IPUT

50
1967
2017

Consistent performance for fifty years

IPUT plc
Annual Report & Financial Statements

2016

Consistent performance for fifty years

Following its formation in 1967 IPUT has established an identity that is synonymous with quality, consistency and leadership. Over the past 50 years IPUT has evolved into one of the leading commercial property funds in Europe.

One of our unique characteristics is that we have a 50 year track record of paying cash dividends to our shareholders through multiple property cycles. As we face into 2017 our portfolio is characterised by the quality of our assets. We own some of the finest office buildings in Dublin city centre which are occupied by leading domestic and global companies.

Our future plans will reinforce the quality and sustainability of our portfolio as it includes an exciting programme of office regeneration projects across Dublin's CBD, which upon completion will further underpin our position as the Irish property vehicle of choice for long term property investors.

Reflecting on our 50 years in operation, IPUT has been ever present in the Irish commercial property market, not only surviving, but thriving in an ever-changing world through constant evolution.

Contents

2016 Highlights

€2bn
Net Asset Value

4.3%
Dividend Yield

10.9%
Total Shareholder Return

98.2%
Occupancy Rate

€148m
New Acquisitions

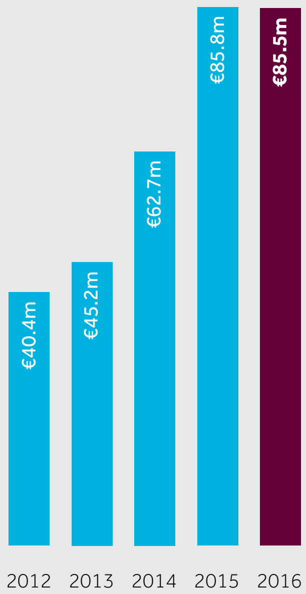
€85.5m
Net Rental Income

€42
Dividend Per Share

Financial Highlights

Net Rental Income

€85.5m

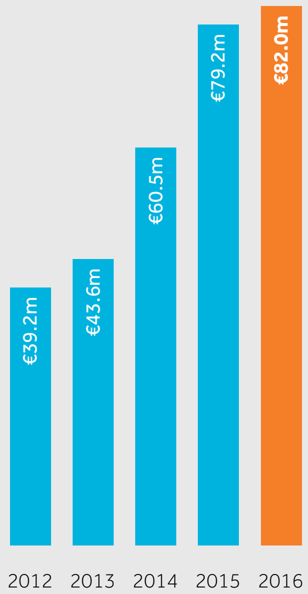


Net Asset Value

€1,989m

Dividends

€82.0m



Industry Recognition

In 2016, IPUT received recognition from two industry bodies. We were amongst the winners at the KPMG Irish Independent Property Industry Excellence Awards, winning the category "Property Investment/Fund Manager of the Year". In addition, IPUT's consistent performance was recognised by Preqin as the top performing Europe-focused open-ended private real estate fund, delivering a 3-year annualised return of 25.9% to the end of 2015. The award further enhances IPUT's international reputation and underscores our position as the property fund of choice for Ireland.

KPMG
Irish Independent
PROPERTY INDUSTRY EXCELLENCE AWARDS
Property Investment / Fund Manager of the Year
WINNER 2016

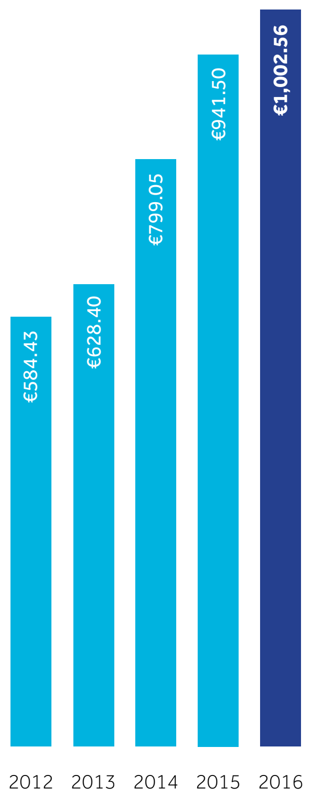
preqin
IPUT PROPERTY FUND
Featured as a
TOP PERFORMING EUROPE-FOCUSED OPEN-ENDED PRIVATE REAL ESTATE FUND
2015 Preqin Alternative Asset Performance Monitor

Historical Performance

NAV Price per Share

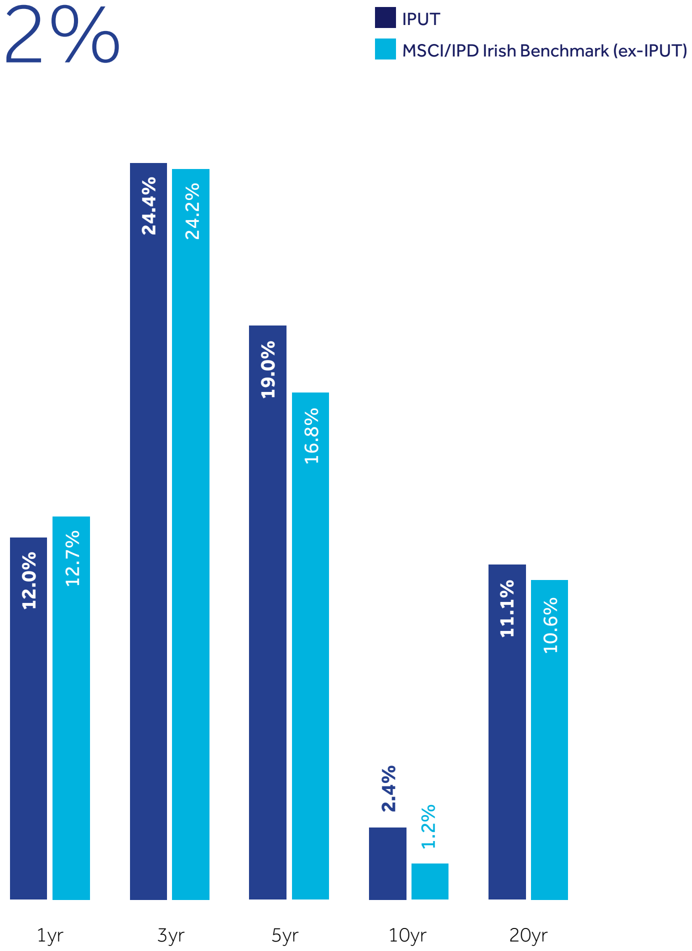
as at year end

€1,002.56

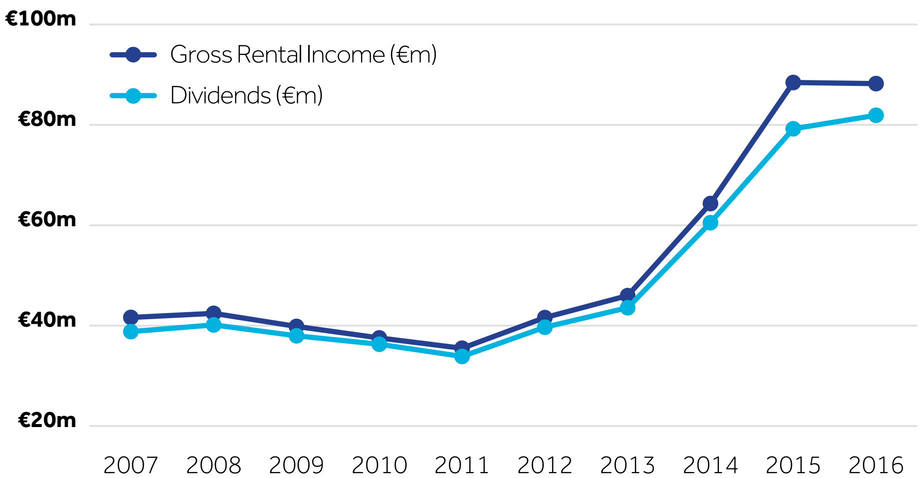


Total Property Return (IPD/MSCI)

12%



Consistent Income Returns



€492m

Returned to shareholders through cash dividends

2007-2016

Major Holdings

1 **1 Grand Canal Square, Dublin 2**

2 **Phase 1, The Park, Carrickmines, Dublin 18**

3 **25-28 North Wall Quay, IFSC, Dublin 1**

4 **Riverside One, Sir John Rogerson's Quay, Dublin 2 (70.8% Ownership)**

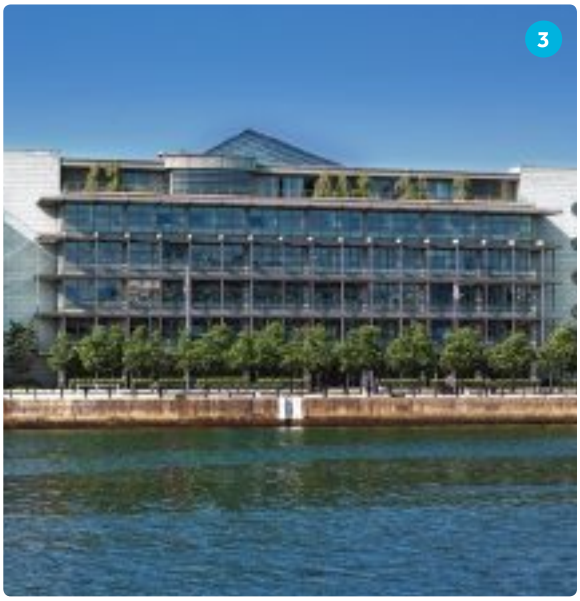
5 **Riverside Two, Sir John Rogerson's Quay, Dublin 2**

6 **7 Hanover Quay, Dublin 2**

7 **10 Molesworth Street, Dublin 2**
(Computer Generated Image shown)

8 **40 Molesworth Street, Dublin 2**
(Computer Generated Image shown)


2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6


8

Chairman's Statement

'We have captured significant rent reversion over the past 12 months through tenant engagement and active management of the properties while reducing the risk profile of the portfolio.'

I am pleased to report another year of strong returns for our shareholders with an overall return of 10.9%. Importantly, we are now well positioned going into 2017 which will be a significant milestone for IPUT being the 50th anniversary of its foundation.

Since its first investment in 36 Grafton Street, an asset we still own, the Fund has grown to become the largest unlisted property fund in Ireland with 98 properties valued at over €2bn. This is a significant achievement for IPUT and a reflection of the hard work and dedication of the Board and our management together with the strong support of our investors.

Performance

The Fund's net asset value (NAV) reached €2bn in 2016 and the Fund recorded a Total Property Return of 12% (as measured by MSCI/IPD). This performance was driven both by the quality and strength of our portfolio, together with value-added contributions as investment in our existing assets comes on stream. Our long term performance compares very favourably to the IPD benchmark and we continue to outperform the benchmark over 3, 5, 10 and 20-year periods.

Financial Highlights

We have delivered another year of robust financial growth. We collected €85.5m of contracted income in 2016, representing a 100% recovery rate. This is a good measure of our in-house property management team and the processes which are in place to ensure the careful, active and fair management of all properties.

We have captured significant rental growth over the past 12 months through tenant engagement and active management of the properties while reducing the risk profile of the portfolio. Our hands-on approach and prudent management of costs has ensured our Total Expense Ratio at 0.27% remains well below industry norms.

We returned €82m to our shareholders through quarterly cash dividends, a 3.4% increase on 2015. The annual dividend of €42 per share is in line with the average dividend payment over the last 3 years. The asset management initiatives currently underway position the Fund for the future and we expect an increase in the dividend per share post the completion and letting of our assets under redevelopment. Our portfolio of assets continues to show year-on-year growth as capital values continue to grow, albeit at a more moderate pace than in recent years.

Board of Directors

There have been some changes to the Board of Directors in 2016, including my appointment as Chairman, a position that had been so ably filled by my predecessor, Mr. Frank Close since 2006. I would like to place on record my thanks to Frank for his assistance since I joined the Board but also to acknowledge the great work he has carried out for the benefit of the Fund and its shareholders.

Continuing with the changes to the Board, Mr. Donal Courtney was appointed as a Director on 14 April 2016. He is a chartered accountant and brings a wealth of knowledge and experience to the Board. He has taken over as Chairman of the Audit & Risk Committee from Mr. Jim Cullen who retired in 2016.

We continue to keep the Board's scope, size and skill-set under review as the Fund's needs evolve.

Strategy

Our focus remains on delivering consistent income returns for shareholders in the form of cash dividends paid on a quarterly basis. This is achieved by owning prime, large scale assets mainly in Dublin. We aim to optimise returns through the active management of our portfolio, with emphasis on the regeneration of the Fund's existing assets. This enables us to segment and manage the risk in a way that anticipates and reduces any adverse exposure. This will remain a feature of our strategy as and when suitable opportunities can be realised.

We continue to strengthen our in-house team as appropriate with skill-sets that ensure we have a property portfolio that meets the needs of discerning and demanding occupiers.

The Board approved the implementation of an updated investment strategy during the year which aims to broadly maintain our current sector weightings and reduce the level of co-owned assets within the portfolio.

We have raised an additional €111m of new equity from new and existing shareholders and have demand for further investment which will be drawn into the Fund as opportunities arise. We have successfully deployed over €148m across 8 assets during the year and we continue to focus our attention on assets where we have an existing presence or where we see the potential to add value.

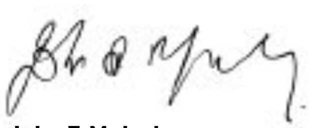
Outlook

While we cannot predict the future, we can see that there is more uncertainty ahead in the next 24 months than there has been for many decades. Commercial, political, trade and tax developments at home and abroad will affect us. All changes will present their own challenges, but, some of these should be to our benefit.

We must translate these realities into actions which we, as a Board and management can control such as a deeper understanding of occupier demand and concentration on the durability, quality and growth prospects of our income. This involves, amongst other actions, constant review of lease length, examining exposure to specific business sectors, monitoring cost and liability management. We must, however, be ready to take advantage of opportunities when they arise or adopt a defensive posture with equal facility.

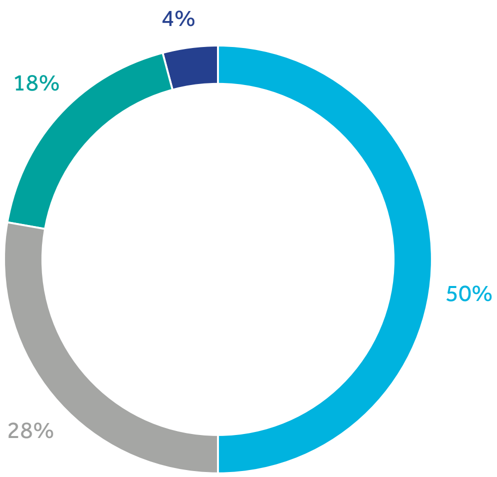
While being vigilant, we remain confident about maintaining strong recurring dividends for our shareholders in the medium and long term. Our portfolio of high quality assets is well positioned to deliver this core objective.

Finally, I would like to thank the Board and staff for the tremendous effort they have put in to give us yet another year of consistent performance.



John F. Mulcahy
Chairman

Shareholder Profile



Shareholder	Percentage
Irish Institutional Pension Schemes	**50%**
European Institutional Investors	**28%**
Irish Investment Managers	**18%**
Irish Charities, Universities	**4%**

Chief Executive's Review

IPUT has continued to deliver consistent income returns to our shareholders from prudent investment in prime assets and the regeneration of our existing portfolio through asset management initiatives undertaken by our management team.

2016 HIGHLIGHTS

- €148m in strategic acquisitions.
- 18 new lettings, adding €4.9m to rental income.
- Reversionary portfolio.
- Vacancy rate down to 1.8%.
- Projects on track and on time.
- Added value properties account for 12% of the Fund.
- Remain cautiously optimistic on the outlook for 2017.

Strategic Transactions

The Fund completed over €148m of strategic acquisitions in the past 12 months. We transacted across all sectors with a focus on the prime end of the office, retail and logistics markets. We have maintained our long term weighting bias in favour of Dublin offices and have also increased our exposure to the improving retail and industrial sectors.

Our acquisitions have largely been focused on properties where we already have an existing holding or where there is the potential to improve the property through asset management initiatives. For instance, the acquisition, repositioning and letting of 3 Shelbourne Buildings was completed within the calendar year, following its acquisition for €34.6m in April 2016. This off-market acquisition gives the Fund control of the entire 9,262 sq m estate of three office buildings and is reflective of our strategy of acquiring and improving assets which we believe offer long term income growth potential for IPUT.

A key plank of the Fund's investment strategy is to reduce our co-owned interests and to reduce our exposure to properties outside Dublin. We are pleased to state that both are well underway. The acquisition of the remaining 66% ownership of Wilton Park House in Dublin 2 completed after year end. This consolidates our ownership in a location where we already own the Lad Lane Apartments (acquired in 2015) and Fitzwilton House (acquired in 1982). Similarly, the disposal of 80/82 Patrick Street in Cork is evidence of our strategy to focus on the more liquid and resolute Dublin market.

The remaining portfolio acquisitions focused on the prime end of the industrial and logistics market where, for approximately €22m, we acquired almost 30,000 sq m of industrial space. The purchase of 30-32 Sir John Rogerson's Quay adds to our extensive riverfront office portfolio where we already own Riverside One (70.8% ownership), Riverside Two and the adjacent 33-34 Sir John Rogerson's Quay. This former warehouse building is in a Strategic Development Zone (SDZ) and offers significant potential to be developed into a high-end office scheme aimed at the fin-tech sector.

Income Growth

As indicated in IPUT's 2015 Annual Report, income across the portfolio remains highly reversionary and the passing rental income at the end of 2016 of €86m compares to an estimated rental value (ERV) of €106m. Over the course of 2016 the team completed 18 new lettings at levels that were over 12% ahead of ERV's. We agreed leases with some major international brands and multinationals including IKEA, Victoria's Secret, Citadel and SAP. These lettings have added €4.9m to the Fund's rental income and reduced our standing portfolio vacancy rate to its current level of 1.8%. The quality of our income and efficiency of our property management team is reflected in the consistently high rent recovery rate of 100%.

Looking out to 2017, our portfolio is well placed to capture much of the reversionary upside inherent in the portfolio. With over 70% of the portfolio leases subject to upward only rent reviews, we are well positioned to capture much of this upside over the next 12-24 months. Significantly, 29% of the office portfolio is subject to rent review at this favourable point in the cycle, where the average passing rent of our office portfolio is €38 per sq ft across our prime city centre assets compared to an average ERV of €50 per sq ft. Similarly, with a number of our office regeneration projects due to complete over the coming year, leasing activity in 2017 should see our WAULT (weighted average unexpired lease term) increase beyond its current level of 7 years.

The completion and letting of our 4 major development projects currently underway are expected to add an extra €15m approximately, to the current portfolio rent roll, generating an average yield on cost of 8%. We are actively engaging with prospective tenants and expect to have these properties leased over the coming 12 months. These projects will have a material impact on our dividend which we expect to reach €50 per share by 2019, an increase of 19% on current levels.

Asset Management Initiatives

There was a significant step up in asset management activity in 2016. Added value projects accounted for 12% of the Fund's value at year end, however, this is still well within our stated threshold. Construction commenced on site at The Exchange, IFSC and 72 Grafton Street in early January, followed by 10 Molesworth Street and 40 Molesworth Street later in the year. We are encouraged that the management team which we now have in place to manage our major regeneration projects have ensured that these developments are proceeding well and are on target for completion in 2017.

