IRELAND'S PREMIER PROPERTY FUND

IPUT plc | Annual Report & Financial Statements 2017

ABOUT IPUT

IPUT is a core income fund with an unrivalled track record in delivering consistent income returns to shareholders through multiple cycles.

The Fund's principal objective is to provide institutional investors with a consistent income yield from Irish commercial real estate. Shareholders have received over €540 million through quarterly cash dividends over the past 10 years.

The IPUT portfolio comprises 470,000 sq m (5 million sq ft) of institutional grade, prime commercial real estate and includes large scale offices, retail and industrial properties with a particular focus on offices in Dublin's core central business district.

The management team has multi-cycle experience and seeks to grow rental income and maximise shareholder returns. Our strategy has delivered consistent long-term performance outperforming the IPD/MSCI benchmark over all time horizons.

More information online:

Visit our dedicated investor section of our website to access a wide range of company information: **www.iput.com/investor-relations**

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2017 HIGHLIGHTS

Delivering strong returns for shareholders

Net Asset Value	Dividend Yield	Total Shareholder Return	Occupancy Rate
€2.3bn	4.0%	9.5%	98.1%
Net Rental Income	**New Acquisitions**	**Total Disposals**	**WAULT**
€92.7m	€144m	€31m	6.5 Years

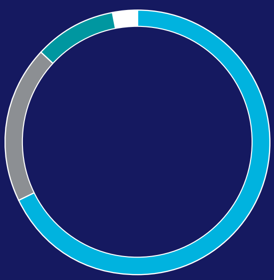
"We have entirely de-risked our development pipeline in securing over €15m of new income."

10 Molesworth Street, Dublin 2
Size: 10,680 sq m (115,000 sq ft)
Status: Pre-let to AIB

For more information, **see page 24**

IPUT AT A GLANCE

Ireland's Premier Property Fund



Portfolio Weightings

- Office **68%**
- Retail **19%**
- Industrial **10%**
- Other **3%**

Number of Tenancies
380

Total Expense Ratio
0.35%

Total Portfolio Size
5m sq ft

Number of Properties
95

20 Year Average Dividend Yield
5.0%

20 Year Average Total Property Return
10.5%

The Exchange, IFSC, Dublin 1
Size: 9,750 sq m (105,450 sq ft)
Status: 2 year rental underwrite

For more information, **see page 26**

40 Molesworth Street, Dublin 2
Size: 3,025 sq m (32,550 sq ft)
Status: Pre-let to Jet.com and Specsavers

For more information, **see page 28**

OUR KEY PERFORMANCE INDICATORS

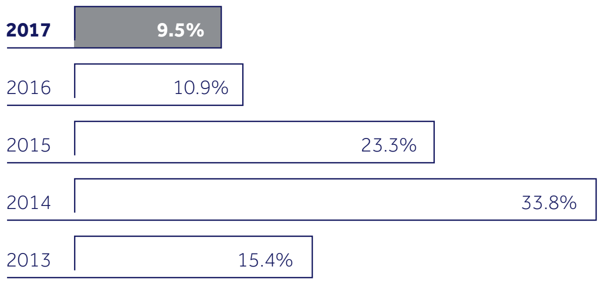
Consistent income returns over the long term

We measure our performance against relevant external and internal benchmarks and aim to outperform through the timely execution of our investment strategy.

Total Shareholder Return

9.5%

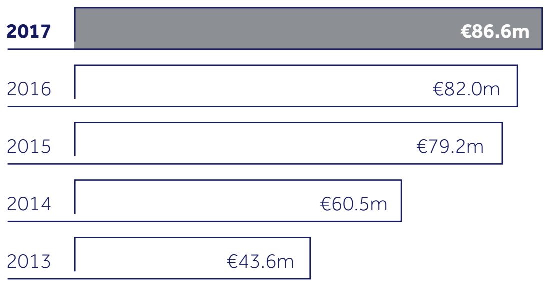
The performance for 2017 reflects the significant capital value growth generated by the added value activity undertaken by the Fund.



