



PRESS RELEASE

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IREIT Global's 1Q 2016 Distributable Income Rose 47% Year-on-Year and Exceeds Forecast by 46%

Financial Results Summary

	1Q 2016 Actual	1Q 2015 Actual	Variance (%)	1Q 2016 Forecast¹	Variance (%)
Gross revenue (€'000)	8,797	5,569	58.0	5,734	53.4
Net property income (€'000)	7,610	4,961	53.4	5,105	49.1
Distributable income (€'000)	6,412	4,366	46.9	4,389	46.1
Available distribution per Unit					
- € cents ²	1.04	0.71	46.5	1.03	1.0
- S\$ cents ³	1.58	1.10	43.6	1.75	(9.7)

IREIT Global Group Pte. Ltd., as the manager of IREIT Global ("IREIT"), is pleased to announce a distributable income of €6.4 million for the financial quarter ended 31 March 2016 ("1Q 2016"), which was an increase of 46.9% from the corresponding period last year ("1Q 2015"), and which outperformed the IPO forecast by 46.1%. Distribution per unit ("DPU") for 1Q 2016 came in at 1.58 Singapore cents. Based on IREIT's closing unit price of S\$0.690 on 31 March 2016, the DPU for 1Q 2016 translates to an attractive annualised yield of approximately 9.2%.

Mr Itzhak Sella, Chief Executive Officer of IREIT said, "We are pleased to have started the new financial year with a set of encouraging results for the quarter, building from a productive 2015 in which we added the Berlin Campus to our portfolio and completed our rights issue. The contribution from the Berlin Campus was also the primary reason for the distributable income for 1Q 2016 exceeding the IPO forecast as well as surpassing our performance in 1Q 2015."

¹ The forecast figures were derived from the Projection Year 2016 as disclosed in the IPO prospectus of IREIT dated 4 August 2014 (the "Prospectus") and have been pro-rated for 1Q 2016.

² The 1Q 2016 actual available distribution per Unit ("DPU") was computed based on 616.2 million Units entitled to distribution while the 1Q 2015 actual available DPU was restated based on 611.0 million Units (consisting of 421.4 million Units issued and to be issued as at 31 March 2015 and 189.6 million rights Units issued on 6 August 2015) which were entitled to the amount available for distribution in respect of 1Q 2015. The forecast available DPU was computed based on 428.1 million Units entitled to distribution as disclosed in the Prospectus.

³ The available distribution per Unit was computed after taking into consideration the forward foreign currency exchange contracts entered into to hedge the currency risk for distribution to Unitholders, and the prevailing exchange rate.

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.

Stable Portfolio with Strong Tenants

As at the end of 1Q 2016, IREIT's total portfolio occupancy rate remained at almost 100%. The long weighted average lease expiry of 6.7 years as at 31 March 2016 further underpins IREIT's strong and stable cashflows.

The acquisition of the Berlin Campus brought with it a strong main tenant, the Deutsche Rentenversicherung Bund, a federal pension fund and the largest of the 16 federal pension institutions in Germany. This served to diversify IREIT's tenant profile, lower its reliance on Deutsche Telekom, its top tenant, and reduce its exposure to the communications sector.

Establishing and maintaining strong relationships with its tenants is a key component of IREIT's asset management strategy to enhance the success rate of lease renewals. In March 2016, Deutsche Telekom, through its real estate leasing subsidiary, GMG Generalmietgesellschaft mbH ("GMG"), notified IREIT of its intention to exercise its lease extension option in the Münster South building. GMG will continue to occupy 5 of the 6 floors in the Münster South building for another 2.5 years when the current lease expires on 31 March 2017.

Ms Adina Cooper, Chief Investment Officer of IREIT said, "The Münster Campus is a very attractive office property and we are confident that new tenants will appreciate it in the same way Deutsche Telekom continues to benefit from its high quality."

Outlook and Plans

Economic growth in Europe is expected to remain modest, with the European Commission forecasting GDP growth in the Euro area to reach 1.6% in 2016 and 1.8% in 2017. Germany is also expected to maintain a stable growth profile, with GDP forecast to increase by 1.6% in 2016 and 2017. Positive factors such as low energy prices and favourable financing conditions should continue to support economic activity, but there are also downside risks, including the possibility of slower growth in emerging markets, particularly China, and Brexit concerns.⁴

Office leasing activity in the German market continued to pick up speed in 1Q 2016. With the take-up of 794,000 sqm for the 7 largest German office markets, an increase of 8.3% year-on-year, the office leasing market should perform well for the year, but development supply could be a limiting factor. The German commercial real estate transaction volume of €8.2 billion for the quarter was half of that in the previous quarter. The lack of mega deals, particularly in terms of portfolio deals, was one of the key reasons. However, as the transaction volume remained high compared to the long-term average, and with Germany's continuing status as a safe investment haven, 2016 is still expected to record strong results, barring the scarcity of high-volume landmark properties potentially dampening the growth in investment volume.⁵

⁴ Source: The European Commission, "European Economic Forecast, Spring 2016". The European Commission ("EC") has not provided its consent. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by the EC is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

⁵ Source: Colliers International, Germany Market Report, "Office and Investment Market Q1 2016". Colliers International ("Colliers") has not provided its consent. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Colliers is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

Mr Sella added, "On the acquisition front, while Germany continues to be the main focus market for acquisitions, we expect that the competition for office assets will continue to be intense, and it will be increasingly challenging to find yield-accretive acquisition opportunities. We are actively seeking new European markets for office property investments, which fulfil IREIT's overall investment strategy."

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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.

IREIT Global's portfolio comprises five freehold properties strategically located in the key German cities of Berlin, Bonn, Darmstadt, Münster and Munich with net lettable area of 200,603 sqm and 3,441 car park spaces.

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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.