We have 17 projects in planning or underway, from major office refurbishments to a rolling programme of property enhancements. We continue to seek opportunities to unlock potential value in the existing portfolio. In this context, we obtained planning permission on a number of significant property assets that will add to our future pipeline of regeneration projects. Of particular note, is the substantial planning permission we achieved to replace the 48 year old 7,000 sq m office at Fitzwilton House with a new 7 storey landmark office building comprising 14,000 sq m overlooking the Grand Canal.

Our programme of added value initiatives supports tenant retention, dividend growth and contributed substantially to the portfolio valuation uplift in 2016.

Staff

The volume of activity currently underway has required an increase in headcount throughout 2016. The areas of the business where we have focused resources on are development, investor relations, property management and administration support. The advantage of increased resources has benefited the capacity of the entire operation and we have maintained our agility without sacrificing our efficient cost structure, relative to our competitors.

Sustainability

In 2016, we formalised an explicit and cohesive sustainability strategy across the portfolio. As part of this strategy we became the first Irish property vehicle to participate in the GRESB (Global Real Estate Sustainability Benchmark) survey. GRESB is an investor driven organisation which monitors the environmental, social and governance (ESG) performance of real estate entities globally. Members of GRESB include leading European property companies and institutional investors. Our result was in line with other first time participants and gives us a good foundation upon which to build towards our stated goal of attaining a 3 star Green Star Rating by 2018.

Our aim is to make IPUT the market leader in sustainability within the Irish property market. We aim to achieve this by designing energy efficient buildings to a minimum LEED Gold standard, managing these developments responsibly by engaging openly with our neighbours and working in partnership with the local planning authorities on initiatives to enhance the public realm. As long term owners, our overriding goal is to create commercial spaces that people want to occupy and, where opportunities arise, integrate architecture and art into the fabric of our buildings.

2017 Outlook

The Irish economy has recovered well over the past 5 years and is on a much firmer footing as we enter 2017. The global economy has been growing strongly since the early part of this decade and this has been largely due to looser fiscal policies in the EU, US and the UK. These regions are now entering a period of greater uncertainty, largely due to political swings which may lead to policy shifts relating to investment, monetary policy and attitudes towards the EU respectively. While many of these factors are outside our control, the factors we can control give us some comfort.

At present, we are well capitalised, our portfolio is reversionary and our regeneration project completions are coinciding with a period of strong occupier demand. The revolving credit facility which we put in place at the beginning of 2016, capitalising on the attractive interest rates available and shielding our income returns from any dilutive impact from the capital requirements of our development projects, is serving us well. We intend to repay this equity bridging facility as and when we complete and let our redevelopment projects. We have direct control over our projects and our in-house development team has the experience to ensure that these projects complete on time and to a market leading standard. Finally, we will continue to focus on growing the dividend over the coming year and capturing rental growth through a combination of lease renewals, rent reviews and new lettings.

Niall Gaffney

Niall Gaffney
Chief Executive

Our Strategy

What we do

IPUT seeks to grow rental income and maximise long term shareholder returns by regenerating core portfolio assets and investing prudently.

Why we deliver

Assets

Acquire prime assets in Dublin and actively manage to achieve market-leading performance metrics and rental income growth. Reposition assets at the end of lease terms for market requirements and future sustainability.

- **5 million sq ft**
- **98 properties**
- **€2 billion NAV**
- **Long term ownership**
- **Prime assets**
- **Strong bias in offices**
- **Exposure to prime retail and industrial sectors**
- **Leading global and domestic tenants**
- **Regenerating 400,000 sq ft of office space for delivery in 2017**
- **Redevelop projects to market leading standards of sustainability**

Team

Develop and retain the top performing team of real estate professionals in Ireland.

- **Internally managed cost efficient structure**
- **Experienced high performance team of skilled and insightful individuals**
- **All key disciplines in house (investment, management and redevelopment)**
- **Stable, team interests aligned with those of shareholders**
- **Team capacity increased to meet demands**
- **Non-Executive Board of Directors**

Governance and oversight

A non-executive Board of Directors oversees strategic decisions against the backdrop of market conditions and perform an objective assessment of the factors that influence them including the cyclical nature of property and the outlook for the Irish economy.

Strategy

Grow rental income and maximise long term shareholder returns.

- **Dublin-focused**
- **Long-term income growth**
- **Consistent returns**
- **Objective assessment of risks to assist long term performance**
- **Maximise shareholder returns by growing rental income through a combination of lease renewals, rent reviews and new lettings**
- **Allocation to value add limited to 20% of NAV**
- **Regeneration of core portfolio assets and prudent investment**

Performance

Consistently outperform key domestic and international performance benchmarks.

- **Performance exceeds recognised benchmark over 3, 5, 10 and 20 years**
- **100% rental recovery**
- **7 years WAULT**
- **€85.5 million net rental income**
- **€42 dividend per share**
- **€492 million paid to investors (2007 – 2016)**
- **10.9% Total Shareholder Return**

Investment Case

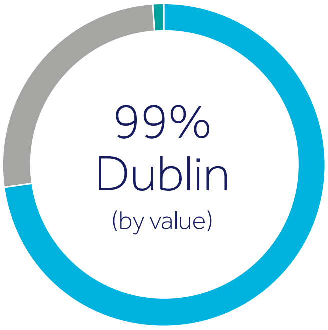
As the longest established property fund in Ireland, we have a track record of performance through multiple cycles that has provided consistent income returns over the long term.

REASONS TO INVEST	STRATEGIC OBJECTIVES
1 **Ireland's premier commercial real estate fund**	We are the leading commercial real estate fund in Ireland. We provide strong, consistent income returns to our investors from a portfolio of high quality office, retail and industrial properties with a clear focus on Dublin's CBD and its surrounding areas.
2 **Delivering consistent income returns from Dublin commercial property**	We own and manage a significant portfolio of high quality assets in key locations in Dublin, one of Europe's top performing property markets. We actively manage our properties and invest in them to add value and secure stable income returns. As the longest established property fund in Ireland, we have multi-cycle experience and a track record of performance that has provided consistent income returns over the long term.
3 **Our long term focus is underpinned by an objective assessment of market outlook and risks**	Our management and investment strategy is informed by an objective assessment of economic outlook, the cyclical nature of property markets, and the external factors impacting on them. We make decisions to ensure the Fund meets its objective of providing consistent income returns with appropriate risk.
4 **A portfolio of best-in-class assets, expertly managed**	We invest in prime office, retail and industrial real estate assets weighted in favour of offices located within Dublin's top performing CBD. We optimise income through active management and add value through targeted investment and redevelopment. Our team drives performance with a clear strategy and a deep understanding of our markets. As an internally managed fund, IPUT has a very efficient cost structure.
5 **Our reputation for quality, integrity and social responsibility**	We seek to enhance and protect the long-term value of our buildings by the insightful use of quality materials and design. We are respectful of our neighbours and the fabric of the city in which we operate. The positive legacy we leave is important to us.

2016 ACHIEVEMENTS	2017/2018 PRIORITIES
– **€111m new equity drawn down** – **Grew market share in selected sectors** → *see page 20* – **€133m secondary transfers matched** – **Sale of 80-82 Patrick St, Cork**	– **Attract long term institutional equity to diversify shareholder base, improve liquidity and support business strategy** – **Target Total Shareholder Return (TSR) of 8-10%** – **Reduce exposure outside Dublin**
– **18 new leases agreed in 2016, adding €4.9m to rental income** → *see page 30* – **12 new tenants added to the portfolio** → *see page 30* – **1.8% vacancy rate** → *see page 30*	– **Grow existing income by retaining tenants and capturing reversionary potential** – **Attract additional income by leasing vacant space at appropriate levels**
– **Ongoing analysis and engagement with key stakeholders on over 250 schemes in the office pipeline** → *see page 16* – **Engagement with key market participants**	– **Monitor development activity in Dublin office market** – **Continue to engage with stakeholders on market changes** – **Continually evaluate appropriate market share in preferred sectors**
– **€148m deployed across 8 assets** → *see page 20* – **Completed over 9,290 sq m of refurbishment projects** → *see pages 22–29* – **Underway at a further 27,871 sq m of redevelopment projects** → *see pages 22–29* – **4 staff added across a range of areas**	– **Invest in strategic acquisitions in Dublin** – **Complete and lease redeveloped space** – **Advance plans on selected projects in redevelopment program**
– **First Irish property fund to participate in GRESB survey** → *see page 34* – **Achievement of 97% recycling rate at 10 Molesworth Street development** → *see page 34*	– **Achieve a 3 star GRESB Green Star Rating** – **Complete projects to minimum LEED Gold standard** – **Engage with local authorities to improve the public realm, in line with redevelopment program**

Dublin Focused Portfolio

Portfolio by Location



- Dublin City Centre **73%**
- Greater Dublin **26%**
- Rest of Ireland **1%**

The entire portfolio of 98 properties is listed on page 86

Offices

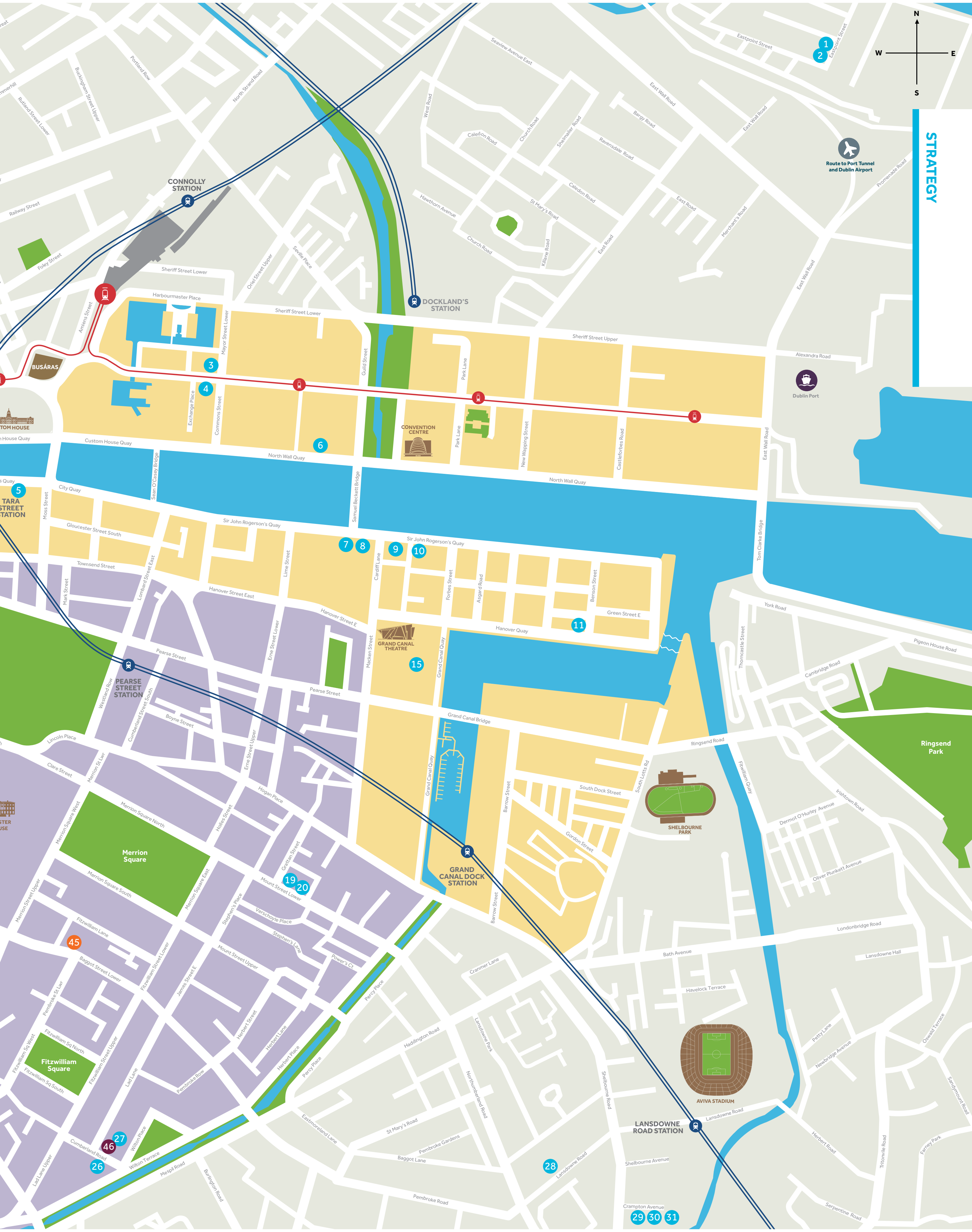
1. Block P1, Eastpoint Business Park, Dublin 3
2. Block P3, Eastpoint Business Park, Dublin 3
3. 6 George's Dock, IFSC, Dublin 1
4. The Exchange, IFSC, Dublin 1
5. Block B, George's Quay, Dublin 2
6. 25-28 North Wall Quay, IFSC, Dublin 1
7. 30-32 Sir John Rogerson's Quay, Dublin 2
8. 33-34 Sir John Rogerson's Quay, Dublin 2
9. Riverside One, Sir John Rogerson's Quay, Dublin 2 (70.8%)
10. Riverside Two, Sir John Rogerson's Quay, Dublin 2
11. 7 Hanover Quay, Dublin 2
12. 40 Molesworth Street, Dublin 2
13. 10 Molesworth Street, Dublin 2
14. 15 Molesworth Street, Dublin 2
15. 1 Grand Canal Square, Dublin 2
16. 46 St. Stephen's Green, Dublin 2
17. 47-49 St. Stephen's Green, Dublin 2
18. 2 Hume Street, Dublin 2
19. Ballaugh House, 73-79 Lower Mount Street, Dublin 2
20. Timberlay House, 79-83 Lower Mount Street, Dublin 2
21. Styne House, Hatch Street, Dublin 2
22. 2 Harcourt Centre, Harcourt St, Dublin 2
23. 3 Harcourt Centre, Harcourt St, Dublin 2
24. Alexandra House, Block D, Earlsfort Centre, Dublin 2 (75%)
25. Block E, Earlsfort Centre, Dublin 2 (75%)
26. Fitzwilton House, Wilton Place, Dublin 2
27. Wilton Park House, Wilton Place, Dublin 2 (33.33%)
28. 10-12 Lansdowne Road, Dublin 4
29. 1 Shelbourne Buildings, Shelbourne Road, Dublin 4
30. 2 Shelbourne Buildings, Shelbourne Road, Dublin 4
31. 3 Shelbourne Buildings, Shelbourne Road, Dublin 4

Retail

32. 45 Henry Street, Dublin 1
33. 16 Henry Street, Dublin 1
34. 17 Henry Street, Dublin 1
35. 47-48 O'Connell Street, Dublin 1
36. 87 Grafton Street, Dublin 2
37. 83 Grafton Street, Dublin 2
38. 72 Grafton Street, Dublin 2
39. 69 Grafton Street, Dublin 2
40. 65-66 Grafton Street, Dublin 2 (60%)
41. 28-29 Grafton Street, Dublin 2
42. 36 Grafton Street, Dublin 2
43. 40 Grafton Street, Dublin 2
44. 6-7 St. Stephen's Green, Dublin 2
45. 15-16 Lower Baggot Street, Dublin 2

Other

46. Lad Lane Apartments, Lad Lane, Dublin 2


N
W
E
S
Route to Port Tunnel and Dublin Airport
Dublin Port
CONNOLLY STATION
DOCKLAND'S STATION
BUSÁRAS
TOM HOUSE
TARA STREET STATION
PEARSE STREET STATION
GRAND CANAL DOCK STATION
LANSDOWNE ROAD STATION
CONVENTION CENTRE
GRAND CANAL THEATRE
SHELBOURNE PARK
AVIVA STADIUM
Merrion Square
Fitzwilliam Square
Ringsend Park
Seaview Avenue East
Eastpoint Street
East Wall Road
Bargy Road
Ravensdale Road
Caledon Road
Church Road
Shelmalier Road
West Road
North Strand Road
Portland Row
Buckingham Street Upper
Rutland Street Lower
Railway Street
Foley Street
Sheriff Street Lower
Sheriff Street Upper
Harbourmaster Place
Mayor Street Lower
Oriel Street Upper
Seville Place
Hawthorn Avenue
St Mary's Road
Killane Road
East Road
Merchant's Road
Promenade Road
Alexandra Road
Amiens Street
Guild Street
Park Lane
Exchange Place
Commons Street
Custom House Quay
North Wall Quay
New Wapping Street
Castleforbes Road
East Wall Road
Sean O'Casey Bridge
Samuel Beckett Bridge
Tom Clarke Bridge
City Quay
Moss Street
Gloucester Street South
Sir John Rogerson's Quay
Townsend Street
Lombard Street East
Lime Street
Cardiff Lane
Forbes Street
Asgard Road
Benson Street
Green Street E
Hanover Street East
Hanover Street E
Hanover Quay
Mark Street
Erne Street Lower
Macken Street
Grand Canal Quay
York Road
Pigeon House Road
Cambridge Road
Thorncastle Street
Pearse Street
Westland Row
Cumberland Street South
Boyne Street
Grand Canal Bridge
Ringsend Road
Lincoln Place
Clare Street
Merrion St Lwr
Erne Street Upper
Hogan Place
Holles Street
Merrion Square North
Merrion Square West
Merrion Square South
Merrion Square East
South Lotts Rd
South Dock Street
Gordon Street
Barrow Street
Fitzwilliam Quay
Irishtown Road
Dermot O'Hurley Avenue
Oliver Plunkett Avenue
Grattan Street
Mount Street Lower
Verschoyle Place
Stephen's Place
Stephen's Lane
Power's Ct
Mount Street Upper
Merrion Street Upper
Fitzwilliam Lane
Baggot Street Lower
Fitzwilliam Street Lower
James Street E
Herbert Street
Herbert Lane
Herbert Place
Percy Place
Cranmer Lane
Londonbridge Road
Lansdowne Hall
Bath Avenue
Havelock Terrace
Haddington Road
Lansdowne Park
Northumberland Road
Shelbourne Road
Lansdowne Road
Petty Lane
Newbridge Avenue
Oswald Terrace
Sandymount Road
Pembroke St Lwr
Fitzwilliam Sq North
Fitzwilliam Sq West
Fitzwilliam Sq South
Fitzwilliam Street Upper
Pembroke Row
Lad Lane
Lad Lane Upper
Wilton Place
Wilton Terrace
Cumberland Road
Mespil Road
Burlington Road
Eastmoreland Lane
St Mary's Road
Pembroke Gardens
Baggot Lane
Pembroke Road
Shelbourne Avenue
Crampton Avenue
Herbert Road
Tritonville Road
Serpentine Road
Farney Park
1
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45
46

Dublin Market Commentary

Dublin is the heartbeat of the Irish economy. Within the Greater Dublin area (Dublin, Meath, Kildare, Wicklow) there are 1.8 million people, accounting for 39% of Ireland's population and 47% of economic activity. This cohort is expected to increase by over 20% to 2.2m by 2031. In many ways, Dublin could be viewed as an economy within an economy, similar to London's contribution to the UK economy.

Demographics

Dublin has established itself as a leading financial and ICT centre in European terms and regularly competes with London, Frankfurt, Paris and Amsterdam for the key jobs in these areas. This has resulted in a large influx of young, highly educated employees who are living and working in Dublin and surrounding counties. In the ICT sector alone, 55% of roles are carried out by foreign nationals living in Ireland. In addition, Ireland has one of the highest birth rates and consequently one of the youngest populations in Europe with 33.3% of the population under 25 years of age.

