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**To be read in conjunction with the IREIT announcement dated 30 June 2015**

**PRESS RELEASE**

**30 June 2015**

**IREIT Global's Inaugural Acquisition of Berlin Property for €144.2 million (S\$217.7 million)<sup>1</sup>, within 1 year from its IPO**

- *Expands IREIT's footprint into Berlin, one of the top 5 office investment and rental markets in Germany*
- *Accretive acquisition*
- *High quality principal tenant occupying 98.8% of the property*
- *Total portfolio value will increase to €438.0 million (S\$661.4 million) post-acquisition*

IREIT Global Group Pte. Ltd., as the manager of IREIT Global (SGX-UD1U) ("IREIT"), is pleased to announce that it has entered into a conditional sale and purchase agreement with H.F.S. Immobilienfonds Deutschland 6 GmbH & Co. KG, managed by WealthCap ("WealthCap"), for the acquisition of Schreiberhauer Straße 2, 4, 6, 8, 10, 12, 14, 16, 18, 20 and 22, Berlin 10317, Germany ("Berlin Property"), for a purchase consideration of €144.2 million (S\$217.7 million). Mr Itzhak Sella, Chief Executive Officer of IREIT said, "We are delighted with this superb transaction which will expand our portfolio significantly."

The Berlin Property is located in the district of Lichtenberg, Berlin, where commercial office development and occupancy demand have been growing. The property comprises two fully connected building sections of 8 storeys and 13 storeys, respectively.

WealthCap is a leading German real estate fund manager with over €11.6 billion investment volume in 138 funds issued to date. WealthCap marketed the property, where IREIT competed with several potential purchasers. Mr. Christoph Geissler, Head of Real Estate Investments & Funds at WealthCap noted, "We had strong market interests for this attractive asset. In the end we decided to work with IREIT as we believed in their team's ability to execute the deal."

DBS Bank Ltd. is the sole global coordinator for the initial public offering and listing of the units in IREIT Global (the "Offering"). DBS Bank Ltd. and Barclays Bank PLC, Singapore Branch are the joint issue managers, bookrunners and underwriters for the Offering.
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<sup>1</sup> Unless otherwise stated, all conversions of € amounts into S\$ and vice versa in this press release are based on the illustrative exchange rate of €1.00: S\$1.51



## **REIT Management Leads Growth with Well Located Asset**

Within a year from its IPO, IREIT is continuing the commitment to growth with its ABBA acquisition strategy; A property in B City and B property in A City. Berlin is a leading German city with a population of about 3.5 million<sup>2</sup> serving as Germany's capital and cultural center. It is one of the top five investment and rental markets in Germany.

IREIT was attracted to the Berlin Property due to the strong principal tenant, Deutsche Rentenversicherung Bund ("DRB"), a federal pension fund and the largest of the 16 federal pension institutions in Germany, and the opportunity for rental and value growth in this increasingly popular location.

Post-acquisition, IREIT is poised to take advantage of the very strong office and investment market in Berlin. According to Debenham Tie Leung Limited ("DTZ"), the Berlin office sector continues to experience yield compression. Amidst healthy demand and supply dynamics, office vacancy rate in the first quarter of 2015 ("Q1 2015") in Berlin has dropped to 6.3%, its lowest in the last 10 years. In addition, weighted average office rent in Berlin has increased to €14.1 per sq m in Q1 2015, representing a 5-year compounded annual growth rate of 2.9% per annum.

IREIT's Chief Investment Officer, Ms Adina Cooper noted, "Berlin has a growing high technology sector, which has been driving the office market in recent years. In addition to our tenant being a very strong federal pension fund, we believe the future value of our asset shall be derived from an increased demand for this asset by the expanding technology sector and public sector in this part of Berlin."

The property is located six kilometres east of Berlin's city centre and near the Media Spree area, which is popular with internet, media and technology companies. In the vicinity, there are international tenants such as Coca-Cola, Mercedes, and BASF.

## **Attractive Net Property Income ("NPI") Yield with Strong Principal Tenant**

The NPI is 7.1% which compares favourable to NPI of IREIT's existing portfolio.