Dividends

€86.6m

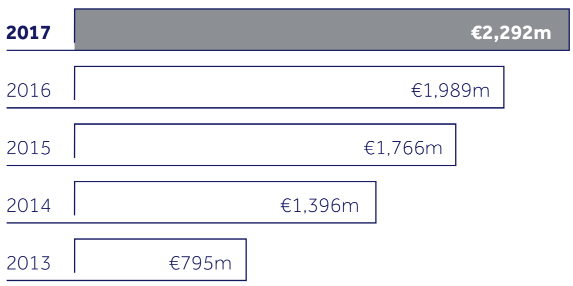
We have consistently paid our shareholders quarterly cash dividends over the past 50 years. The Fund is generating a dividend yield of 4% despite 9% of the portfolio being under development at year end.



Net Asset Value

€2,292m

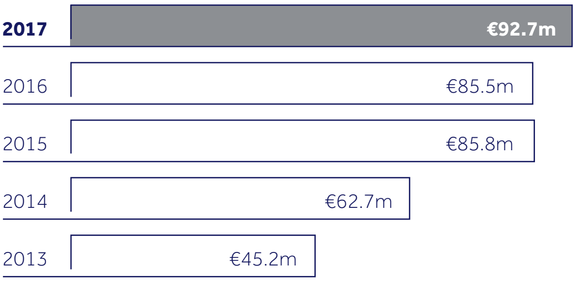
The Net Asset Value reflects the current value of the Fund.



Net Rental Income

€92.7m

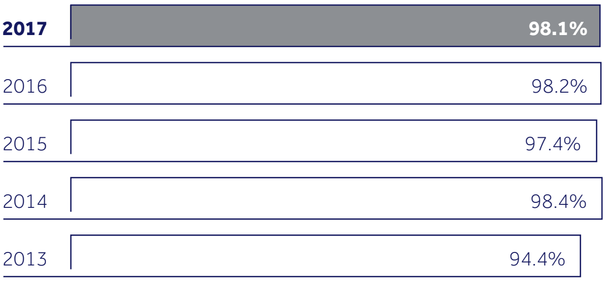
We aim to grow rental income annually through the acquisition of new properties and the active management of the portfolio.



Occupancy Rate

98.1%

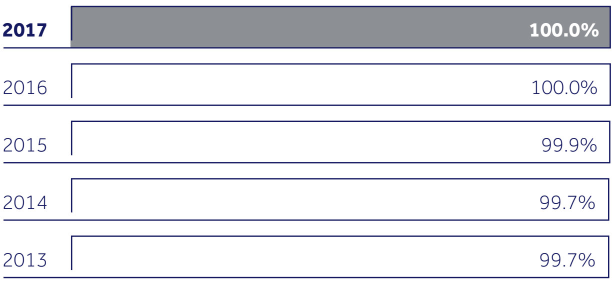
We actively manage our portfolio to optimise our rental income. The occupancy rate of 98.1% is a reflection of the strength of the underlying tenant covenants across the portfolio.



Rent Collection

100%

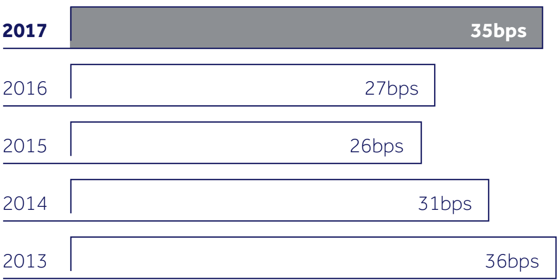
To maximise our cash flow we aim to collect at least 95% of rent invoiced within 30 days of the due date.



Total Expense Ratio

35bps

IPUT is an internally managed fund owned and operated on behalf of its shareholders. This structure ensures that operating costs are managed very efficiently.



CHAIRMAN'S STATEMENT

I am pleased to present IPUT's 2017 Annual Report which shows that the Fund continues to generate strong returns for our shareholders. The Fund delivered a total shareholder return of 9.5% for the year.