Employment

The economy continues to improve and Ireland's unemployment rate is now down to 6.6% from a peak of 15.2% in February 2012. The unemployment rate in the GDA is lower relative to the rest of the country and half of all the net additional jobs over the last two years have been created in the GDA. Much of this employment has been driven by growth in office based jobs in finance, professional services and ICT. Employment growth for Ireland is expected to average c. 1.5% in 2017 and 2018.

1,800,000

Population of Greater Dublin

5.2%

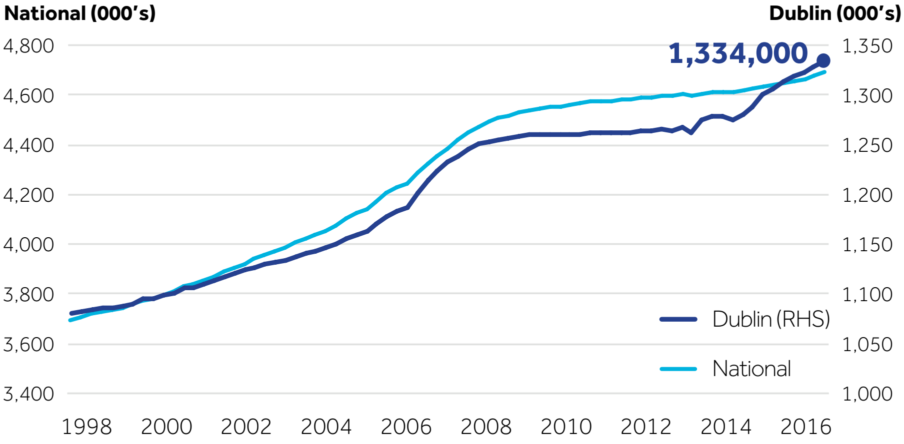
GDP growth in 2016

14%

Increase in Dublin prime CBD office rents in 2016

'Demand has been strongest in the city centre and particularly in the traditional core of Dublin 2.'

Population Growth



> 'Ireland has one of the highest birth rates and consequently one of the youngest populations in Europe.'

GDP Forecasts

Increased employment is resulting in strong macroeconomic figures and underlying GDP growth in 2016 was 5.2%. GDP growth is expected to average 3.5% over the next 3 years. Based on these projections Ireland's GDP growth will outpace the Eurozone by 5.9% by 2019.

Improving Consumer Sentiment

The benefit of lower debt levels, rising earnings and lower taxes are reflected in improving consumption figures. The strong correlation between consumption and retail sales is evident from improved footfall in our retail schemes.

Office Market

Dublin office market rents improved again in 2016, albeit at a more moderate level to 2014 & 2015. Prime rents were +14% in 12 months to €62.50 per sq ft. In the context of rents reaching c. €30 per sq ft back in 2012 this represents a significant turnaround. However, when we consider the impact of inflation since the previous peak back in 2006, rents remain c. 8% below this level in real terms.

Vacancy rates for prime Grade A stock remain minimal and this is due to the dearth of supply since 2010 and the strong demand for this space which has averaged 2.7m sq ft over the past 3 years. Demand has been strongest in the city centre and particularly in the traditional core of Dublin 2. Yields are reflecting the stabilised nature of the market and have stabilised at 4.25% for prime office properties.

Retail Market

The Dublin retail market is benefiting from improving consumer confidence. There was significant investment in the sector in 2016, although this was largely due to two large shopping centres. Appetite for retail investments has clearly improved and a number of new retailers entered the market for the first time. Yields have tightened and are now at c. 3.5% for prime high street retail, with an anticipation of further rental growth over the medium term.

Logistics and Industrial Market

Dublin benefits from strong connectivity through its air, rail and road links. IPUT has recently acquired several large scale industrial assets around the M50 (C-ring road around Dublin). Rents in the logistics market are back to levels where it is now economical to develop new units. We are seeing strong demand from occupiers for large scale units. Yields have stabilised in this market and are now at c. 5.75% in prime locations and 6-7% in secondary locations, with an anticipation of further rental growth over the medium term.

Consistent performance for fifty years

IPUT was established in 1967 to enable large institutional pension funds pool their resources and invest in Irish commercial property. Our growth has closely mirrored the development of the Irish economy through the intervening decades. From our first acquisition of 36 Grafton Street, we now own 98 properties valued at more than €2bn. We have a clear focus on providing consistent income returns to shareholders, generating an average income yield of 5.1% over the last 20 years. We have paid almost €500m to shareholders through cash dividends since 2007 and expect to distribute a further €1.2bn to shareholders over the next decade.

IPUT 50 1967 2017

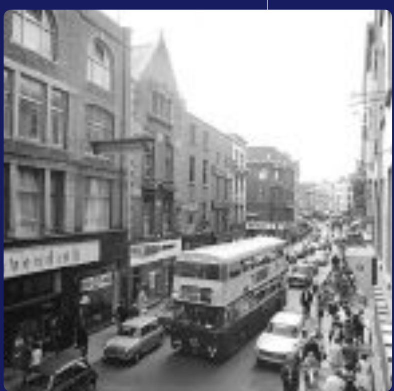
1967

Irish Pension Fund Property Unit Trust (IPFPUT) founded to enable pension funds pool their resources and invest in Irish commercial property

IPFPUT

1968

Acquisition of 36 Grafton Street in February 1968



1982

Dublin's first major office development cycle, IPUT acquires Fitzwilton House

1994

Acquisition of Block B George's Quay

2005

Acquisition of the property portfolio of the Guinness Ireland Group Pension Scheme

2012

Acquisition of ESB Superannuation Scheme property portfolio

IPUT Today

We have regenerated and modernised our buildings to create a portfolio of prime Dublin real estate assets to rival those available in any of the world's leading commercial centres. The consistent cash dividends paid over the past 50 years are unique in a global context and have helped establish IPUT as the property vehicle of choice for long term institutional investment in Ireland and the market leader in terms of quality and sustainability.

€2bn
Net Asset Value

98
Properties

99%
Portfolio in Dublin (By value)

5m sq ft
Portfolio Size

2013

Acquisition of Irish Airlines Superannuation Scheme property portfolio

2014

IPUT

Irish Property Unit Trust converts to a regulated entity (QIAIF) as IPUT plc allowing expansion of shareholder base

CBRE GLOBAL INVESTORS

Allianz

AVIVA INVESTORS

Acquisition of the Bank of Ireland Staff Pension Scheme property portfolio

2015

Acquisition of CIF property portfolio

2016

First forward funding of an office scheme by domestic fund since 2006 – The Exchange

Delivers first new build in current cycle at Waterside, Citywest

10 Molesworth Street, first new build LEED platinum rated office building in Dublin

2017

OVER €1BN ASSETS ACQUIRED

2016 Acquisitions Overview

1 **Lot 1, Quadrant 3,**
The Park, Carrickmines, Dublin 18

Purchase Price: €42.0m
Size: 18.1 acres

2 **Iveagh Building,**
The Park, Carrickmines, Dublin 18

Purchase Price: €14.8m
Size: 3,882 sq m

3 **Drive-Thru Restaurants,**
The Park, Carrickmines, Dublin 18

Purchase Price: €9.3m
Size: 769 sq m

4 **3 Shelbourne Buildings,**
Shelbourne Road, Dublin 4

Purchase Price: €34.6m
Size: 4,148 sq m

5 **Unit 1, Rosemount Business Park,**
Dublin 15

Purchase Price: €17.8m
Size: 25,533 sq m

6 **30/32 Sir John Rogerson's Quay,**
Dublin 2

Purchase Price: €21.0m
Size: 2,627 sq m

7 **Unit D,**
Furry Park Industrial Estate,
Dublin 9

Purchase Price: €4.2m
Size: 4,007 sq m

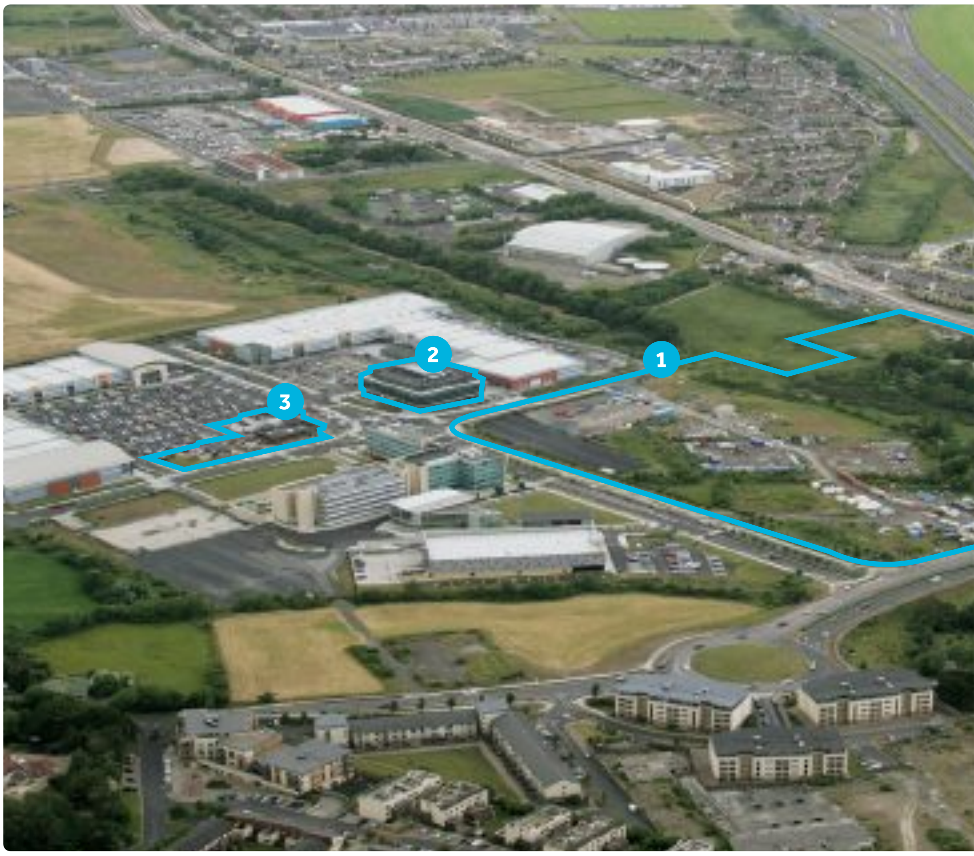
8 **Site L, Northwest Business Park,**
Ballycoolin, Dublin 15

Purchase Price: €0.4m
Size: 1.54 acres
(Computer Generated Image shown)

Total New Acquisitions

€148m

(including acquisition costs)

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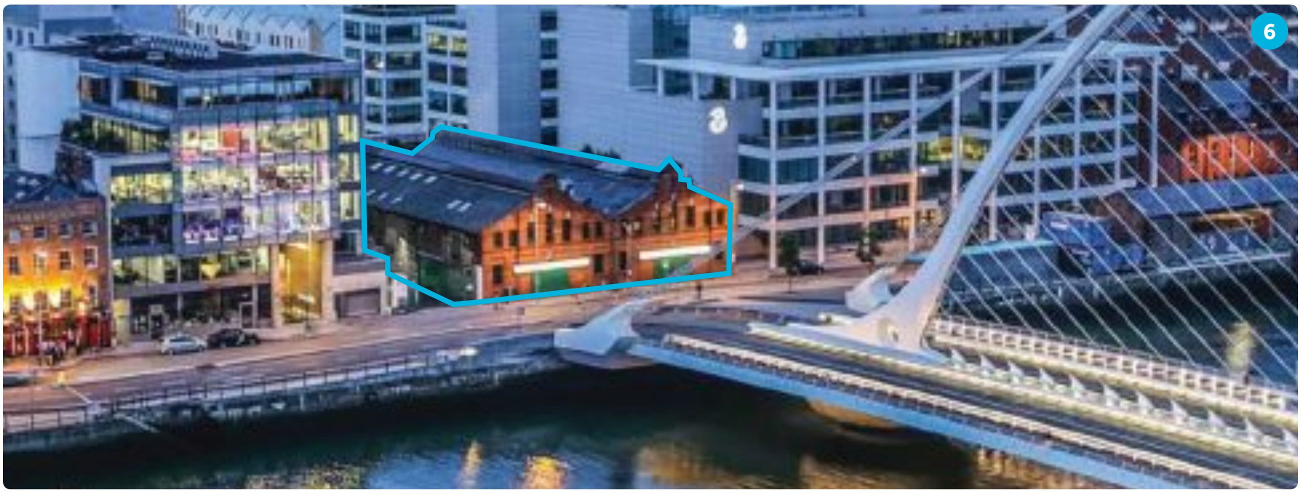
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8

Active Management Highlights

10 Molesworth Street

Dublin 2

DUE FOR COMPLETION **DECEMBER 2017**

Type: **Office Redevelopment**

Size: **10,708 sq m**

Target Energy Rating:
BER A3 & LEED Platinum

Status: **Under Redevelopment**

Projected Income Yield on Cost: **10.8%**

Gross Development Value: **€120m**

Construction commenced in June 2016. Contractors have completed the lift and stairs core. Much of the work is underway off-site which will allow a speedier completion. The building will be weathertight and ready for tenant fit-out in August 2017. We have received strong interest in the building and have had discussions with potential tenants, with a view to both a single and multi-let.

Targeting:

BER A3


Computer generated image


Computer generated image

Computer generated image

Active Management Highlights

The Exchange

IFSC, Dublin 1

DUE FOR COMPLETION **OCTOBER 2017**

Type: **Office Forward Funding**
Size: **10,160 sq m**
Target Energy Rating: **BER A3 & LEED Gold**
Status: **Under Development**
Projected Income Yield on Cost: **5.9%**
Gross Development Value: **€95m**

Following agreement to forward fund the development of The Exchange in December 2015, we have overseen significant development on the project. Together with the contractors and developers, we have initiated some additional design enhancements to the common areas which will improve the specification of the office building upon completion. The structure of the 10,160 sq m Grade A office building is now largely complete and the scheme is on track for practical completion in October 2017.

Targeting:

BER A3

Computer generated image

Computer generated image

Active Management Highlights

40 Molesworth Street

Dublin 2

DUE FOR COMPLETION **JUNE 2017**

Type: **Office Redevelopment**

Size: **2,972 sq m**

Target Energy Rating: **BER A3 & LEED Gold**

Status: **Under Redevelopment**

Projected Income Yield on Cost: **8.8%**

Gross Development Value: **€35m**

Significant progress has been made on the redevelopment of 40 Molesworth Street. The contractor commenced on site in May 2016 and is on track to complete the project by June 2017. The penthouse is in place and work is underway to upgrade the façade with glass fins and hand crafted brick.

Targeting:

BER A3

Computer generated image

One Wilton

Wilton Terrace, Dublin 2

PLANNING PERMISSION **GRANTED**

Type: **Office Redevelopment**

Size: **13,945 sq m**

Target Energy Rating:
BER A3 & LEED Platinum

Status: **Planning Permission Granted**

Planning permission was granted for a new 13,945 sq m office redevelopment over 7 storeys at Fitzwilton House on Dublin's Grand Canal in October 2016. The building will be renamed 'One Wilton' and is targeting a Platinum certified environmental performance through the LEED assessment system. The current programme envisages that subject to a pre-let, construction may commence in 2017 with a potential completion date in mid-2019.

Computer generated image

Computer generated image

Active Management Highlights

3 Waterside

Citywest Business Campus, Dublin 24

COMPLETE

Type: **Office Development**
Ownership: **50%**
Size: **5,110 sq m**
Energy Rating: **BER B1**
Status: **Complete**
Projected Income
Yield on Cost: **11.1%**
Gross Development Value: **€9.5m**

Block 3 in Waterside at Citywest was completed in May 2016. This stunning building in the Citywest Business Campus was fully pre-let to SAP who are existing tenants in the development. The completion of Block 3 was the first new build development in Dublin in the current cycle.

We are now exploring options to pre-let and develop the remainder of the Waterside Estate having recently received planning permission for an additional 16,722 sq m across the remainder of the site.

A computer generated image of Waterside showing proposed Blocks 6, 7 & 8.

72 Grafton Street

Dublin 2

COMPLETE

Type: **Retail Refurbishment**

Size: **800 sq m**

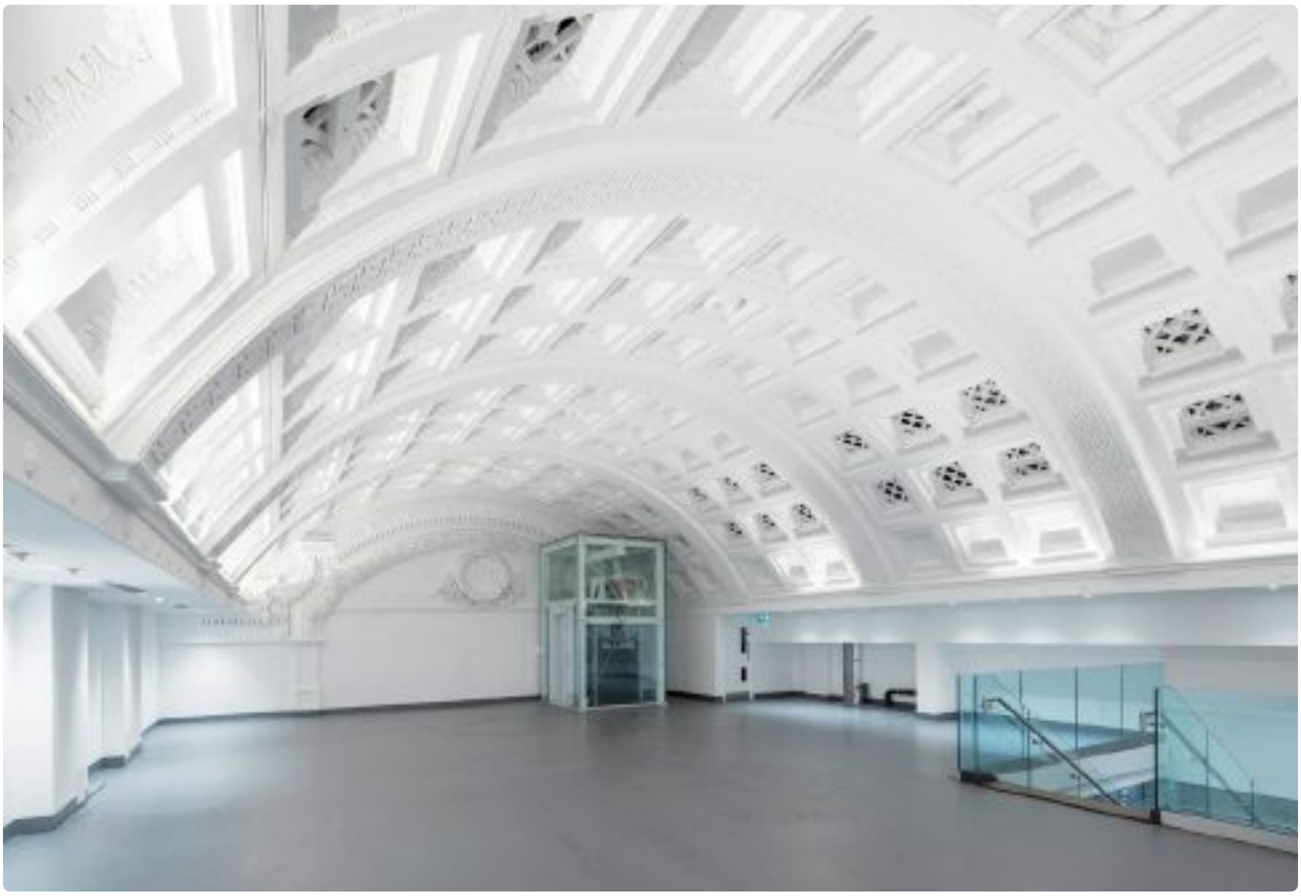
Target Energy Rating: **BER B1**

Status: **Complete**

Projected Income
Yield on Cost: **5.6%**

Gross Development Value: **€15m**

We completed number 72 Grafton Street in February 2017. This flagship retail store is at the centre of Ireland's premier high street and has been refurbished into an international quality retail store with over 800 sq m (9,318 sq ft) of space over three floors. The property provides an attractive red brick neo-Tudor style façade, a seven metre wide glazed exterior and a double height entrance with a stunning vaulted ceiling to the rear.