The principal tenant, DRB occupies 98.8% of the Berlin Property's total lettable area on a lease expiring in June 2024 and contributes 99.6% to the Berlin Property's gross rental income. DRB is directly backed by the German government and has a "AAA" credit rating. Post-acquisition, the Berlin Property will significantly change and diversify IREIT's tenant profile mix.

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<sup>2</sup> Source: DTZ



### **Large and Stable Portfolio**

Mr Sella said, “This acquisition will catapult IREIT’s growth due to the considerable size of the asset. This high quality asset is in a good and centrally located area in Berlin. This is a significant acquisition for us as it demonstrates our ability to acquire a quality asset at an attractive yield that will enhance our portfolio and strengthen IREIT’s long term growth and distribution income to our unitholders. Acquiring this asset is in line with our strategy and our commitment to grow IREIT.”

With this acquisition, IREIT’s total portfolio value will increase significantly to €438.0 million (S\$661.4 million) from €290.6 million (S\$438.8 million). This freehold asset will add a net lettable area of 79,097 sq m to IREIT’s existing portfolio, bringing it to a total of 200,603 sq m with 3,441 parking spaces. When completed, this property will be the largest asset in IREIT’s portfolio.

### **Funding of Acquisition**

Mr Choo Boon Poh, Chief Financial Officer of IREIT said, “As part of our strategy, we intend to fund the acquisition through a mix of equity and debt. IREIT has announced a rights issue to raise gross proceeds of approximately S\$88.7 million. The balance of the funding for the acquisition will be through a bank loan facility, from which it intends to draw down a gross amount of approximately €102.0 million.<sup>3</sup>”

Further details regarding the acquisition and the rights issue are made available in the announcement of IREIT Global dated 30 June 2015.

### **Advisors**

Dentons served as legal counsel to IREIT in Germany and GÖRG served as legal advisors to WealthCap. In Singapore, IREIT was advised by Allen & Gledhill. The Sole Lead Manager, Underwriter and Bookrunner for the rights issue is DBS Bank Ltd.

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<sup>3</sup> This includes debt upfront transaction costs of approximately €0.9 million



## **ABOUT IREIT Global**

IREIT Global (SGX-UD1U) which was listed on 13 August, 2014, is the first Singapore listed REIT established with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe that is primarily used for office purposes, as well as real estate-related assets.

As of 31 March 2015, IREIT Global's portfolio comprises four freehold properties in Germany valued at approximately €290.6 million (S\$438.8 million). The four properties are strategically located in the key German cities of Bonn, Darmstadt, Münster and Munich with net lettable area of about 121,506 sqm and 2,945 car park spaces.

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## **About WealthCap**

WealthCap is one of Germany's market leaders in investments in real assets. With almost 30 years of investment expertise, WealthCap has access to high quality investment opportunities in many attractive asset classes and markets that is made into clear investment offerings tailored to individual investment objectives. WealthCap develop products for both private investors and structured solutions for the particular requirements of professional investors. Approximately 215,853 investors have now made investments in 138 shareholdings. Around €7.3 billion of equity has been invested in total.

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### **Important Notice**

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in IREIT Global (“IREIT”, and the units in IREIT, the “Units”).

The value of the Units and the income derived from them may rise or fall. The Units are not obligations of, deposits in, or guaranteed by, IREIT Global Group Pte. Ltd., as manager of IREIT (the “Manager”), or any of its affiliates. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of IREIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of IREIT or the Manager is not necessarily indicative of the future performance of IREIT or the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

This announcement may contain forward-looking statements that involve assumptions, 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, shifts in expected levels of property rental income, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

This announcement is not an offer of securities for sale in the United States. The nil-paid rights and Rights Units are not being registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold in the United States absent registration except pursuant to an exemption from registration under the Securities Act. There will be no public offering of securities in the United States. Any public offering of the Rights Units in the United States would be made by means of a prospectus that would contain detailed information about IREIT, the Manager and their management, as well as financial statements.