b>181,940</b>	<b>178,209</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>218,064</b>	<b>217,705</b>	<b>12,482</b>	<b>13,176</b>
<b>Net assets attributable to Unitholders</b>					
	8	<b>268,691</b>	<b>259,875</b>	<b>240,366</b>	<b>250,002</b>

**Notes to Unaudited Statements of Financial Position**

- The Group's cash and cash equivalents as at 31 December 2017 were €1.7 million lower than the balance as at 31 December 2016, mainly due to the retention of part of the distributable income for the half year ended 30 June 2017, offset by the two quarterly loan repayments of €1.275 million each that were made in 2H 2017.

Please refer to the consolidated statement of cash flows for 4Q 2017 and FY 2017 on Page 7-8 of this announcement for further details.

The increase of €0.5 million in the Trust's cash and cash equivalents as at 31 December 2017 as compared to 31 December 2016 was mainly due to the retention of part of the distributable income for the half year ended 30 June 2017, offset by the lower amount of inter-company transfers from subsidiaries during the year.

- 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 undertaken by independent valuers as at 31 December 2017.

**IREIT GLOBAL**  
**UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH**  
**QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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

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

	<b>Group (€'000)</b>
As at 1 January 2017:	453,000
Capital expenditure on investment properties	313
Change in fair value of investment properties during the year	9,787
Fair value of investment properties as at 31 December 2017	463,100

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 increase in deferred tax assets was mainly due to the higher deferred tax effect on the temporary differences arising from unutilised tax losses at the level of the property holding companies. The increase in deferred tax liabilities was due to the higher deferred tax effect on the temporary differences arising from the investment properties.
6. Please refer to the Aggregate Amount of Borrowings 1b(ii) for details.
7. The income tax payable arises from the current income tax provision on taxable profits at the property level.
8. 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>31 Dec 2017</b>	<b>31 Dec 2016</b>
<b>Repayable within one year</b>		
Secured borrowings	21,075	23,625
Less: Upfront debt transaction costs <sup>(1)</sup>	(20)	(38)
	21,055	23,587
<b>Repayable after one year</b>		
Secured borrowings	174,969	174,969
Less: Upfront debt transaction costs <sup>(1)</sup>	(548)	(825)
	174,421	174,144
<b>Total</b>		
Secured borrowings	196,044	198,594
Less: Upfront debt transaction costs <sup>(1)</sup>	(568)	(863)
	<b>195,476</b>	<b>197,731</b>

**Footnotes:**

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

As at 31 December 2017, the secured borrowings comprise the following term loan facilities (together, the "Facilities"):

**IREIT GLOBAL**  
**UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH**  
**QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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

**Details of borrowings and collaterals**

- (a) a secured €96.6 million non-amortising term loan facility which has a tenor of 5 years and is repayable on a bullet basis in August 2019; and
- (b) a secured €102.0 million term loan facility consisting of (i) a non-amortising Facility A of €78.4 million which has a tenor of 5 years and is repayable on a bullet basis in August 2020 and (ii) an amortising Facility B with an outstanding principal of €21.1 million as at 31 December 2017, for which two quarterly instalments of €1.275 million each will be made in FY2018 and the remaining principal of €18.5 million is repayable on a bullet basis in July 2018.