Portfolio Lettings and Tenant Mix

18 lettings were completed in the period for a cumulative €7.4m, 12% ahead of ERV. A number of leading brand tenants have been added to the portfolio, including but not limited to, IKEA, Citadel, Victoria's Secret and SAP.

Leasing activity has reduced our vacancy rate to 1.8% from 2.6% at the end of 2015. Our rent recovery levels at 100% are excellent and a strong reflection of the performance of our property management team. Our WAULT is currently 7 years, however, following completion of our projects over the next 12-24 months, we expect this to increase.

Our portfolio at the end of December 2016 remains reversionary. The average passing rent in our CBD portfolio is €38 psf while the average ERV of this space is €50 psf. With 70% of our portfolio on upward only rent reviews we expect to capture much of this reversionary potential over the coming years.

+12%

18 Lettings in 2016 at rental levels +12% ahead of existing ERVs

Notable Lettings in 2016

IKEA

1,409 sq m

The Park, Carrickmines
Dublin 18

IKEA announced the opening of its first Order and Collection point store in Ireland in May 2016. The 1,409 sq m store at The Park in Carrickmines will be used to test and explore new retail channels. The letting further strengthens our relationship with IKEA, who are an existing tenant in our portfolio.

CITADEL

1,718 sq m

1 Grand Canal Square
Dublin 2

Citadel agreed to lease 1,718 sq m (18,382 sq ft) at penthouse level at 1 Grand Canal Square in Dublin 2. This is the financial services company's first office in Dublin and the headline rent achieved sets a new benchmark for the area.

VICTORIA'S SECRET

2,694 sq m

28-29 Grafton St
Dublin 2

In December 2016 Victoria's Secret agreed to take 28-29 Grafton Street on a long term lease. The addition of a global brand to the street further enhances Grafton Street's reputation as Ireland's premier shopping street and sets a new benchmark for the current cycle.

Tenants by Sector

- Multi-National Retailer **18%**
- TMT **18%**
- Legal **17%**
- Financial **15%**
- Public / EU / Embassy **9%**
- Logistics **9%**
- National Retailer **8%**
- Property & Construction **2%**
- Other **2%**
- Pharmaceutical **1%**
- Aviation **1%**

Dune

240 sq m

69 Grafton St
Dublin 2

Dune London agreed to lease 240 sq m (2,269 sq ft) at 69 Grafton Street. Dune is one of the largest global retailers in fashion footwear and accessories. This letting follows the acquisition, reconfiguration and expansion of the store over the prior 12 months.

SAP

5,110 sq m

Block 3 Waterside
Citywest, Dublin 24

Having previously agreed to pre-let 50% of Block 3 at Waterside in Citywest, SAP agreed to lease the remaining 50% during 2016. The 5,110 sq m block is now fully occupied and SAP are firmly established in the Citywest Business Campus.

100%
Rent Recovery Rate

7
Years WAULT

98.2%
Occupancy Rate

39%
of income secured by top 10 tenants

Environmental, Social and Governance

Our core objective is to generate consistent income returns for shareholders through active management of our commercial real estate portfolio. Sustainability is integral to our active portfolio management.

Sustainability has been a central consideration in achieving our core objectives. As we celebrate our 50 year anniversary in 2017, our sustainability programme will help ensure that we remain a market leader in the supply and management of high quality commercial real estate.

In our 2015 Annual Report we set out how we integrate sustainability into our core objectives. This year we have made significant progress in establishing a more explicit sustainability programme with the establishment of the IPUT Sustainability Policy.

There are four strategic objectives of our sustainability programme:

Engage with our industry to set and enforce high standards

Deliver well designed and sustainable buildings

Support the social and cultural fabric of Dublin City

Provide responsible management of our buildings

Industry Affiliations

Strategy Summary

Our sustainability policy defines our commitment to upholding a minimum sustainability standard which is transparent to stakeholders. Our strategy seeks to deliver the commitments in the policy, laying out a structure of governance and processes which will be followed by IPUT and our supporting agents. Our commitment towards continual improvement in sustainability performance is realised through the following core areas:

1

Complying with all relevant legislation and other requirements related to our energy use and consumption.

2

Where possible and financially feasible, attaining the highest standards of energy efficiency in all new property developments and refurbishment projects.

3

Supporting the purchase of energy efficient products and services as part of good estate management of our properties.

4

Setting and reviewing energy objectives and targets, within the framework of the National Energy Efficiency Action Plan.

5

Benchmarking our emissions performance and energy efficiency to other real estate investment funds across the world and in doing so striving to ensure we continually meet best practice.

Sustainable Developments

We are committed to developing sustainable buildings. To this end we are committed to certifying all new developments to LEED standard, with the aspiration of Gold or better. We see this as the market leading position our tenants and investors expect from us.

We currently have four major developments in our pipeline, which includes two buildings that are predicted to be LEED Gold and two that are designed for LEED Platinum.

		Existing BER Pre-development	Target BER	Target LEED rating
	**10 Molesworth Street**	BER D2	BER A3	LEED Platinum
	**40 Molesworth Street**	BER C2	BER A3	LEED Gold
	**The Exchange**	BER C2	BER A3	LEED Gold
	**One Wilton**	BER C2	BER A3	LEED Platinum

2016 Achievements

The formalisation of our sustainability policy, set out in 2015 through commitments to a Sustainability Programme and a Sustainability Strategy have been achieved in 2016. The clarity that we have achieved this year, and will continue to achieve moving forward, will enable us to engage our stakeholders firmly within our sustainability agenda.

1st

GRESB

First Irish entity to participate in this global benchmarking assessment

Zero

Target zero accident rates on all our redevelopment and refurbishment projects

97%

Recycling rates achieved to date at 10 Molesworth Street

GRESB Participation

We participated in the Global Real Estate Sustainability Benchmark (GRESB) survey in 2016. This survey assesses environmental, social and governance (ESG) performance. IPUT is the first Irish entity to participate in GRESB. The best-practice structures put forward by the GRESB reporting framework have greatly assisted the shaping of our sustainability policies and strategy. This approach will ensure that we grow sustainably as we further our position as leaders in the Irish commercial real estate market. From 2017 onwards, we will use the GRESB assessment to communicate our ESG performance to our stakeholders, and to inform areas for improvement and expansion.

Sustainability Policy, Strategy and Implementation

In 2016 the Board of IPUT endorsed our new Sustainability Strategy. The strategy sets out high-level commitments in the following areas:

- Energy management and reduction
- Stakeholder engagement and communications
- Integration of sustainability considerations into operations and management

The success of our Sustainability Strategy is dependent upon clear definition of roles, responsibilities and reporting across the value chain. Our Sustainability Strategy will be integrated into our overall business strategy.

Implementation of the Sustainability Data Programme

A robust environmental performance dataset lies at the heart of our sustainability programme.

On a strategic level, the data programme provides tools for our asset managers to include wider building performance as part of decision-making processes.

On a tactical level, this dataset has enabled us to open a data-driven dialogue with our managing agents, with the aim of identifying and pursuing energy efficiency opportunities on specific buildings.

Over the coming years the focus of our environmental performance will shift increasingly from measurement to optimisation.

Social Responsibility Highlights

Throughout our ongoing redevelopment projects and day-to-day management of our standing portfolio we have maintained a strong operational focus on sustainability. Highlights include:

- Target zero accident rates on all our redevelopment and refurbishment projects
- Identify opportunities to display and support Irish art in IPUT buildings
- Engagement with public authorities on improving the condition and quality of the public realm around our properties
- Continue to support the Irish Freemasons Young Musician of the Year competition.

Ambitions for 2017 and Beyond

IPUT will participate in the GRESB real estate assessment again in 2017. This marks an important step in benchmarking our performance amongst our peers and will support our drive towards leading the industry in Ireland. GRESB benchmarking will also communicate ESG performance to our stakeholders and inform us of which areas to focus on.

In 2017, we will further embed our sustainability programme. Having established the reporting cycles for energy data, we anticipate that the second year of our sustainability programme will focus on energy performance activities. In particular, ten "focus sites" have been selected where large gains in energy efficiency are anticipated. This will be supplemented by portfolio-wide monitoring and tenant engagement programmes with the aim of reducing energy demand in buildings, making our estate more efficient.

This year we continued the active site management of our buildings and our redevelopment projects undertaken last year, including the high profile sites at 47-49 St. Stephen's Green and 10 Molesworth Street in Dublin's city centre. In 2017, we will commence technical reporting to managing agents for selected high-consuming "focus sites". This targeted analysis will help to identify energy performance improvement opportunities and to monitor performance.

As well as serving our core values, our new Sustainability Policy aligns well with market changes in 2016, which have signalled that the demand for high-quality office space within Dublin will increase.

During the construction process, we require that waste generated from our developments is minimised and recycled. At all our development sites we have imposed stringent targets for reuse and recycling of waste where it is generated. For example, at 10 Molesworth Street we have a target of diverting at least 75% of construction and demolition waste from landfill and we will achieve that, with the anticipated final total to be 95%.

We are committed to developing and operating, premium buildings for the Irish market. Our emphasis in developing buildings which are leading the market in sustainability shows our commitment to our long term investment in the Dublin property market.

Case Study
10 Molesworth Street, Dublin 2

10 Molesworth Street will demonstrate to the Dublin market the value and quality of sustainable buildings. This building will be the first LEED Platinum office building in the Irish market.

Features within the building include a green roof and plant which is designed to improve the quality and premium feel of the building and workspace, while cleaning the air and providing contact with nature. The specification of materials in the building is designed to reduce the amount of volatile organic compounds that affect the building's inhabitants and support the wellbeing and productivity of tenant occupiers.

The operational impact of this building is expected to be relatively low for such a premium building because of the efficient design with excellent insulation, optimised controls and energy efficiency integrated into systems from the outset. Water is also reduced through flow sanitary fixtures.

The building is well positioned in Dublin's CBD, and takes advantage of bicycle racks and excellent public transport links.

Senior Management Team

The day-to-day management of IPUT plc is carried out by the management team of 12 professionals led by the Chief Executive, Niall Gaffney.

Niall Gaffney

Role: Chief Executive

Qualifications: BSc, MBA, MRICS, MSCSI

Joined: 2000

Responsibilities: Developing and implementing IPUT's business strategy including the day to day oversight of the company.

Experience: Over 20 years' experience in valuation and investment advisory roles in both Dublin and London.

External Membership: Society of Chartered Surveyors, Royal Institution of Chartered Surveyors.

Michael Clarke

Role: Head of Investment

Qualifications: BSc, MRICS, MSCSI

Joined: 2011

Responsibilities: Formulation and implementation of IPUT's investment strategy and overseeing transactional activities.

Experience: Over 20 years' experience specialising in investment and asset management.

External Membership: Society of Chartered Surveyors and the Royal Institution of Chartered Surveyors.

GOVERNANCE

Niall Ringrose

Role: Head of Property Management

Qualifications: BSc, FSCS, FRICS

Joined: 1992

Responsibilities: Overseeing all aspects of property management within the portfolio.

Experience: Over 30 years' experience in various commercial property management roles.

External Membership: Fellow of the Society of Chartered Surveyors and the Royal Institution of Chartered Surveyors.

Pat McGinley

Role: Head of Finance and Company Secretary

Qualifications: FCA, CTA

Joined: 2012

Responsibilities: All aspects of the finance and accounting functions including risk management, tax planning, treasury management and compliance.

Experience: Over 20 years' experience in various finance functions in the investment and property sectors.

External Membership: Fellow of the Institute of Chartered Accountants in Ireland and an AITI Chartered Tax Adviser (CTA).

Fund Management Team

Derek Noble

Role: Head of Development

Qualifications: BSc in Property Economics and Diploma in Construction Technology

Joined: 2016

Responsibilities: Co-ordinating the management and delivery of IPUT's development pipeline.

Tom Costello

Role: Head of Construction

Qualifications: B.E. C. Eng, F.I.E.I

Joined: 2014

Responsibilities: Leading the design and safe execution of IPUT's high quality and sustainable construction projects.

Colm Foley

Role: Head of Investor Relations

Qualifications: Msc Investment Treasury & Banking, B.Comm

Joined: 2016

Responsibilities: Formulation and implementation of IPUT's investor relations strategy.

Roisin Cox

Role: Executive Assistant

Qualifications: BA (Hons) in Accounting & Human Resource Management

Joined: 2016

Responsibilities: Provides support to Property Management, Development and Finance Teams.

Ultan Carroll

Role: Financial Accountant

Qualifications: Bachelor of Business Studies (Accounting), ACA

Joined: 2014

Responsibilities: Supporting the Head of Finance through maintenance of company accounts and the production of quarterly & annual Financial Statements.

Ciaran Lydon

Role: Investment Manager

Qualifications: BSc, MRICS, MSCSI

Joined: 2014

Responsibilities: Supporting the Head of Investment in the implementation of IPUT's investment strategy and overseeing transactional activities.

Anita O'Rourke

Role: Executive Assistant

Joined: 2010

Responsibilities: Provides support to Chief Executive, Head of Investment and Head of Investor Relations.

Shane Caldwell

Role: Property Manager

Qualifications: BSc, MSCSI, MRICS

Joined: 2014

Responsibilities: Supporting the Head of Property Management in the day to day management of the property portfolio.

Board of Directors

John F. Mulcahy
Independent
Non-Executive Chairman

John has over 40 years' experience in the real estate sector in Ireland. He was Head of Asset Management and a main Board member at the National Asset Management Agency (NAMA) before stepping down in January 2014. John played a significant role in the establishment of NAMA, overseeing the management of the portfolio of impaired and systemically significant real estate loans it acquired from various Irish financial institutions. Prior to joining NAMA, John was Chairman and CEO of Jones Lang LaSalle from 2002 to 2010. In April 2014, John was awarded the Gold Medal by the Society of Chartered Surveyors Ireland (SCSI). The Gold Medal is given to recognise people who have contributed significantly to the property and construction sector in Ireland.

Frank Close
Independent
Non-Executive Director

Frank has over 20 years' investment management and fund administration experience working as a Director of Kleinwort Benson Investors Ltd (formerly KBC Asset Management Ltd) until his retirement in May 2006. Apart from IPUT plc, he currently holds a number of directorships including KBI Institutional Fund plc, which invests in global stock markets, Lothbury Fund Managers Ltd, which acts as a manager to a number of funds, and several special purpose companies. He is also Chairman of the Investment Committee of Lothbury Property Trust which invests in UK property. He is a past Chairman of the Irish Association of Pension Funds.

Chairman of the Investment Committee

Paul Armstrong
Non-Executive Director

Paul is Vice President Customer Supply Chain, Carlsberg UK and a member of the Carlsberg UK board, having previously been European Beer Supply Director for Diageo in Ireland, with almost 40 years' experience in business in Ireland and the UK encompassing a wide variety of management roles which include engineering, project management, operations management, quality control, brewing and supply chain. Paul led the project to redevelop the Saint James's Gate Brewery in Dublin. He is also a Trustee Director of the Guinness Ireland Pension Fund, a non-executive Director of The Bridge Project, Trustee of the Guinness Athletic Union and previously was a Director of Diageo Ireland and Diageo Great Britain.

Marie Collins
Non-Executive Director

Marie Collins was formerly Group Pensions General Manager for ESB and Secretary to the Trustees' of ESB Pensions Fund. She has held a variety of senior roles across ESB and Electric Ireland. She is past Chair of the Irish Association of Pension Funds. Marie holds an MBA from Trinity College, she is a Fellow of both the Institute of Chartered Secretaries and Administrators and the Institute of Pension Managers and holds a Diploma in Corporate Governance from UCD. She is a Non Executive Director of Eco-Unesco.

Simon Radford
Independent
Non-Executive Director

Simon is the principal founder of Lothbury Investment Management Limited in the UK. He has over 30 years' experience in managing property investments on behalf of institutional clients and pension funds. Simon was previously a Director at NatWest Investment Management and Gartmore Investment Management. He is currently Chief Executive of Lothbury Investment Management which has assets under management of over €2bn. Simon is a Director of The Association of Real Estate Funds and The RICS Planning & Development Faculty Board. He is also a member of The Royal Institution of Chartered Surveyors, The British Council of Shopping Centres and The Investment Property Forum.

Chairman of the Remuneration Committee

Jim Foley
Non-Executive Director

Jim was formerly Group Pensions Director for Eircom and is now an independent trustee on seven pension schemes in the Aviation, FMCG and Telecommunications sectors. Prior to joining Eircom, Jim worked at the Central Bank of Ireland, the Institute of Public Administration and the National Australia Group in a variety of economic, finance and human resource roles. Jim is a Council Member, Director and Chairman of the Irish Association of Pension Funds Ltd. He is also a Director of Trustee Decisions Ltd, INTRUST Properties Ltd and Irish Forestry Unit Trust Forestry Management Ltd.

Donal Courtney
Independent
Non-Executive Director

Donal is a Fellow of the Institute Of Chartered Accountants in Ireland and holds a Certificate in Director Duties and Responsibilities from Chartered Accountants Ireland. Donal qualified as a Chartered Accountant with Arthur Andersen in Dublin where he went on to become a practice manager specialising in financial services. Donal has held a number of Chief Financial Officer positions in Ireland with Orix, the Japanese financial services company, Airbus Industries, the aircraft manufacturer and GMAC Commercial Mortgage Bank, the commercial property financing arm of General Motors.

Donal currently sits on the Board of Unicredit Bank Ireland and Dell Bank International, both of which are regulated by the Central Bank of Ireland, where he also chairs the audit committees.

Chairman of the Audit & Risk Committee

Investment Committee

Chairman: Frank Close
Members: Simon Radford, Paul Armstrong

Key Responsibilities:
Assisting the Board in the implementation of the Company's property investment strategy and in particular its policies in relation to the acquisition, management, development and disposal of properties.

The Investment Committee meets quarterly.

Remuneration Committee

Chairman: Simon Radford
Members: Frank Close, Jim Foley, Donal Courtney

Key Responsibilities:
Setting the remuneration policy for all Board members and recommending and monitoring the level of remuneration of the senior management team and other members of staff.

The Remuneration Committee meets semi-annually.

Audit & Risk Committee

Chairman: Donal Courtney
Members: Marie Collins, Jim Foley

Key Responsibilities:
Monitoring the integrity of financial statements, internal controls and risk management processes and reviewing the effectiveness of the external auditors.

The Audit & Risk Committee meets quarterly.