John F. Mulcahy
Chairman

€92.7m	€86.6m	€205m	€155m
Net Rental Income	Cash dividends returned in 2017	Equity raised from new and existing shareholders	Matched through secondary trades

2017 was a landmark year for IPUT as the Fund reached 50 years in operation, making it one of the most enduring property funds in Europe. IPUT has delivered consistent income returns to shareholders over the past 50 years and this continued in 2017 when we generated a dividend yield of 4.0%. This achievement is all the more notable considering that 12% of the Fund's properties were under redevelopment and renewal during the year. We have made a significant investment in our existing estate over recent years and these projects are now fully de-risked with over €15m of new income secured on long term leases. Shareholders will see the benefit of this activity through an expected step-up in dividend payments to €44 per share in 2018 with further increases expected as our future development projects complete.

Performance

The NAV of IPUT grew by over €300m to €2.3bn in 2017 reflecting a combination of new investment in the Fund and capital value growth. The Total Property Return in 2017 was 9.9%, significantly ahead of the IPD/MSCI benchmark which reported a 7.5% return (excluding IPUT).

IPUT continues to outperform the benchmark across all time horizons. This is a significant achievement and a positive reflection on the quality of the existing portfolio. The out-turn validates the regeneration activity completed to date, which was a significant contributor to capital value growth across the Fund. Further capital value growth is anticipated across the portfolio, however, we expect a continued moderation in its pace going forward with the development programme continuing to be a key driver of future capital uplifts.

Financial highlights

Net rental income in 2017 was €92.7m an 8% increase on 2016. The additional new income is predominantly derived from the recently completed added value projects and we expect this will result in a further increase in the Fund's rental income and dividend in 2018.

The dividend per share of €41.41 per share is broadly in line with our average dividend over the last 3 years. The Fund distributed €86.6m to shareholders over the last 12 months bringing total dividends over the last 10 years to €540 million.

As the income profile grows I am pleased to report that we have maintained consistency in our rent recovery rate, once again achieving a 100% out-turn. This is a positive reflection of the high-quality tenants in the portfolio as well as recognition of the processes the portfolio management team have in place to ensure the careful, active and fair management of the portfolio.

We have managed to maintain an efficient cost base through the effective management of internal costs and third-party providers. The Total Expense Ratio of 35bps compares favourably to our peer group.

Governance

The Board continues to manage and monitor governance and risk across the business, the details of which are set out in the risk management section and the Directors' Report. There were no appointments to or retirements from the Board during the year but the scope, size and skillset of the Board will remain under ongoing review.

In 2017, a revised incentive framework was put in place for senior management. As a Board, we recognise the central role that remuneration plays in the long term success of the business. The policy on remuneration for senior management is designed to ensure that remuneration conditions for senior executives reward, retain and motivate them to perform and clearly align their interests with those of our shareholders.

Strategy

An updated investment strategy has been approved by the Board. The focus of the strategy is to optimise investment returns for shareholders by investing in Irish commercial property with a particular focus on prime large scale Dublin assets and actively managing the portfolio.

As the property cycle continues to mature, the Board will continue to monitor the potential risks and seek to influence the investment strategy accordingly. We see significant opportunities within our own portfolio for further regeneration as well as for further opportunistic acquisitions. These regeneration projects will be considered as leases expire or opportunities to work with existing tenants arise and we may seek to de-risk part or all of the project before commencing on-site.

The Fund continues to attract new investment from both leading global investors and our existing domestic shareholders. Total capital raised in 2017 was €205 million reflecting continued demand for stable income returns from investors. The benefit of the Fund's increased scale is evidenced through the secondary trading activity in 2017. Shares valued at over €155m were matched through secondary trades highlighting the liquidity benefit which new investors bring to existing shareholders.

Outlook

While many of the external risks and uncertainties we identified last year remain, we expect greater clarity on these as the year progresses. The impact of monetary policy changes and tax reform are challenges we are alive to. While many of these risks are outside our control, we as a Board and management will take steps to mitigate any effects on the business where we have control. This will be achieved through ongoing analysis of our portfolio and the internal and external factors which influence it, and timely action.

I am confident that our business model and strategy are appropriate for the current phase of the cycle, however, we must remain ready to make adjustments as we see fit.

Economic conditions domestically and internationally remain supportive of further growth and we remain confident about growing future dividends for our shareholders in the medium and long term. Our portfolio of high quality assets is well positioned to deliver this principal objective.