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>4Q 2017</b>	<b>4Q 2016</b>	<b>FY 2017</b>	<b>FY 2016</b>
	<b>(€'000)</b>	<b>(€'000)</b>	<b>(€'000)</b>	<b>(€'000)</b>
<b>Cash flows from operating activities</b>				
Profit for the period, after transactions with Unitholders	5,885	842	6,218	5,084
Adjustments for:				
Management fees payable in Units	659	1,794	2,598	3,710
Finance costs	1,005	1,000	4,013	4,001
Net change in fair value of financial derivatives	(173)	(266)	305	(884)
Net change in fair value of investment properties	(7,219)	(3,148)	(9,787)	(11,096)
Distribution to Unitholders	5,928	6,387	23,378	25,550
Income tax expense	1,550	1,017	3,384	3,472
Operating profit before working capital changes	7,635	7,626	30,109	29,837
Changes in working capital:				
Trade and other receivables	(625)	(85)	(534)	(247)
Trade and other payables	349	77	(165)	(934)
Income taxes paid	(11)	-	(135)	-
<b>Cash generated from operations, representing net cash from operating activities</b>	<b>7,348</b>	<b>7,618</b>	<b>29,275</b>	<b>28,656</b>
<b>Cash flows from investing activity</b>				
Capital expenditure on investment properties	(81)	(52)	(313)	(504)
<b>Net cash used in investing activity</b>	<b>(81)</b>	<b>(52)</b>	<b>(313)</b>	<b>(504)</b>
<b>Cash flows from financing activities</b>				
Repayment of bank borrowings	(1,275)	-	(2,550)	-
Costs related to bank borrowings	-	-	(29)	-
Distribution paid to Unitholders	-	-	(24,382)	(24,877)
Net interest paid	(931)	(920)	(3,698)	(3,689)
<b>Net cash used in financing activities</b>	<b>(2,206)</b>	<b>(920)</b>	<b>(30,659)</b>	<b>(28,566)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>5,061</b>	<b>(6,646)</b>	<b>(1,697)</b>	<b>(414)</b>
Cash and cash equivalents at beginning of the period	14,045	14,157	20,803	21,217
<b>Cash and cash equivalents at end of the period</b>	<b>19,106</b>	<b>20,803</b>	<b>19,106</b>	<b>20,803</b>

**IREIT GLOBAL**  
**UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH**  
**QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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

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

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

	(€'000)	
	IPO Proceeds	Right Issue Proceeds
Balance as at 1 January 2017:	1,814	2,859
Amount disbursed:		
Capital expenditure on investment properties	(216)	(97)
Repayment of bank borrowings <sup>(1)</sup>	-	(2,550)
Balance as at 31 December 2017	1,598	212

**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**

	Group		Trust	
	4Q 2017 (€'000)	4Q 2016 (€'000)	4Q 2017 (€'000)	4Q 2016 (€'000)
<b>Operations</b>				
Balance as at beginning of period	(16,135)	(17,310)	(39,393)	(26,183)
Profit for the period, before transactions with Unitholders	11,813	7,229	6,746	6,229
Distribution payable of 0.94€ cents per Unit for 4Q 2017	(5,928)	-	(5,928)	-
Distribution payable of 1.03€ cents per Unit for 4Q 2016	-	(6,387)	-	(6,387)
Balance as at the end of the period	(10,250)	(16,468)	(38,575)	(26,341)
<b>Unitholders' transactions</b>				
Issue of Units:				
Balance as at beginning of period	278,282	274,549	278,282	274,549
Management fees payable in Units	659	1,794	659	1,794
Net assets resulting from transactions	278,941	276,343	278,941	276,343
<b>Net assets attributable to Unitholders as at end of period</b>	<b>268,691</b>	<b>259,875</b>	<b>240,366</b>	<b>250,002</b>



**IREIT GLOBAL**  
**UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH**  
**QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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

	Group		Trust	
	FY 2017 (€'000)	FY 2016 (€'000)	FY 2017 (€'000)	FY 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	29,596	30,634	11,144	12,357
Distribution paid of 1.86€ cents per Unit for 1H 2017	(11,651)	-	(11,651)	-
Distribution payable of 1.86€ cents per Unit for 2H 2017	(11,727)	-	(11,727)	-
Distribution paid of 2.08€ cents per Unit for 1H 2016	-	(12,819)	-	(12,819)
Distribution payable of 2.06€ cents per Unit for 2H 2016	-	(12,731)	-	(12,731)
Balance as at the end of the period	(10,250)	(16,468)	(38,575)	(26,341)
<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	2,598	3,710	2,598	3,710
Net assets resulting from transactions	278,941	276,343	278,941	276,343
<b>Net assets attributable to Unitholders as at end of period</b>	<b>268,691</b>	<b>259,875</b>	<b>240,366</b>	<b>250,002</b>