Our Approach to Risk Management

Our approach to risk management is paramount to the achievement of our strategic business objectives. The risk management policy identifies the relevant risks to which the Company is exposed to and sets out the procedures in place to enable the Company to mitigate these risks. We have outlined our principal risks and uncertainties below:

Risk	Details	Impact	Mitigation	Change to risk in last 12 months
External Risks				
ECONOMIC	Slower economic growth.	Ireland is an open economy and lower GDP growth could impact on the Fund's performance.	We receive regular economic updates and closely monitor leading economic indicators. Our access to market knowledge through our day-to-day business activities ensures we are well versed on the current macro-economic environment, allowing us to react quickly to any potential issues. We focus on prime assets in Dublin which have historically outperformed the rest of Ireland over the long term, benefiting from strong occupier demand and investor appetite.	INCREASED
POLITICAL	Political changes domestically and internationally.	Political uncertainty creates an environment where investors and businesses are reluctant to make investment decisions.	The uncertainty related to such events and possible outcomes are taken into consideration when evaluating our financial and investment strategies. We engage with relevant parties to ensure we are properly briefed on upcoming policy changes or the regulatory implications of political events. These matters are brought to our Board's attention and where appropriate, we raise our concerns through the appropriate channels and advance our views on these issues.	INCREASED
REGULATORY	Increased regulatory controls.	Increased regulation may lead to increased costs and impact the Company's performance.	We actively engage with our legal and tax advisors on various pieces of legislation.	INCREASED
OUTSOURCING	Managing external counterparties.	Potential business failure of counterparties may impact our business operations.	We carry out extensive due diligence before appointing any counterparty. We engage with our outsourced suppliers to make clear our requirements in managing key risks including health and safety, fraud and bribery and other social and environmental risks.	STABLE

Risk	Details	Impact	Mitigation	Change to risk in last 12 months
DUBLIN REAL ESTATE MARKET	Underperformance of Dublin property relative to other sectors or asset classes.	Reduced shareholder returns and increased redemption requests.	Our portfolio consists of prime Dublin properties which have proved to be the most resilient in terms of returns and liquidity. We are actively engaged with key market participants at all times giving us first-hand knowledge of any market changes. Our Investment Committee and Audit & Risk Committee meet quarterly to assess the risks and opportunities in the market and monitor how these impact on the execution of our strategy. Our investment strategy is always under review and updated annually. We adjust our risk profile based on our experience, and internal & external research on the market.	STABLE
OCCUPIER DEMAND & TENANT DEFAULT	Weaker occupier demand could adversely impact our income profile and rental growth forecasts. Tenant default would adversely impact capital values and our dividend payments.	Increased vacancy and lower rental income.	We monitor relevant leading indicators and engage with key market participants. We review the status of occupier demand and tenant default on a quarterly basis. We actively engage with tenants to ensure spacial requirements are adequate and any upgrades required to space are carried out in an efficient manner and to a sufficiently high standard. We have an overweight allocation to the office sector, which has historically been the best performing asset class in terms of income security. We have a diversified occupier base and we monitor our exposure to individual sectors and occupiers. We stagger our lettings to ensure there is no period when there are a high level of renewals or expiries which could potentially leave us exposed to periods of low occupier demand. We have a stringent vetting process to ensure tenant covenants are sufficiently strong and we engage with third parties to carry out bespoke research on specific tenants.	REDUCED

Risk	Details	Impact	Mitigation	Change to risk in last 12 months
Internal Risks				
INVESTMENT	Incorrect reading of the cycle, over spend on assets or under allocation to specific sectors.	Reduced Fund/ property performance.	We have been established for 50 years and have multi-cycle experience. Lessons learned in previous cycles have helped shape our investment strategy. We are long term holders of commercial property and do not actively trade our portfolio for short term capital gains. Detailed due diligence is carried out on each asset and individual business plans are produced.	REDUCED
DEVELOPMENT	Poor execution of development programme through cost over-runs, late delivery, unsuitable location & building design or over supply in the market. An inappropriate level of development projects is undertaken.	Reduced returns on development projects.	Each project undergoes a stringent evaluation and requires Investment Committee and/or Board level approval before commencement. Meetings are held fortnightly to ensure projects are on track and on budget. We have increased resources in our development team in 2016. We formally engage with key stakeholders on our office supply pipeline forecasts to ensure the risk to our buildings of oversupply is sufficiently monitored.	STABLE
INCOME	Mis-pricing of rents, low tenant retention, poor management of voids and poor refurbishments.	Failure to maximise income from investment properties.	Our property management team actively engages with tenants to ensure spacial requirements are adequate and any upgrades required to space are carried out in an efficient manner and to market leading standards. We engage with external advisors to ensure correct pricing of lease transactions. Strong tenant covenants are sought and rental deposits are requested where deemed appropriate.	STABLE

Risk	Details	Impact	Mitigation	Change to risk in last 12 months
FINANCIAL AND LIQUIDITY MANAGEMENT	Inability to secure further capital or increased cost of capital.	Reduced Fund/ property performance or inability to implement business strategy.	Cash flow and funding needs are regularly monitored to ensure sufficient capital is in place to meet business needs. Our debt facility is a short-term equity bridging facility put in place to finance our development projects. The maximum allowable level of debt within the Fund is limited to 20% of net asset value. We have diversified our shareholder base in recent years to improve the liquidity of the Fund.	REDUCED
PEOPLE MANAGEMENT	Inability to recruit, develop and retain staff to execute the business strategy.	Inability to execute our business strategy.	Staffing levels are regularly assessed and resources increased as required. We have increased our headcount significantly during 2016 to cater for the increased levels of business. Our recruitment process is tailored to attract the best talent available. We offer highly competitive remuneration packages to our employees with salaries that are benchmarked annually. Staff performance is measured on a six-monthly basis to provide regular assessment.	STABLE

Independent Property Valuer Certificate Jones Lang LaSalle

as at 31 December 2016

Instruction

In accordance with our appointment as property valuers to the Company we have provided our opinion of value of the freehold / equivalent long leasehold interests held for the benefit of the IPUT Property Fund in the properties subject to and with the benefit of the tenancies therein. We understand that all of the properties are held as investments.

Purpose of Valuation

Financial reporting purposes.

Valuation Date

31 December 2016.

Compliance with Valuation Standards

The valuation has been carried out in accordance with the RICS Valuation - Professional Standards incorporating the IVSC International Valuation Standards 2014 and IFRS 13 (RICS Red Book).

We have assessed the Fair Value of the properties in accordance with VPS 4.1.5. Under these Provisions "Fair Value" is defined as "The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date".

Our opinion of the Fair Value of each of the properties has been primarily derived using comparable recent market transactions on arm's length terms in accordance with Fair Value Hierarchy Level 3.

Status of Property Valuer

External Property Valuers.

Valuer

We confirm that the personnel responsible for this valuation are qualified for the purpose of the valuation in accordance with the RICS Red Book and have the sufficient local and national knowledge, skills and understanding to undertake the valuation competently.

Inspections

The properties were not specifically inspected by us for the purposes of this valuation. Each property was inspected at the time of its initial valuation by us and is the subject of an annual re-inspection.

Valuation Uncertainty

The RICS Red Book – VPGA 9 – directs us to identify a situation where a reduced level of certainty should be attached to our valuations.

The Irish Government recently introduced changes in the Finance Act 2016 to tax structures associated with investing in property in Ireland. While the nature of these is now known, their possible impact on property values, if any, is unknown at this point.

In view of this, we have less confidence than usual in the probability of our valuations coinciding exactly with the price achieved were there a sale and recommend that our valuations are kept under constant review. We also recommend that specific marketing advice is obtained should you wish to affect a disposal.

Fair Value

We are of the opinion, subject to the contents of our Report and Assumptions therein, that the aggregate of the Fair Values as at 31 December 2016 of the good and marketable freehold and long leasehold interests held by the Company, subject to and with the benefit of the tenancies therein, in the properties valued by us, is:

€1,123,380,000

(One Billion, One Hundred and Twenty Three Million, Three Hundred and Eighty Thousand Euro)

No allowance has been made of any expenses of realisation, or for taxation, (including VAT) which may arise in the event of a disposal and each property has been considered free and clear of all mortgages or other charges which may be secured therein. We have estimated attributable acquisition costs at 4.46%.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges. No account has been taken of the availability or otherwise of capital based Government or European Community grants.

The valuation is of each property considered individually and excludes any additional value or reduction which might arise by the aggregation of the entire portfolio or a group of properties for sale to one purchaser. Neither has any allowance been made to reflect any premium which a purchaser of shares in the Company might pay for the opportunity of investing in an existing well balanced and diversified portfolio with the benefit of an established management structure.

The property details upon which these valuations are based are as set out in the Valuation Control Schedule provided to IPUT plc.

Our opinion of Fair Value is based upon the Scope of Work, Sources of Information and Valuation Assumptions attached to our Report, and has been primarily derived using comparable recent market transactions on arm's length terms.

Sources of Information

We have been provided with information by the IPUT senior management team which we have accepted as correct and up to date as to tenure, tenancies, site and floor areas, planning permission and other relevant matters as outlined in the Valuation Control Schedule and Reports.

Details of title / tenure under which the properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in our Report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of the Company's legal advisor.

We have inspected the properties (at varying dates) and carried out all the necessary enquiries with regard to rental and investment value, rateable value, planning issues and investment considerations.

We have read documents of title, leases and agreements, where they have been made available to us, in our capacity as chartered valuation surveyors and no reliance should be placed on our interpretation of same without verification by your legal advisors.

Assumptions

We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings including ground and groundwater contamination – as set out in Scope of Work and Sources of Information and Valuation Assumptions schedule.

If any of the information or assumptions upon which the valuations are based is subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

Independence and Disclosure

Jones Lang LaSalle has continuously valued the Company's property portfolio or part of the Company's property portfolio since February 1968.

The total fees, earned in preceding financial year by Jones Lang LaSalle Limited from IPUT plc were less than 5% of our total income.

From 1967 to 2004 Jones Lang LaSalle acted as consultant surveyor, property manager and valuer and advised in the acquisition of a number of properties for the Company.

From January 2005 Jones Lang LaSalle's role is valuer, property manager for multi-let properties and agent for specific agency and investment instructions.

Reliance

Our report is addressed to IPUT plc for internal purposes and third parties may not rely on it. In accordance with our standard practice this property valuation report is confidential to the party to whom it is addressed or to their other professional advisers for the specific purpose to which it refers.

Our role is limited to providing property valuations for assets held by the Company, in accordance with RICS standards. We are not acting as valuers of the Company; the valuation function for the Company and the setting of the net asset value of the Company remains with IPUT plc.

No reliance may be placed upon the contents of this property valuation report by any party other than in connection with the purpose of this valuation report. If at any stage it is intended to include the valuation or report, or any reference thereto, in any Prospectus or Circular to shareholders or similar public document, our specific consent will be required.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Yours faithfully

Mark Synnott

Mark Synnott
MRICS, MSCSI
For and behalf of Jones Lang LaSalle

JLL

GOVERNANCE

Independent Property Valuer Certificate CBRE

as at 31 December 2016

Instruction

To value on the basis of Fair Value the freehold / long leasehold interest in the properties subject to and with the benefit of the tenancies therein as at the Valuation Date in accordance with your instructions.

Valuation Date

31 December 2016.

Capacity of Valuer

External/Independent.

Purpose

Balance Sheet Purposes.

Aggregate Fair Value

€926,400,000

(Nine Hundred and Twenty Six Million, Four Hundred Thousand Euro) exclusive of VAT.

We confirm that the "Fair Value" reported above, for the purpose of financial reporting under International Financial Reporting Standard 13, is effectively the same as "Market Value."

Our opinion of Fair Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm's length terms.

We have valued the properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

Compliance with Valuation Standards

The valuations have been prepared in accordance with The RICS Valuation – Professional Standards 2014 (Red Book). The property details on which each valuation is based are as set out in this report.

We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuations competently. Where the knowledge and skill requirements of The Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of The Red Book.

Special Assumptions

None.

Assumptions

We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuations are based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

Variation from Standard Assumptions

We have valued the following partial interests in the properties below;

- Earlsfort Centre Block D, Alexandra House, Dublin 2 (75% Interest)
- B&Q, Liffey Valley Retail Park, Dublin 22 (50% Interest)
- Riverside One, Sir John Rogerson's Quay, Dublin 2 (70.8% Interest)
- Wilton Park House, Wilton Place, Dublin 2 (33.33% Interest)

We have assumed that co-ownership agreements are in place and that there are no restrictions regarding disposal or good estate management of the above interest.

Market Conditions

The values stated in this report represent our objective opinion of Fair Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the properties had been properly marketed and that exchange of contracts took place on this date.

Verification

We recommend that before any financial transaction is entered into based upon these valuations, you obtain verification of the information contained within our report and the validity of the assumptions we have adopted.

We would advise you that whilst we have valued the properties reflecting current market conditions, there are certain risks which may be, or may become, uninsurable. Before undertaking any financial transaction based upon this valuation, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

Valuer

The Properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation – Professional Standards 2014 (Red Book).

Independence

The total fees, including the fee for this assignment, earned by CBRE (or other companies forming part of the same group of companies within Ireland) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total Irish revenues.

Disclosure

The principal signatory of this report has continuously been the signatory of valuations for the same addressee and valuation purpose as this report since March 2013. CBRE has continuously been carrying out valuation instructions for the addressee of this report since March 2013.

Conflicts of Interest

We confirm that copies of our conflict of interest checks have been retained within the working papers of the file.

Reliance

This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Yours faithfully

Colm Luddy
FSCSI, FRICS
Director

Bruce Campbell
MRICS, MSCSI
Director, RICS Registered Valuer

For and on behalf of CBRE Ireland

CBRE

Note: Above text is extracted from *IPUT PLC – Part Portfiolio CBRE Valuation Report, 31 December 2016*.

Directors' Report

The Directors present their annual report and the audited financial statements of IPUT plc (the "Company") for the year ended 31 December 2016.

Principal activities and review of the development of the business

The Company is authorised and regulated by the Central Bank of Ireland as a qualifying investor alternative investment fund (QIAIF) and as an internally managed alternative investment fund under the European Union (Alternative Investment Fund Managers) Regulations 2013 and is a designated company pursuant to section 1395 of the Companies Act 2014. The Company promotes one sub-fund, the IPUT Property Fund (the 'Fund') which is the successor fund to the Irish Property Unit Trust (the 'Trust').

The Company invests in commercial property, in particular focusing on office, retail and industrial properties. All properties are located in Ireland and are generally held as medium to long term investments. The Company invests in properties with core income and added value prospects and seeks to reduce risk by investing in a diverse range of properties and sectors.

Results for the year and state of affairs at 31 December 2016

The results for the year and state of affairs of the Company are set out on pages 56 and 57. The profit on ordinary activities after taxation amounted to €195,491,000 compared with a profit of €333,199,000 in 2015. Total Equity at 31 December 2016 amounted to €1,988,842,000 (2015: €1,766,090,000).

A full review of the performance of the Company is included in the Chief Executive's Review on page 8 and the financial highlights are set out on page 2.

Dividends

Dividends of €81,914,000 were declared during the year (2015: €79,222,000). An analysis of the quarterly dividends paid during the year is set out in Note 20 to the Financial Statements.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are outlined on pages 42 – 45 of this report. The risks associated with the Company's financial instruments are outlined in note 21 to the Financial Statements.

The Board seeks to mitigate and manage these risks through continual review and setting of appropriate policies and procedures, through active asset management initiatives and the carrying out of due diligence work on potential tenants before entering into any new lease agreements. It also regularly monitors the investment environment and the management of the Company's property portfolio.

Important events since the year end

These are described in Note 27 to the Financial Statements.

Directors, secretary and their interests

The Directors and Secretary of the Company in place at the reporting date are set out on page 88.

On 14 April 2016 Mr. Jim Cullen retired as a Director and Mr. Donal Courtney was appointed to the Board.

Mr. John Mulcahy was the beneficial owner of 4,064 participating shares (all of which were acquired at market value) in the Company at the beginning and end of the year and throughout the reporting period.

The rights attaching to participating shares are outlined in Note 18 to the Financial Statements.

Other than as stated above, none of the Directors, the Secretary or their families had any interest in the share capital of the Company at any time during the year.

Mr. Frank Close, Ms. Marie Collins, Mr. Simon Radford, Mr. Jim Foley and Mr. Paul Armstrong were originally appointed as Directors for a term of three years up to 31 December 2016. These appointments have been extended for another year to 31 December 2017.

Going concern

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Political donations

The Company made no political donations during the year (2015: nil).

Corporate Governance Code

The Board voluntarily adopted the 'Corporate Governance Code for Collective Investment Schemes and Management Companies' (the "Code") as published by the Irish Funds Industry Association ("IFIA") in 2011, as the Company's corporate governance code with effect from 23 December 2013. The Board is satisfied that it has complied with the provision of the Code during the year ended 31 December 2016.

The members of the Company's Audit & Risk Committee, together with their responsibilities, are set out on page 41.

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company. In this regard they have entrusted the assets of the Company to a trustee for safe-keeping. The have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Accounting Records

The Directors believe that they have complied with the requirements of Section 281 of the Companies Act, 2014 with regard to adequate accounting records by using the services of appropriately qualified personnel and the maintenance of computerised accounts systems. The accounting records of the Company are maintained at the Company's registered office at 2 Hume Street, Dublin 2.

Relevant Audit Information

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditors, KPMG, will continue in office in accordance with Section 383(2) of the Companies Act, 2014 and a resolution authorising the Directors to fix their remuneration will be proposed at the Annual General Meeting.

Annual General Meeting

The Annual General Meeting of the Company will be held at 12pm on 27 April 2017 in The Westbury Hotel, Balfe Street, Dublin 2.

For and on behalf of the board

John F. Mulcahy
Chairman

15 March 2017

Donal Courtney
Director

15 March 2017

Report of the Depositary to the Shareholders

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to IPUT plc ("the Fund") provide this report solely in favour of the shareholders of the Fund for the year ended 31 December 2016 ("the Accounting Period").

This report is provided in accordance with current Depositary obligation under the Central Bank of Ireland AIF Rule Book, Chapter 6 (iii). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation under the AIF Rule Book, we have enquired into the conduct of the Fund for this Annual Accounting Period and we hereby report thereon to the shareholders of the Fund as follows;

We are of the opinion that the Fund has been managed during the year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional document and by the Central Bank of Ireland under the powers granted to the Central Bank of Ireland by the investment fund legislation; and

(ii) otherwise in accordance with the provisions of the constitutional document and the investment fund legislation.

Northern Trust Fiduciary Services (Ireland) Limited

15 March 2017

NORTHERN TRUST

Index to Finance Section

Left:
IPUT Marketing Suite, 15 Molesworth Street, Dublin 2

Independent Auditor's Report to the Members of IPUT plc

We have audited the financial statements ("financial statements") of IPUT plc ("the Company") for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union. Our audit was conducted in accordance with International Standards on Auditing (UK and Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

3 We have nothing to report in respect of matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In addition, the Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities set out on page 51, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cliona Mullen

for and on behalf of

KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

15 March 2017

KPMG

Statement of Comprehensive Income

for the year ended 31 December 2016

		2016			2015		
		Income	Capital	Total	Income	Capital	Total
	Notes	€'000	€'000	€'000	€'000	€'000	€'000
Gross rental and related income	5	**94,973**	**–**	**94,973**	**95,297**	**–**	**95,297**
Net rental and related income	5	85,519	–	85,519	85,838	–	85,838
Net movement on fair value of investment properties	10	–	113,874	113,874	–	251,163	251,163
Profit on disposal of investment properties		–	1,229	1,229	–	–	–
Management expenses	7	(4,249)	–	(4,249)	(3,215)	–	(3,215)
Fund expenses		(907)	–	(907)	(859)	–	(859)
Operating profit		80,363	115,103	195,466	81,764	251,163	332,927
Finance income	8	25	–	25	272	–	272
Profit before taxation		80,388	115,103	195,491	82,036	251,163	333,199
Taxation	9	–	–	–	–	–	–
Profit after taxation		80,388	115,103	195,491	82,036	251,163	333,199
Other comprehensive income		154	383	537	–	–	–
Profit and total comprehensive income		**80,542**	**115,486**	**196,028**	**82,036**	**251,163**	**333,199**

Statement of Financial Position

as at 31 December 2016

	Notes	2016 €'000	2015 €'000
ASSETS			
Non-current assets			
Investment properties	10	2,022,592	1,745,028
Property, plant and equipment	13	4,303	143
Other receivables	14	7,249	5,207
Restricted cash and cash equivalents	15	4,923	4,167
		2,039,067	**1,754,545**
Current assets			
Investment properties held for sale	12	15,150	–
Trade and other receivables	14	6,779	10,740
Cash and cash equivalents	15	18,049	38,407
		39,978	**49,147**
Total assets		**2,079,045**	**1,803,692**
EQUITY			
Capital and reserves			
Equity	19	1,988,842	1,766,090
Total equity		**1,988,842**	**1,766,090**
LIABILITIES			
Non-current liabilities			
Trade and other payables	16	4,923	4,167
Borrowings	17	67,196	–
		72,119	4,167
Current liabilities			
Trade and other payables	16	18,084	14,533
Dividends payable	20	–	18,902
		18,084	33,435
Total liabilities		**90,203**	**37,602**
Total equity and liabilities		**2,079,045**	**1,803,692**

Approved for issue and signed on behalf of the Board of Directors of IPUT plc on 15 March 2017.

John F. Mulcahy
Chairman

Donal Courtney
Director

Statement of Changes in Equity

for the year ended 31 December 2016

		2016	2015
	Notes	**€'000**	**€'000**
Balance at 1 January		**1,766,090**	**1,396,527**
Comprehensive income			
Profit after taxation		195,491	333,199
Other comprehensive income		537	–
Profit and total comprehensive income		**196,028**	**333,199**
Transactions with owners			
Issue of shares	18	111,021	134,355
Repurchase of own shares	18	(2,383)	(18,769)
Dividends	20	(81,914)	(79,222)
Total transactions with owners		**26,724**	**36,364**
Balance at 31 December		**1,988,842**	**1,766,090**

Statement of Cash Flows

for the year ended 31 December 2016

	Notes	2016 €'000	2015 €'000
Cash flows from operating activities			
Profit for the year		**196,028**	**333,199**
Adjustments to reconcile profit before taxation to net cashflows:			
- Depreciation	13	222	45
- Revaluation of owner occupied property		(537)	–
- Net movement on fair value of investment properties	10	(113,874)	(251,163)
- Lease incentives		(2,242)	(1,397)
- Profit on disposal of investment properties		(1,229)	–
- Finance income	8	(25)	(272)
		(117,685)	**(252,787)**
Working capital adjustments:			
- Movement in trade and other receivables		4,185	(3,167)
- Movement in trade and other payables		4,307	3,605
		8,492	**438**
Net cash generated from operating activities		**86,835**	**80,850**
Cash flows from investing activities			
Additions to investment properties		(185,256)	(176,495)
Proceeds from sale of investment properties		4,000	1,705
Purchases of property, plant and equipment	13	(178)	(135)
Interest received		22	275
Net cash used in investing activities		**(181,412)**	**(174,650)**
Cash flows from financing activities			
Proceeds from issue of shares	18	111,021	134,355
Payments to repurchase own shares	18	(2,383)	(18,769)
Dividends paid to shareholders		(100,816)	(79,671)
Drawdown of borrowings, net of costs		66,397	–
Net cash provided by financing activities		**74,219**	**35,915**
Net decrease in cash and cash equivalents		**(20,358)**	**(57,885)**
Cash and cash equivalents at 1 January		38,407	96,292
Cash and cash equivalents at 31 December	15	**18,049**	**38,407**

Notes to the Financial Statements

for the year ended 31 December 2016

1. General information

IPUT plc (the 'Company') is incorporated under Part 24, Section 1394 of the Companies Act 2014 ('the Act') as an unlisted, limited liability umbrella investment company with variable capital and segregated liability between its sub-funds. It is authorised and regulated by the Central Bank of Ireland as a qualifying investor alternative investment fund (QIAIF) and as an internally managed alternative investment fund under the European Union (Alternative Investment Fund Managers) Regulations 2013 and is a designated company pursuant to section 1395 of the Act. The Company promotes one sub-fund, the IPUT Property Fund ('the Fund').

The Fund primarily invests in commercial property, in particular focusing on office, retail and industrial properties. The investment properties are located in Ireland and are generally held as medium to long term investments. The Fund invests in properties with core income and added value prospects and seeks to reduce risk by investing in a diverse range of properties and sectors.

The Company's registered office is at 2 Hume Street, Dublin 2, D02 FT82, Ireland.

2. Basis of preparation

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The financial statements are prepared on a historical cost basis except for investment properties which are measured at fair value.

The financial statements are presented in Euro, which is the functional currency of the Company, and all values are rounded to the nearest thousand Euro (€000) except where otherwise indicated.

AMENDMENTS TO IFRS THAT ARE NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company does not plan to adopt these standards early: instead it will apply them from their effective dates as determined by their dates of EU endorsement.

- ***IFRS 16: Leases***

  Leases (not endorsed, expected to be endorsed in 2017)

- ***IAS 7: Disclosure Initiative***

  Disclosure Initiative (not endorsed, expected to be endorsed in 2017)

The Company is still assessing the impact that these standards may have on the Company's financial statements. The effect of these standards is not expected to have a material effect on the Company's financial statements.

Going Concern

The Directors believe that the Company has adequate resources to continue in existence for the foreseeable future and that it is appropriate to prepare the financial statements on a going concern basis.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

JUDGEMENTS OTHER THAN ESTIMATES

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

2. Basis of preparation (continued)

Classification of property

The Company determines whether a property is classified as an investment property or as an investment property held for sale:

- Investment property comprises land and buildings (offices, industrial, retail property and residential) which are held primarily to earn rental income and for capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.
- Investment property held for sale comprises land and buildings (office, industrial, retail property and residential) which is held for sale in the ordinary course of business.

Operating lease contracts – the Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and lease payments, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

ESTIMATES

Valuation of property

The Company has appointed real estate valuation experts to determine the fair value of investment properties using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement.

The significant methods and assumptions used by real estate valuers in estimating the fair value of investment properties are set out in Note 3 and Note 10.

3. Significant Accounting Policies

Investment properties

Investment properties comprise completed property and property under refurbishment/redevelopment held to earn rental income, together with the potential for capital and income appreciation.

Investment property is initially measured at cost including transaction costs. Transaction costs include stamp duty, legal fees and any other professional fees incurred in the acquisition of the investment property. Any subsequent capital expenditure incurred in improving investment properties is capitalised in the period during which it is incurred.

Subsequent to initial recognition, investment properties are carried in the Company's statement of financial position at their fair value adjusted for the carrying value of lease incentives. Gains or losses arising from changes in the fair values are included in the statement of comprehensive income in the year in which they arise.

Investment properties are treated as acquired when the Company assumes the significant risk and returns of ownership and derecognised when it has disposed of these risks to a buyer and no future economic benefit is expected. The difference between the net disposal proceeds and the carrying amount of the asset would result in either a gain or loss on the disposal of the investment property. Any gains or losses are recognised in the statement of comprehensive income in the year of disposal.

External independent valuers, JLL and CBRE Ireland (CBRE), have, in the opinion of the Directors, appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued. They value the portfolio at each reporting date in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards which are consistent with the principles in IFRS 13. The RICS property valuation methodology is considered by the Board to be the valuation technique most suited to the measurement of the fair value of investment properties. It is also the primary measurement of fair value that all major and reputable property market participants use when valuing a property investment.

The valuations are prepared by considering comparable market transactions for sales and lettings. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the net annual rents receivable from the properties and associated rental costs when relevant. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation. Valuations reflect the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation, the market's general perception of their credit-worthiness and the remaining economic life of the property.

3. Significant Accounting Policies (continued)

Where the Company begins to redevelop an existing investment property for continued use or acquires a property with the subsequent intention of developing as an investment property, the property continues to be held as an investment property. Any direct expenditure on investment properties is capitalised and the properties are then valued by external real estate valuers at their respective fair value at each reporting date.

The cost of properties in the course of redevelopment includes attributable interest and other associated outgoings. Interest is calculated on the development expenditure by reference to specific borrowings. Interest is only capitalised where development activity is taking place. A property ceases to be treated as a development property on practical completion.

An existing investment property is transferred to an investment property held for sale and held as a current asset when it is likely to be sold. The property is reclassified at fair value as at the date of the transfer with any gains or losses recognised in the statement of comprehensive income. When the Company commits to a refurbishment project on an existing investment property for future use as an investment property, the property continues to be held as an investment property.

Fair value measurement

Fair value is the price that would be received if an asset was sold or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

Property, plant and equipment

Property, plant and equipment consists of land and buildings, motor vehicles, computer equipment, furniture, fixtures and fittings and is stated at cost less accumulated depreciation. The charge for depreciation is calculated to write down the cost of the assets to their estimated residual values by annual instalments over their expected useful lives which are set out below.

Land and buildings - 4% Straight Line

Fixtures and fittings - 20% Straight Line

Computer equipment - 33.33% Straight Line

Motor vehicles - 20% Straight Line

Land and buildings represents own use property and is measured at fair value with changes in fair value reflected within the statement of comprehensive income, except impairment losses, which are recognised in the income statement unless they reverse a previous revaluation gain.

The fair value is the price that would be returned if the asset were sold in an orderly transaction between market participants based on the asset's highest and best use. Fair value is determined by registered independent appraisers on a quarterly basis. The property valuers' opinion of fair value is primarily derived from using comparable recent market transactions at arm's length terms and using appropriate valuation techniques. The fair value of investment properties is determined using the income capitalisation approach.

3. Significant Accounting Policies (continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Investment property held for sale

An investment property is transferred to current assets as an investment property held for sale when it is expected that the carrying amount will be recovered principally through a disposal rather than from continuing use. For this to be the case, the property must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such property and its sale must be highly probable.

For the sale to be highly probable:

- The Board must be committed to a plan to sell the property and an active programme to locate a buyer and complete the plan must have been initiated;
- The property must be actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Investment properties held for sale are measured at fair value less costs to sell. Investment properties classified as held for sale are presented separately as current assets in the statement of financial position.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period.

Or

- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; and
- It is held primarily for the purpose of trading; and
- It is due to be settled within twelve months after the reporting period.

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Dividends

The Company seeks to maintain consistent dividend payments to shareholders. Dividends are declared quarterly from net income available for distribution. The payment of a dividend will depend on the performance of the Company but in any event will be paid within four weeks of such dividends being declared and will be paid out of accumulated income less expenses.

Final dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the year in which the dividends are declared by the Company's board of directors.

3. Significant Accounting Policies (continued)

Revenue recognition

(a) Gross rental income from investment properties leased out under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease in accordance with SIC 15 'Operating Leases – Incentives' and IAS 17 'Leases'. Lease incentives are recognised as an integral part of the net consideration for the use of the property and amortised on a straight line basis over the term of the lease.

(b) Payments received from tenants to surrender their lease obligations are recognised immediately in the statement of comprehensive income. Payments made to tenants to surrender their lease obligations are charged directly to the statement of comprehensive income unless the payment is to enable the redevelopment of the property.
Where a tenant restructures the terms of a current lease, and no modification to classification arises, the new terms of the arrangements are reflected in the rentals from the date of restructuring, on a straight line basis, over the remaining life of the modified lease agreements. Any contingent element within the restructured agreement which is subject to uncertainty, is recognised when the contingent event occurs.

(c) Amounts received from tenants to compensate for dilapidation liabilities are recognised in the statement of comprehensive income when the right to receive them arises unless they relate to future capital expenditure.

(d) Service charge income is recognised in the year in which it is earned.

(e) Accrued income relates to rents recognised in advance as a result of spreading the effect of rent free and reduced rent periods, capital contributions in lieu of rent free periods and contracted rent uplifts, over the expected terms of their respective leases.

(f) Interest income is recognised in the statement of comprehensive income as it accrues using the effective interest rate method.

Expense recognition

Expenses are accounted for on an accruals basis.

Share based payment

The grant-date fair value of cash-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in liabilities, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Retirement benefits

The Company operates a defined contribution pension scheme and pension costs which are charged to the statement of comprehensive income represent the contributions payable by the Company during the year.

Impairment

The carrying amounts of the Company's assets (other than investment properties, the accounting policy for which is set out earlier in the note) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the asset's recoverable amount.

Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Share capital

The Company's participating shares are classified as equity in accordance with IAS 32.

Transaction costs incurred by the Company in issuing or acquiring its own shares are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

No gain or loss is recognised in the statement of comprehensive income on the issuance or repurchase of the Company's own shares.

3. Significant Accounting Policies (continued)

Net asset value per share

The net asset value per share is calculated by dividing the total equity of the Company by the total number of shares in issue at the year end.

Financial Instruments

(A) NON-DERIVATIVE FINANCIAL ASSETS

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through the statement of comprehensive income) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through the statement of comprehensive income, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets. At 31 December 2016 the Company had the following non-derivative financial assets, which are classified as loans and receivables:

– ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and fixed deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

– ***Trade and other receivables***

Trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method. A provision for impairment is included where there is evidence that the Company will not be able to collect the amount in full.

(B) NON-DERIVATIVE FINANCIAL LIABILITIES

All financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value less initial direct costs and subsequently measured at amortised cost.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

– ***Trade and other payables***

Trade and other payables are recognised and carried at amortised cost.

Borrowing costs

INTEREST-BEARING BORROWINGS

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subject to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

FINANCE COSTS

Borrowing costs incurred in the redevelopment of investment properties which take a substantial period of time to complete are capitalised in the financial period in which they are incurred. All other finance costs are recognised in the Income Statement using the effective interest method.

4. Sectoral information and condensed portfolio statement

All of the Company's properties are based in the Republic of Ireland with 99% of the portfolio by value located in Dublin.

The following properties are valued at greater than 5% of the net asset value of the Company:

- Office – 1 Grand Canal Square, Dublin 2 (6.7%)
- Retail – Phase 1, The Park, Carrickmines, Dublin 18 (5.4%)
- Office – 25-28 North Wall Quay, IFSC, Dublin 1 (5.3%)

	2016 €'000	2015 €'000
Gross rental income		
Office	50,710	56,134
Retail	22,558	19,950
Industrial	12,399	10,704
Other	325	141
	85,992	**86,929**

	2015 Investment properties €'000	2015 Investment properties under development €'000	2015 Total €'000
Property Portfolio – fair value			
Office	1,062,425	94,560	1,156,985
Retail	405,820	–	405,820
Industrial	168,420	–	168,420
Land	6,550	–	6,550
Other	13,000	–	13,000
	1,656,215	**94,560**	**1,750,775**

Comparative amounts have been updated to reflect the current year presentations.

	2016 Investment properties €'000	2016 Investment properties under development €'000	2016 Total €'000
Property Portfolio – fair value			
Office	1,199,860	111,280	1,311,140
Retail	468,170	–	468,170
Industrial	208,420	–	208,420
Land	–	49,050	49,050
Other	13,000	–	13,000
	1,889,450	**160,330**	**2,049,780**

A reconciliation between the market value and the fair value of investment properties is set out in Notes 10, 12 and 13.

5. Gross and net rental income

	2016	2015
	€'000	**€'000**
Rent receivable	85,992	86,929
Service charge income	6,749	6,853
Adjustment for lease incentives & other income	2,232	1,515
Gross rental and related income	94,973	95,297
Service charge expenses	(6,749)	(6,853)
Property specific costs:		
– relating to properties generating income	(1,336)	(1,354)
– relating to properties not generating income	(1,369)	(1,252)
Net rental and related income	**85,519**	**85,838**

6. Auditors' remuneration

	2016	2015
	€'000	**€'000**
Audit fees	60	57
Total audit and audit related assurance services	**60**	**57**
Other fees		
Tax advisory services	4	–
Other	30	29
Total other fees	**34**	**29**

7. Management expenses

	2016	2015
	€'000	**€'000**
Employment costs	3,025	2,457
Other operating costs	1,224	758
	4,249	**3,215**
Employment costs		
Wages and salaries	2,626	2,145
Social welfare costs	242	172
Pension costs	157	140
	3,025	**2,457**

	2016	2015
Number of employees		
The average number of employees (including Directors) during the year was:	19	15

8. Finance income

	2016	2015
	€'000	€'000
Interest income on short-term deposits	25	272
	25	**272**

9. Taxation

	2016	2015
	€'000	€'000
Taxation	–	–
	–	**–**

The Company is an investment undertaking as defined in Section 739B of the Taxes Act and on that basis, it is not subject to Irish taxation on its income or gains, other than those arising on chargeable events. A chargeable event includes:

- the payment of a dividend;
- the redemption, encashment, cancellation or transfer of shares;
- the cancellation of shares for the purpose of meeting the tax arising on a transfer of shares; and
- the ending of a period of eight years beginning with the acquisition of a share by a shareholder and each subsequent period of eight years beginning immediately after the eight year period.

No tax will arise on the Company in respect of chargeable events of:

- a shareholder who is neither a resident in Ireland nor ordinarily resident in Ireland at the time of the chargeable event, provided that the Company is in possession of a relevant declaration to the effects, or
- a shareholder who is an exempt Irish resident.

On the occasion of a chargeable event, the Company has an obligation to deduct the appropriate taxation from amounts payable to shareholders and pay it to the Irish Revenue Commissioners on a bi-annual basis. In the year ended 31 December 2016 the Company deducted €4,886,111 (2015: €1,341,927) from dividends and redemptions paid to non exempt Irish resident shareholders.

A tax rate reconciliation as required by IAS 12 'Income Taxes' is not presented as the Company is not subject to tax on its income or gains.

10. Investment properties

	2015 Investment properties	2015 Investment properties under development	2015 Total
	€'000	€'000	€'000
Fair value at 1 January	1,321,720	–	1,321,720
Reclassification in year (net)	(30,102)	30,102	–
Acquisitions	135,188	28,086	163,274
Capital expenditure	4,826	8,395	13,221
Valuation surplus	229,433	27,977	257,410
Valuation deficit	(4,850)	–	(4,850)
Fair value at 31 December	1,656,215	94,560	1,750,775
Less: tenant lease incentives	(5,747)	–	(5,747)
Fair value at 31 December	**1,650,468**	**94,560**	**1,745,028**

10. Investment properties (continued)

	2016 Investment properties	2016 Investment properties under development	2016 Total
	€'000	€'000	€'000
Fair value at 1 January	1,656,215	94,560	1,750,775
Reclassification in year	(2,900)	2,900	–
Acquisitions	105,145	43,078	148,223
Capital expenditure	20,076	16,957	37,033
Disposals	(2,750)	–	(2,750)
Transfer of owner occupied property to prop. plant & equip. (Note 13)	(3,667)	–	(3,667)
Transfer to investment properties held for sale (Note 12)	(15,150)	–	(15,150)
Valuation surplus	115,527	4,090	119,617
Valuation deficit	(2,246)	(1,255)	(3,501)
Fair value at 31 December	1,870,250	160,330	2,030,580
Less: tenant lease incentives	(7,988)	–	(7,988)
Fair value at 31 December	**1,862,262**	**160,330**	**2,022,592**

During the year the development of 3 Waterside, Citywest Business Campus, Dublin 24 completed and the property was reclassified as an investment property from investment properties under development property. The valuers have reflected this reclassification in their valuation of the property.

Development lands at Quadrant 3, The Park, Carrickmines, Dublin 18 and Waterside, Citywest Business Campus, Dublin 24 were reclassified as investment properties under development from investment properties. 10 Molesworth Street, Dublin 2 and The Exchange, IFSC, Dublin 1 continue to be held as investment properties under development.