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

	Group			
	4Q 2017 (Units)	4Q 2016 (Units)	FY 2017 (Units)	FY 2016 (Units)
<b>Unit in issue:</b>				
At beginning of the period	625,312,806	617,517,378	618,841,570	613,314,089
Issue of new Units:				
- Management fees paid in Units	1,352,713	1,324,192	7,823,949	5,527,481
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>
<b>Units to be issued:</b>				
Management fees payable in Units	1,376,368	3,777,227	1,376,368	3,777,227
At end of the period	<b>628,041,887</b>	<b>622,618,797</b>	<b>628,041,887</b>	<b>622,618,797</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.

**IREIT GLOBAL**  
**UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH**  
**QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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>4Q 2017</b>	<b>4Q 2016</b>	<b>FY 2017</b>	<b>FY 2016</b>
Weighted average number of Units ('000)	625,886	618,134	623,367	615,735
Earnings per Unit Basic and Diluted (€ cents)	1.89	1.16	4.74	4.97
Number of Units entitled to distribution ('000)	626,666	618,842	626,666	618,842
Distribution per Unit ("DPU")				
- € cents	0.94	1.03	3.72	4.14
- S\$ cents <sup>(1)</sup>	1.46	1.58	5.77	6.33

**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>31 Dec 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>	628,042	622,618
Net asset value ("NAV") per Unit (€)	0.43	0.42
Net tangible asset ("NTA") per Unit (€)	0.43	0.42

**Footnote:**

1. The NAV and NTA per Unit was computed based on the net assets attributable to Unitholders as at 31 December 2017 and 31 December 2016 and the Units in issue and to be issued as at 31 December 2017 of 628,041,887 (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.

---

**IREIT GLOBAL**  
**UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH**  
**QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

---

**9. Review of the Performance for the Fourth Quarter and Financial Year ended 31 December 2017**

A review of the performance for 4Q 2017 and FY 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 31 December 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**

The German economy ended 2017 on a positive note, with a higher GDP growth of 2.2% compared to the growth rate of 1.9% achieved in 2016<sup>(1)</sup>. Driving this healthy growth was a combination of favourable business sentiment, domestic consumption and higher employment. This has lent support to the office real estate market in Germany, both in terms of investment and leasing demand. In 2018, Germany is expected to remain as one of the main destinations for European commercial real estate investments, in view of the sound economic fundamentals, firm occupier demand and rising rents.

For FY 2018, the operating performance of IREIT's existing properties should continue to be supported by its freehold quality assets, blue chip tenant base and long leases, with notably no lease expiries in the 12 months ahead. As previously announced, IREIT has already undertaken hedging for its FY 2018 distributions at an average hedge rate of approximately S\$1.63 per Euro. From 2019, in accordance with its currency hedging policy, IREIT will be hedging its income to be repatriated from overseas to Singapore on a quarterly basis.

IREIT will make the remaining two partial loan repayments of €1.275 million each in 1H 2018 in accordance with the loan amortisation schedule for the short-term loan facility provided by HSH Nordbank AG. The Manager has been in discussions with HSH Nordbank AG with regards to the remaining principal of €18.5 million which is currently due to expire in July 2018. Following these discussions, the Manager has received credit approval from the bank to extend the maturity date of the facility by two years without amortisation, and is now in the process of finalising the legal documentation. A separate announcement with further details will be provided in due course.

In the year ahead, IREIT will continue to pursue its growth strategy based on the four pillars of seeking diversification, adopting a long-term approach, achieving scale, and leveraging on Tikehau Capital's established local presence.

**Footnote:**

(1) Federal Statistical Office of Germany, 2018

---

**IREIT GLOBAL  
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH  
QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

---

**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 2017 to 31 December 2017

Distribution type Tax-exempt income

Distribution rate 2.88 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** 7 March 2018

**(d) Date payable** 15 March 2018

**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.

---

**IREIT GLOBAL  
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH  
QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

---

**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  
14 February 2018

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.