Included within the capital expenditure on investment properties in the year is capitalised borrowing costs of €1,226,000 (2015: nil).

The fair value of the Company's investment properties, as determined by the Company's external real estate valuers, differs from the fair value presented in the statement of financial position due to the Company presenting lease incentives separately. The above table reconciles the fair value of the investment properties as calculated by the external real estate valuers to the fair value of the investment properties included in the statement of financial position with the net movement on fair values in the statement of comprehensive income.

The following table shows the impact of tenant lease incentives amortised in the period on the movement on fair value of investment properties.

	2015 Investment properties	2015 Investment properties under development	2015 Total
	€'000	€'000	€'000
Valuation surplus	229,433	27,977	257,410
Valuation deficit	(4,850)	–	(4,850)
Movement on fair value of investment properties	224,583	27,977	252,560
Less: movement in tenant lease incentives	(1,397)	–	(1,397)
Net movement on fair value of investment properties	**223,186**	**27,977**	**251,163**

10. Investment properties (continued)

	2016 Investment properties	2016 Investment properties under development	2016 Total
	€'000	€'000	€'000
Valuation surplus	115,527	4,090	119,617
Valuation deficit	(2,246)	(1,255)	(3,501)
Movement on fair value of investment properties	113,281	2,835	116,116
Less: movement in tenant lease incentives	(2,242)	–	(2,242)
Net movement on fair value of investment properties	**111,039**	**2,835**	**113,874**

Valuations are performed on a quarterly basis and the breakdown of properties valued by the Company's two independent property valuers at 31 December 2016 are as follows:

	2015 Investment properties	2015 Investment properties under development	2015 Total
	€'000	€'000	€'000
JLL	985,875	3,650	989,525
CBRE	670,340	90,910	761,250
	1,656,215	**94,560**	**1,750,775**

	2016 Investment properties	2016 Investment properties under development	2016 Total
	€'000	€'000	€'000
JLL	1,074,330	49,050	1,123,380
CBRE	815,120	111,280	926,400
	1,889,450	**160,330**	**2,049,780**

The Company's investment properties are held at fair value and were valued at 31 December 2016 by the external property valuers, JLL and CBRE. Both firms are independent qualified valuers in accordance with the Royal Institution of Chartered Surveyors Valuation – Professional Standards 2014. The valuation process includes a physical inspection of all properties at least once a year. In line with IFRS 13, all investment properties are valued on the basis of their highest and best use. The property valuers' opinion of fair value is primarily derived from using comparable recent market transactions at arm's length terms and using appropriate valuation techniques. The fair value of investment properties is determined using the income capitalisation approach. Under this approach, forecast net cash flows, based upon market derived estimated present rental values (market rent), together with estimated costs are discounted at market derived capitalisation rates to produce the valuers' opinion of fair value.

All investment properties are categorised as Level 3 in the fair value hierarchy (see Note 3 for definition) as one or more inputs to the valuation are partly based on unobservable market data. There were no transfers in or out of Level 3 during the year.

10. Investment properties (continued)

Key unobservable inputs

The following table summaries the valuation techniques and inputs used in the determination of the property valuations;

	2016				2015			
	ERV - per sq. ft.		Equivalent yield		ERV - per sq. ft.		Equivalent yield	
	Low €	High €	Low	High	Low €	High €	Low	High
Office	7	60	4.6%	6.4%	7	58	4.6%	6.9%
Retail	5	650	2.9%	6.8%	5	600	2.8%	6.8%
Industrial	1	9	5.1%	8.1%	1	7	5.3%	10.7%

Sensitivities

The following schedule shows the impact of changes in key unobservable inputs on the fair value of the Company's properties through the increase/decrease of 0.25% in equivalent yield:

	2016		2015	
	0.25% increase in Equivalent Yield	0.25% decrease in Equivalent Yield	0.25% increase in Equivalent Yield	0.25% decrease in Equivalent Yield
	€'000	€'000	€'000	€'000
Office	(76,213)	81,283	(70,962)	64,674
Retail	(24,693)	27,367	(23,608)	21,230
Industrial	(7,916)	8,975	(6,293)	6,885
Land	–	–	–	–
Other	(660)	1,010	(750)	825
	(109,482)	**118,635**	**(101,613)**	**93,614**

11. Financial asset

	2016	2015
	€'000	€'000
Investment	–	–
	–	**–**

The Company holds the entire share capital of Ryde Dublin Limited (€2). Ryde Dublin Limited was acquired in December 2013 under a Share Purchase agreement as it held legal and beneficial title to '1 Grand Canal Square', a property which has since been transferred to the Company. The registered office of Ryde Dublin Limited is Appleby Corporate Services (BVI) Limited, Jayla Place, British Virgin Islands.

Northern Trust Fiduciary Services (Ireland) Limited holds, in its capacity as Depositary to the Company, the entire share capital of IPUT Nominees Limited (€2). IPUT Nominees Limited previously held the legal title to a number of the Company's properties. The legal title to these properties was transferred to the Company in September 2014. IPUT Nominees Limited is now a dormant company. Its registered office is 2 Hume Street, Dublin 2.

Further details in respect of the subsidiaries is given in note 23.

12. Investment properties held for sale

	2016	2015
	€'000	€'000
Fair value at 1 January	–	1,705
Transfer from investment properties	15,150	–
Disposals	–	(1,705)
Fair value at 31 December	**15,150**	**–**

The Company completed the sale of 87 Grafton Street, Dublin 2 on 20 January 2017 for €13,550,000 and Unit 35 National Technology Park, Plassey, Co. Limerick on 3 February 2017 for €2,100,000. The conditions to classify these investment properties as held for sale were met at 31 December 2016. Income received from these properties during the year was €738,000, while costs incurred on these properties were immaterial.

The Company completed the sale of Unit 11, Broomhill Road, Tallaght, Dublin 24 in February 2015 for €1,705,000.

13. Property, plant and equipment

	Fixtures & fittings	Computer equipment	Motor vehicles	Total
	€'000	€'000	€'000	€'000
Cost				
At 1 January 2015	75	101	78	254
Disposals	(32)	(71)	(34)	(137)
Additions	68	7	60	135
	111	37	104	252
Depreciation				
At 1 January 2015	56	84	58	198
Disposals	(32)	(71)	(31)	(134)
Charge for the year	17	11	17	45
	41	24	44	109
Net book amounts as at 31 December 2015	**70**	**13**	**60**	**143**

	Land & buildings	Fixtures & fittings	Computer equipment	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 January 2016	3,667	111	37	104	3,919
Disposals	–	–	–	(44)	(44)
Additions	–	97	33	48	178
Revaluation	383	–	–	–	383
	4,050	208	70	108	4,436
Depreciation/Revaluation					
At 1 January 2016	–	41	24	44	109
Disposals	–	–	–	(44)	(44)
Depreciation charge for the year	154	28	17	23	222
Revaluation	(154)	–	–	–	(154)
	–	69	41	23	133
Net book amounts as at 31 December 2016	**4,050**	**139**	**29**	**85**	**4,303**

On 1 January 2016, a property being used by the Company was reclassified from investment properties to property, plant and equipment.

14. Trade and other receivables

	2016	2015
	€'000	€'000
Trade receivables	47	99
VAT receivable	1,145	4,750
Deposits paid	–	4,200
Prepayments and other receivables	5,587	1,691
Total current trade and other receivables	**6,779**	**10,740**
Non-current other receivables	7,249	5,207
Total trade and other receivables	**14,028**	**15,947**

An analysis of the age of the receivable balances by category that are past due and an analysis of the financial assets that are individually determined to be impaired are not presented as they are not considered material.

Included within prepayments and other receivables is withholding tax of €4,199,000 (2015: €680,000) deducted from shareholders and payable to the Revenue Commissioners on a bi-annual basis.

Included within non-current other receivables are tenant lease incentives of €7,249,000 (2015: €5,207,000). These amounts relate to rents recognised in advance as a result of spreading the effect of rent free periods, capital contributions in lieu of rent free periods and contracted rent uplifts over the expected terms of their respective leases.

The Company paid a deposit of €4,200,000 on 18 December 2015 to acquire Lot 1 Quadrant 3 The Park Carrickmines Dublin 18. This deposit was paid in the normal course of business and represents 10% of the total acquisition price of the site.

15. Cash and cash equivalents

	2016	2015
	€'000	€'000
Cash at bank and in hand	18,049	38,407
	18,049	**38,407**
Restricted cash and cash equivalents		
Rental deposits	2,483	2,137
Sinking funds	2,440	2,030
	4,923	**4,167**

Rental deposits and sinking fund monies represent cash held in bank accounts with conditions that restrict the use of those monies, and as such, does not meet the definition of cash and cash equivalents as defined in IAS 7 'Statement of Cash Flows'. At the statement of financial position date and date of approval of the financial statements there was no requirement to draw down these monies for at least twelve months, hence they are considered non-current.

16. Trade and other payables

	2016	2015
	€'000	€'000
Trade creditors	38	3,687
Deferred income	10,149	6,274
Accruals and other payables	7,897	4,572
Total current trade and other payables	**18,084**	**14,533**
Non-current trade and other payables	4,923	4,167
Total trade and other payables	**23,007**	**18,700**

Included in deferred income are rents received in advance of €10,149,000 (2015: €6,274,000).

Included in non-current trade and other payables are sinking fund amounts of €2,440,000 (2015: €2,030,000) and tenant rental deposits of €2,483,000 (2015: €2,137,000). Sinking fund balances represent monies contributed by tenants through individual property service charges in various multi-tenanted properties. These funds are held in the name of the Company in specifically designated accounts for each individual property until such time that works of a capital nature to common areas require funding. Corresponding amounts are held as restricted cash and cash equivalents (see note 15).

17. Borrowings

	2016	2015
	€'000	€'000
Revolving credit facility	67,777	–
Arrangement fees and other costs	(859)	–
Amortised costs	278	–
Balance at 31 December	**67,196**	**–**
The maturity of borrowings is as follows:		
Less than 1 year	–	–
Between 2 and 5 years	67,196	–
Over 5 years	–	–
Total	**67,196**	**–**

On 13 January 2016 the Company entered into a three year revolving credit facility with Wells Fargo Bank International for an initial commitment of €150,000,000 at an interest rate of Euribor +1.40%. There were a number of drawdowns during the year to fund the Company's development and refurbishment projects. Interest and fees relating to the facility are capitalised into development costs. The facility is secured by way of a floating charge over the assets of the Company.

The Directors confirm that all covenants have been complied with and are kept under review.

18. Share capital	2016	2016	2015	2015
	€'000	No. of participating shares	€'000	No. of participating shares
Participating shares issued and fully paid				
Shares in issue on 1 January		1,875,820		1,747,725
Repurchase of own shares	(2,383)	(2,491)	(18,769)	(22,801)
Issue of shares	111,021	110,443	134,355	150,896
		1,983,772		**1,875,820**

The issuance and repurchasing of participating shares throughout the year is outlined in the table above.

Each of the participating shares entitles the shareholder to participate equally on a pro-rata basis in the dividends and net assets of the Fund. Each of the participating shares entitles the holder to attend and vote at meetings of the Company and of the Fund. The rights, entitlements, dividends or any voting rights attached to one participating share class relate solely to that share class.

The holders of participating shares are entitled to such dividends as the Directors may from time to time declare and, in the event of a winding up, have the entitlements referred to in the Company's prospectus. At a general meeting, on a show of hands every holder of participating shares present in person or by proxy shall have one vote and on a poll, every holder of participating shares present in person or by proxy shall be entitled to one vote in respect of each participating share held by him.

Applications for shares should be made on the application form and be submitted in accordance with the provisions set out in the prospectus to be received by the Administrator on or prior to the dealing deadline for the relevant dealing day which is at least three months prior to the relevant dealing day or in each case such other business day(s) as the Directors may determine, provided the relevant requests are received at least four weeks before the valuation point for the relevant dealing day. New shares are issued at the offer price. The offer price is set at the net asset value per share in the Fund at the relevant valuation point plus a provision for duties and charges (currently 4.46%) to cover the costs associated with acquiring commercial property in Ireland.

Requests for the sale of shares may, at the sole discretion of the Directors, be permitted on each dealing day, and should be submitted to the Company in accordance with the provisions set out in the prospectus. Requests must be received by the relevant dealing deadline, which is at least six months prior to the relevant dealing day or in each case such other business day(s) as the Directors may determine, provided the relevant requests are received at least four weeks before the valuation point for the relevant dealing day.

Shares are repurchased at the repurchase price. The repurchase price is set at the net asset value per share in the Fund at the relevant valuation point less a provision for duties and charges (currently 2.46%) to cover the costs associated with the disposal of commercial property in Ireland.

The Fund's dealing days are the first business days of January, April, July and October.

19. Net asset value per share

	2016	2015	2014
	€'000	€'000	€'000
Total assets	2,079,045	1,803,692	1,430,431
Total liabilities	(90,203)	(37,602)	(33,904)
Net assets at year end	**1,988,842**	**1,766,090**	**1,396,527**

	2016	2015	2014
	Shares	Shares	Shares
Number of shares in issue	**1,983,772**	**1,875,820**	**1,747,725**

	2016	2015	2014
	€	€	€
Net asset value per share	**1,002.56**	**941.50**	**799.05**
INREV net asset value per share (unaudited)	**1,008.19**	**957.84**	**816.42**

20. Dividends payable

			2016	2015
	Payment date	**€ per share**	**€'000**	**€'000**
For the year ended 31 December 2015				
Q1 dividend	7 April 2015	11.250		19,612
Q2 dividend	3 July 2015	11.250		19,603
Q3 dividend	3 October 2015	11.250		21,105
Q4 dividend	6 January 2016	10.076		18,902
		43.826		
For the year ended 31 December 2016				
Q1 dividend	5 April 2016	10.500	19,694	
Q2 dividend	5 July 2016	10.500	20,537	
Q3 dividend	5 October 2016	10.500	20,843	
Q4 dividend	22 December 2016	10.500	20,840	
		42.000		
Total dividends			**81,914**	**79,222**

The Board declared the payment of a final dividend for the year ended 31 December 2016 of €10.50 per share (2015: €10.076) which was paid on the 22 December 2016 to shareholders present on the register at 22 December 2016. The total dividend per share declared for the year ended 31 December 2016 was €42.00 (2015: €43.826).

21. Financial risk management

The Company is exposed to various types of risk that are associated with financial instruments. The most important types are market risk, liquidity risk and credit risk.

Market risk

Market risk is the risk that the fair values or future cash flows of financial instruments will fluctuate due to changes in market prices. The Company's financial assets comprise short term bank deposits and trade and other receivables. Exposure to market risk on the funds held in short term bank deposits is limited to interest rate risk. These deposits earn low interest rates and therefore an increase or decrease in the interest rate would not have a material effect on the results for the year. The Company's financial liabilities comprise dividends and trade and other payables, neither of which give rise to a significant market risk.

The Company does not have any exposure to foreign currency risk as all assets and liabilities are denominated in Euro.

The Company invests in commercial property in the Republic of Ireland and as such is exposed to the risks of investing in the Irish property market. See note 4 and note 10 for further details.

Liquidity risk

Liquidity risk is the risk that the Company will encounter in realising assets or otherwise raising funds to meet financial commitments. The investment properties in which the Company invests are not traded on a public market and may be illiquid. As a result, the Company may not be in a position to liquidate its investments in a timely manner at an amount close to their fair value in order to meet its liquidity requirements.

Any request for the repurchase of shares made to the Company are accepted at the sole discretion of the Directors. The Company has a minimum six month dealing term to which the Directors can extend in line with the liquidity of the Fund.

In order to mitigate this risk, the Company maintains a level of liquidity appropriate to its underlying obligations, based on an assessment of the relative liquidity of the Company's assets in the market, taking account of the time required for liquidation and the price or value at which those assets can be liquidated and their sensitivity to other market risks or factors. The Company's liquidity risk is managed on an on-going basis by the senior management team and monitored on a quarterly basis by the Board.

The Company had contracted capital commitments of €91,584,859 at 31 December 2016 (2015: €90,470,715) which related to construction contracts for the refurbishment/development projects commenced during 2016. In order to manage the liquidity risk around the funding of these projects, the Company executed a three year €150,000,000 Revolving Credit Facility with Wells Fargo in January 2016.

The Board of Directors seek to maintain minimum cash balances of at approximately 1% of the net asset value of the Company. At the 31 December 2016 the company held €18,049,000 (31 December 2015: €38,407,000) which is 0.90% (31 December 2015: 2.2%) of the net asset value.

Interest rate risk

At 31 December 2016 the Company had a revolving credit facility with Wells Fargo Bank International for an initial commitment of €150,000,000 at an interest rate of Euribor +1.40%. €67,777,000 of this facility was drawn at the reporting date including the deduction of arrangement and other facility fees. The interest incurred on this facility in the year was €1,226,000.

An increase/decrease in the interest rate by 10 basis points will result in an increase/decrease of €67,777 on the debt of €67,777,000

21. Financial risk management (continued)

Details of the Company's financial liabilities and their maturities are as follows:

	At 31 December 2015	1 year or less	2 to 5 years	5 years +
	€'000	€'000	€'000	€'000
Trade creditors	3,687	3,687	–	–
Accruals and other payables	4,572	4,572	–	–
Rental deposits	2,137	–	2,137	–
Dividends payable	18,902	18,902	–	–

	At 31 December 2016	1 year or less	2 to 5 years	5 years +
	€'000	€'000	€'000	€'000
Trade creditors	38	38	–	–
Accruals and other payables	7,897	7,897	–	–
Rental deposits	2,483	–	2,483	–
Borrowings	67,196	–	67,196	–

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents held at banks, trade receivables and rent receivables from lessees.

The Company's policy is to enter into financial instruments with reputable counterparties. The senior management team closely monitor the creditworthiness of the Company's counterparties by reviewing their credit ratings and financial information on a regular basis.

In relation to rental income receivable, the senior management team assess the tenants according to the Company's criteria prior to entering into lease arrangements. Tenants payment records are monitored in order to anticipate and minimise the impact of any defaults and the Board receive regular reports on any tenants in arrears. The Company is not exposed to any concentration of rental income from any one tenant.

All of the Company's cash is placed with financial institutions with a credit rating of at least B (Ulster Bank Ireland Ltd BBB, Bank of Ireland BBB-, Permanent TSB BB- and Barclays Bank plc A- (based on Standard & Poor's long term rating). Should the financial position of the banks currently utilised significantly deteriorate, cash holdings would be moved to another bank. Cash deposits are spread across a number of different financial institutions with a maximum of 50% of cash held with any one institution at any one time.

The carrying amount of financial assets represents the maximum credit exposure:

	2016	2015
	€'000	€'000
Cash and cash equivalents	18,049	38,407
Restricted cash and cash equivalents	4,923	4,167
Trade and other receivables	14,028	15,947
	37,000	**58,521**

21. Financial risk management (continued)

Fair value hierarchy

As at 31 December 2016, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values and are classified in Level 2 of fair value hierarchy.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the Company at 31 December 2016 consisted entirely of equity. Equity comprises issued share capital and retained earnings as disclosed in the statement of changes in equity. The Board monitors the return on capital as well as the level of dividends paid to shareholders. It is the policy of the Company to pay dividends from accumulated revenue less expenses.

In accordance with the European Union (Alternative Investment Fund Managers Directive) Regulations 2013, the Company maintains an issued share capital of at least €300,000. The Minimum Capital Requirements state that the Company must hold the higher of Initial Capital Requirement plus Additional Amount (if applicable) and Expenditure. Based on management calculations the Expenditure method produces the higher figure. The required total of the initial capital and the additional amount shall not be required to exceed €10,000,000.

22. Remuneration disclosures

The Board has established a Remuneration Committee which is responsible for the making of decisions regarding remuneration of the Company's staff. The Board has adopted a Remuneration Policy which sets out the remuneration practices of the Company and which are intended to be consistent with the risk profile of the Company. The policy is to pay identified staff a fixed component with the potential to receive a variable component based on a combination of the performance of the individual and the Company. The fixed and variable remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant member of staff's position and professional status as well as market best practice. The assessment of performance is set in a multi-year framework appropriate to the life cycle of the Company in order to ensure that the assessment process is based on longer term performance.

The Directors and senior management team are considered to be the Company's key management personnel. No Director or member of the senior management team had any interest in any transactions which were unusual in their nature or significant to the nature of the Company. The short term employee benefits of the key management personnel of the Company is set out below in aggregate for each of the applicable categories specified in IAS 24 'Related Party Disclosures':

	2016	2015
	€'000	€'000
Short-term employee benefits	2,276	1,993
	2,276	**1,993**

The Company promotes one sub-fund, the IPUT Property Fund, and the remuneration of the eleven identified staff who have a material impact on the risk profile of the Company is as follows:

	Fixed	2015 Variable	Total
	€'000	€'000	€'000
Total remuneration of identified staff	1,356	637	1,993

	Fixed	2016 Variable	Total
	€'000	€'000	€'000
Total remuneration of identified staff	1,584	692	2,276

22. Remuneration disclosures (continued)

Included within the above figures are amounts recognised in the statement of comprehensive income, in accordance with IFRS 2 Share-based Payment, relating to 106 shares issued to a member of key management personnel (2015: none). These shares were granted in order to incentivise and retain the services of the grantee and will vest on 1 January 2019. The fair value of the share based payment plan has been measured with respect to the net asset value per share at the reporting date and, at the option of the grantee, the Company may make a cash payment in lieu of the value of the shares at the date of vesting. The cost of the share based payment plan is recognised over the vesting period to 1 January 2019.

23. Related party disclosures

To the extent not disclosed elsewhere in this report, details of the Company's related parties are set out below. The Company's principal subsidiaries as at 31 December 2016 are as follows:

Related companies	Company's interest	Nature of business	Country of incorporation
IPUT Nominees Limited	100%	Dormant	Ireland
Ryde Dublin Limited	100%	Dormant	British Virgin Islands

In addition, the Company holds an interest in a number of management companies responsible for the collection of service charges on properties owned by the Company. These interests are not considered material to the Company's operations.

The Directors received total remuneration of €370,000 during the year ended 31 December 2016 (2015: €360,000). No Directors fees remained payable at the year end. Details of Directors' interests in shares in the Company are included in the Directors' Report.

The Directors are satisfied that there are arrangements in place to ensure that the obligations set out in the AIF Rulebook in respect of dealings by the Company, the depositary or any delegates or group companies of these are applied to all transactions with connected parties.

24. Operating lease arrangements

	2016	2015
	€'000	€'000
Within 1 year	81,925	75,073
After 1 year but not more than 5 years	235,048	264,356
More than 5 years	311,742	302,854
	628,715	**642,283**

The Company generates rental income through the leasing of investment properties to tenants under non-cancellable operating leases. The Company had contracted to receive the above minimum lease payments at 31 December 2016.

25. Administration fee

The Administrator ('Northern Trust Fund Administration Services (Ireland) Limited') is entitled to receive out of the assets of the Company, accrued and payable quarterly in arrears, the following fees:

- an annual fee based on a stepped percentage of the gross asset value, as at each dealing day (subject to a minimum annual fee of €80,000); and
- an annual fee of €100 per investor for the maintenance of their account;

For the year ended 31 December 2016, the Administrator earned a fee of €266,000 (2015: €247,000), of which €132,000 was due and payable at the year end (2015: €66,000).

26. Depositary fee

The Depositary ('Northern Trust Fiduciary Services (Ireland) Limited') is entitled to receive out of the assets of the Company, an annual fee based on a stepped percentage of the net asset value of the Company as at each dealing day. This fee is subject to a minimum annual fee of €44,000. The fee is accrued and payable quarterly in arrears. The Depositary is also entitled to a transaction fee for each purchase and sale of an asset of €500 per transaction. For the year ended 31 December 2016, the Depositary earned a fee of €278,000 (2015: €264,000), of which €130,000 was due and payable at the year end (2015: €73,000).

27. Events after the reporting year end

On 3 January 2017 the Company issued 54,897 shares for consideration of €57,491,000. This transaction, after the reporting year end, was not characterised by unusual size or frequency.

On 20 January 2017 the Company completed the acquisition of the remaining 66.66% interest in Wilton Park House, Wilton Place, Dublin 2 in exchange for 87 Grafton Street, Dublin 2 and the sum of €48,790,000.

On 3 February 2017 the Company completed the disposal of Unit 35, National Technology Park, Plassey, Co. Limerick for the sum of €2,100,000.

The 2016 Finance Act introduced changes to the taxation of investors in Irish real estate funds ('IREF's) from 1 January 2017 onwards. The IPUT Property Fund will continue to be exempt from tax on its income and gains. However, a new IREF withholding tax of 20% will apply to the following payments made to certain specified non-Irish resident investors:

- Income distributions
- Gains realised on the redemption of shares (excluding capital gains attributed to assets held for greater than five years)

The following investors are excluded from the IREF withholding tax provisions:

- EU/EEA pension funds (including PRSA's, ARF's, private pension plans)
- EU/EEA life assurance funds
- EU/EEA regulated collective investment vehicles

28. Funds committed

The Company had received new share applications with a cumulative value totalling €114,981,000 as at 31 December 2016 (31 December 2015: €161,361,064). These applications were considered by the Directors and 50% of the funds were drawn down on 3 January 2017.

29. Changes to prospectus

There were no changes made to the prospectus during the year.

30. Soft commission arrangements

There were no soft commission arrangements undertaken during the year ended 31 December 2016 (2015: none).

31. Capital commitments

The Company had contracted capital commitments of €91,584,859 at 31 December 2016 (31 December 2015: €90,470,715) which related to construction contracts for refurbishment/redevelopment projects in progress during the year.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of IPUT plc (the 'Company') will be held at The Westbury Hotel, Balfe Street, Dublin 2 on the 27 April 2017 at 12pm to review the affairs of the Company and to consider and, if thought fit, to pass the following resolutions:

Ordinary Business:

1. To receive and consider the directors' and auditor's report and financial statements for the year ended 31 December 2016;
2. To re-appoint KPMG as auditors to the Company and to authorise the directors to fix their remuneration;

And to transact any other business which may properly be brought before the meeting.

By Order of the Board

Pat McGinley
Company Secretary
29 March 2017

Glossary of Terms

Capital Raised
Cash received from the issuance of new shares.

Dividend Per Share
Annual dividend declared divided by the weighted average number of shares in issue.

Dividend Yield
Dividend per share expressed as a percentage of the average net asset value per share over the entire year.

Estimated Rental Value (ERV)
The open market rent that a property could reasonably be expected to achieve on a new letting or rent review.

Income Yield
Annual rent receivable on an investment property expressed as a percentage of the total acquisition cost.

Net Asset Value Per Share
Net assets divided by the number of shares in issue at the reporting date.

Net Rental Income
Gross rental income less operating property costs, net service charge costs and after accounting for the net effect of the amortisation of lease incentives.

Occupancy Rate
The estimated rental value of let units as a percentage of the total estimated rental value of the portfolio, excluding properties which are undergoing refurbishment/development and are not available to let as at the reporting date.

Offer Price Per Share
The net asset value per share at the relevant valuation point plus a provision for duties and charges to cover the costs associated with acquiring commercial property in the Republic of Ireland.

QIAIF
Qualifying Investor Alternative Investment Fund.

Repurchase Price Per Share
The net asset value per share at the relevant valuation point less a provision for duties and charges to cover the costs associated with the disposal of commercial property in the Republic of Ireland.

Total Expense Ratio
Total Management and Fund expenses as a proportion of the weighted average net asset value of the Fund.

Total Property Return (IPD)
The movement in property capital values during the period, less any capital expenditure incurred, plus capital receipts and net income, expressed as a percentage of the property value at the beginning of the year plus capital expenditure, as calculated by IPD.

Total Shareholder Return
The movement in the net asset value per share plus dividends per share earned in the year, expressed as a percentage of the net asset value per share at the beginning of the year.

WAULT
Weighted average unexpired lease term.

Property Portfolio Map

98 properties across Ireland:

Office

1. Block P1, Eastpoint Business Park, Dublin 3
2. Block P3, Eastpoint Business Park, Dublin 3
3. 6 George's Dock, IFSC, Dublin 1
4. The Exchange, IFSC, Dublin 1
5. Block B, George's Quay, Dublin 2
6. 25-28 North Wall Quay, IFSC, Dublin 1
7. 30-32 Sir John Rogerson's Quay, Dublin 2
8. 33-34 Sir John Rogerson's Quay, Dublin 2
9. Riverside One, Sir John Rogerson's Quay, Dublin 2 (70.8%)
10. Riverside Two, Sir John Rogerson's Quay, Dublin 2
11. 7 Hanover Quay, Dublin 2
12. 40 Molesworth Street, Dublin 2
13. 10 Molesworth Street, Dublin 2
14. 15 Molesworth Street, Dublin 2
15. 1 Grand Canal Square, Dublin 2
16. 46 St. Stephen's Green, Dublin 2
17. 47-49 St. Stephen's Green, Dublin 2
18. 2 Hume Street, Dublin 2
19. Ballaugh House, 73-79 Lower Mount Street, Dublin 2
20. Timberlay House, 79-83 Lower Mount Street, Dublin 2
21. Styne House, Hatch Street, Dublin 2
22. 2 Harcourt Centre, Harcourt Street, Dublin 2
23. 3 Harcourt Centre, Harcourt Street, Dublin 2
24. Alexandra House, Block D, Earlsfort Centre, Dublin 2 (75%)
25. Block E, Earlsfort Centre, Dublin 2 (75%)
26. Fitzwilton House, Wilton Place, Dublin 2
27. Wilton Park House, Wilton Place, Dublin 2 (33.33%)
28. 10-12 Lansdowne Road, Dublin 4
29. 1 Shelbourne Buildings, Shelbourne Road, Dublin 4
30. 2 Shelbourne Buildings, Shelbourne Road, Dublin 4
31. 3 Shelbourne Buildings, Shelbourne Road, Dublin 4
32. Ericsson House, Beech Hill, Clonskeagh, Dublin 14
33. Block 5, Richview Office Park, Clonskeagh, Dublin 14
34. Block 9, Richview Office Park, Clonskeagh, Dublin 14
35. Swords Business Campus, Swords, Co. Dublin (25%)
36. Waterside 1, Citywest Business Campus, Dublin 24 (50%)
37. Waterside 2, Citywest Business Campus, Dublin 24 (50%)
38. Waterside 3, Citywest Business Campus, Dublin 24 (50%)
39. Waterside 4, Citywest Business Campus, Dublin 24 (50%)
40. Waterside 5, Citywest Business Campus, Dublin 24 (50%)

Retail

41. 45 Henry Street, Dublin 1
42. 16 Henry Street, Dublin 1
43. 17 Henry Street, Dublin 1
44. 47-48 O'Connell Street, Dublin 1
45. 87 Grafton Street, Dublin 2
46. 83 Grafton Street, Dublin 2
47. 72 Grafton Street, Dublin 2
48. 69 Grafton Street, Dublin 2
49. 65-66 Grafton Street, Dublin 2 (60%)
50. 28-29 Grafton Street, Dublin 2
51. 36 Grafton Street, Dublin 2
52. 40 Grafton Street, Dublin 2
53. 6-7 St. Stephen's Green, Dublin 2
54. 15-16 Lower Baggot Street, Dublin 2
55. Pavilions Shopping Centre, Swords, Co. Dublin (25%)
56. Airside Retail Park, Swords, Co. Dublin (50%)
57. B&Q, Liffey Valley Retail Park, Dublin 22 (50%)
58. Phase 1, The Park, Carrickmines, Dublin 18
59. The Iveagh Building, The Park, Carrickmines, Dublin 18
60. Opera Lane, Academy Street, Cork (35%)
61. 73 Patrick Street, Cork
62. 74-75 Patrick Street, Cork
63. 79 Patrick Street, Cork

Industrial

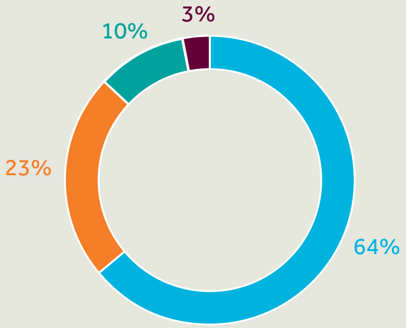
64. Unit C, North Dublin Corporate Park, Swords, Co. Dublin
65. Unit D1, North Dublin Corporate Park, Swords, Co. Dublin
66. Unit D2, North Dublin Corporate Park, Swords, Co. Dublin
67. Unit E, North Dublin Corporate Park, Swords, Co. Dublin
68. Unit F, North Dublin Corporate Park, Swords, Co. Dublin
69. Unit D1, Airport Business Park, Swords, Co. Dublin
70. Geodis Building, Damastown Business Park, Mulhuddart, Dublin 15
71. Unit 14/16, Blanchardstown Corporate Park, Ballycoolin, Dublin 15
72. 1 Rosemount Business Park, Dublin 15
73. Unit D, Furry Park Industrial Estate, Dublin 9
74. Unit E, Furry Park Industrial Estate, Dublin 9
75. Unit K, Furry Park Industrial Estate, Dublin 9
76. Unit L, Furry Park Industrial Estate, Dublin 9
77. Unit M1, Furry Park Industrial Estate, Dublin 9
78. Unit M2, Furry Park Industrial Estate, Dublin 9
79. Unit N, Furry Park Industrial Estate, Dublin 9
80. Unit A, Willsborough Distribution Centre, Dublin 17
81. Unit B, Willsborough Distribution Centre, Dublin 17
82. Corner Unit East, Willsborough Industrial Estate, Dublin 17
83. Corner Unit West, Willsborough Industrial Estate, Dublin 17
84. East Unit, Willsborough Industrial Estate, Dublin 17
85. West Unit, Willsborough Industrial Estate, Dublin 17
86. Unit 624, Northwest Business Park, Ballycoolin, Dublin 15
87. Unit D, Kilcarbery Distribution Park, Clondalkin, Dublin 22 (50%)
88. Unit E, Kilcarbery Distribution Park, Clondalkin, Dublin 22
89. Unit 5, Westgate Business Park, Dublin 12
90. Unit 6A, Westgate Business Park, Dublin 12
91. Unit 7, Westgate Business Park, Dublin 12
92. 4045 Kingswood Road, Citywest Business Campus, Dublin 24
93. 4058-4060 Kingswood Drive, Citywest Business Campus, Dublin 24
94. Unit 92, Bracken Road, Sandyford Industrial Estate, Dublin 18
95. Unit 35, National Technology Park, Plassey, Limerick

Other

96. Lad Lane Apartments, Lad Lane, Dublin 2
97. 8.2 acre site, Waterside, Citywest Business Campus, Dublin 24 (50%)
98. Quadrant 3, The Park, Carrickmines, Dublin 18

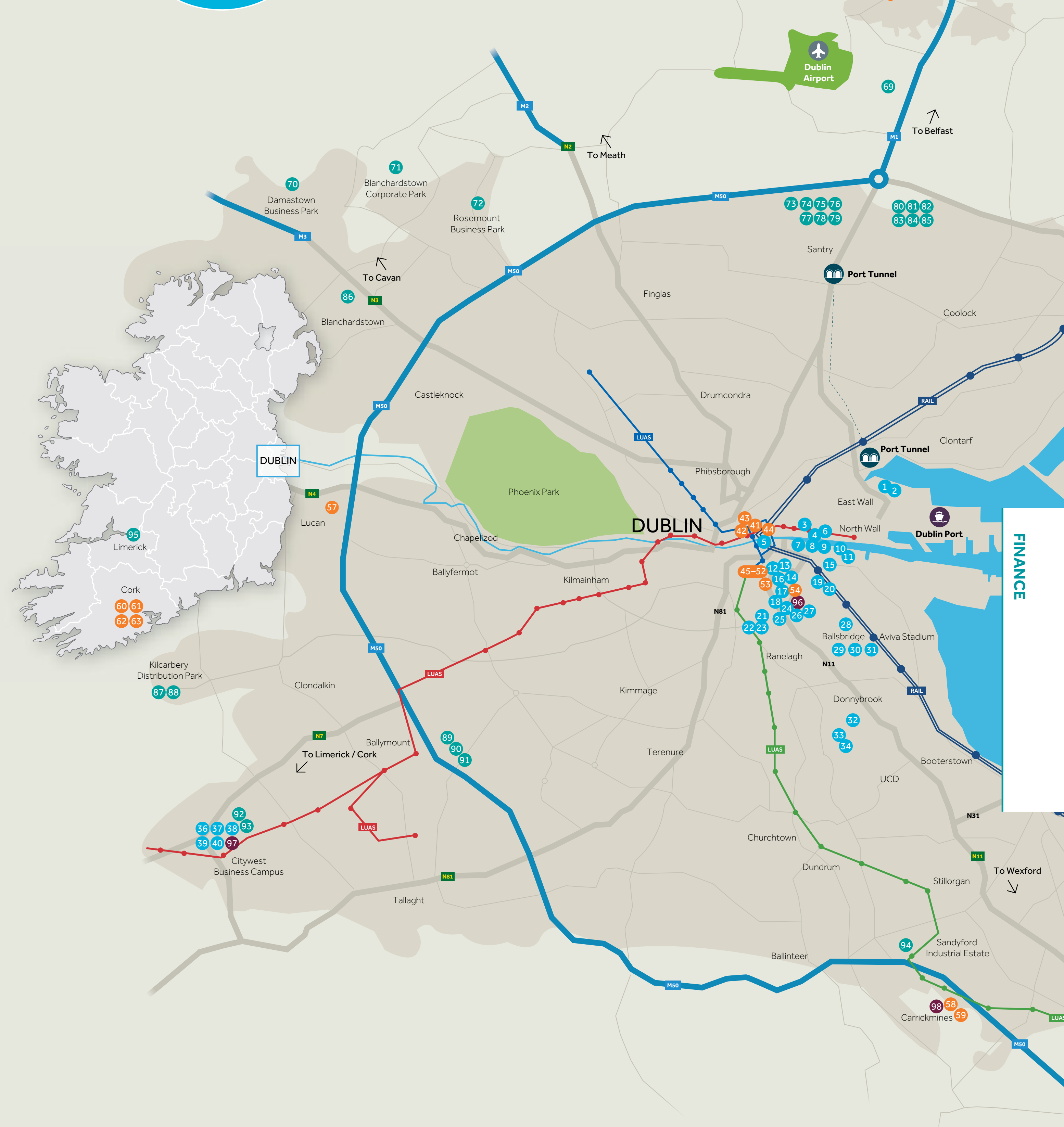
A statement of changes in the composition of the portfolio during the year is available to shareholders, free of charge, on request from the Administrator.

Portfolio Weightings



Sector

- Office **64%**
- Retail **23%**
- Industrial **10%**
- Other **3%**



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Company Secretary
Pat McGinley

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Dublin 2

Bank of Ireland
Lower Baggot Street
Dublin 2

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Dublin 2

Barclays Bank Ireland
Two Park Place
Hatch Street
Dublin 2

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IFSC
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