Finally, I would like to thank the Board and staff for the tremendous effort they have put in to make 2017 another successful year.

50TH ANNIVERSARY YEAR IN REVIEW

IPUT | 50 1967 2017

April 2017

INREV Conference

IPUT was one of the headline sponsors at the INREV Annual Conference in Berlin. INREV is the European Association for Investors in Non-Listed Real Estate Vehicles and the association represents and reflects an industry with a total value of €2.1 trillion.

May 2017

50th Anniversary Dinner

The management and Board of IPUT hosted a commemorative dinner to mark the 50th anniversary of IPUT for key shareholders, former Board members and key stakeholders. The dinner reflected our appreciation to those who have contributed to the growth of the Fund over the past 50 years.

June 2017

RTE Concert Orchestra

The RTE Concert Orchestra and Jenny Greene of 2fm hosted an open-air event in the IPUT owned Wilton Park, Dublin 2. Social initiatives are a key pillar of our sustainability strategy and IPUT worked closely with the organisers to deliver the event. We will continue to engage with the organisers on similar events in the future.

In 2017, IPUT reached 50 years in business and marked the occasion with a number of events throughout the year. As one of the longest established property funds in Europe, the events were an opportunity to celebrate this milestone, promote IPUT's projects and outline the Fund's ambitious plans for the future.

October 2017

EXPO REAL

IPUT was the only Irish fund with a stand at EXPO REAL in Munich in October. The management team met a number of leading global investors and our presence at the event served to further raise the profile of the Fund.

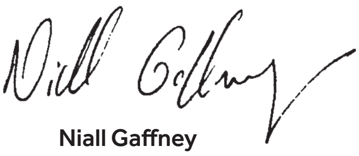
November 2017

End of Season Industry Event

IPUT hosted an end of season industry event in 72 Grafton Street for key stakeholders in the Irish property industry. The event was used to promote IPUT's projects, outline the Fund's ambitious plans for the future and to close out the 50th anniversary events.

CHIEF EXECUTIVE'S REVIEW

2017 was a big year for IPUT. The marking of our 50th year in business and the pre-letting of our entire development pipeline were the standout highlights. Our strategy of regenerating portfolio income continues to drive the performance of the Fund.



Niall Gaffney
Chief Executive

Growing rental income

In addition to the lettings of our development projects, we completed 17 new lettings in the remainder of the portfolio and a further 11 leases were re-geared or reviewed. The rents achieved for all reviews and new lettings were ahead of Estimated Rental Value's (ERV's).

The average WAULT on new lettings was 12.6 years and our occupancy rate remains above 98%. Deals completed after year end will push this above 99%. In the context of a portfolio of 95 properties across 470,000 sq m (5 million sq ft), this is a notable achievement.

The rental values in the portfolio continue to improve and the passing rental income at the end of 2017 stood at €100m, compared to an ERV of €123m. We expect to secure further uplifts in income across all sectors through rent reviews over the medium term.

Transaction activity

Investment activity in Ireland remains elevated and the Fund completed a number of strategic transactions for a cumulative €144m in 2017. These acquisitions were all in Dublin and in line with our investment strategy. We also took advantage of favourable market conditions by disposing of a number of non-core assets generating €31m (7% ahead of IPUT valuations).

Amongst the key acquisitions completed during the year were the acquisitions of Gardner House and the remaining 66% interest in Wilton Park House. These acquisitions complete the assembly of the Wilton Park Estate which comprises over 27,870 sq m (300,000 sq ft) of office space centrally located in the heart of the CBD. We are currently working on a masterplan which could potentially deliver over 55,740 sq m (600,000 sq ft) of office accommodation once complete. The first phase is due to commence in mid-2018 with the redevelopment of One Wilton Park.

Added value programme

The regeneration of our properties is a key strategic priority as it future proofs the income of the Fund. We reached practical completion on a number of key development projects during the year. 40 Molesworth Street, The Exchange and Unit 624 Northwest Business Park all completed on time and on budget, while 10 Molesworth Street completed in Q1 2018. Income was secured on all projects prior to completion through a combination of pre-lets and a rental underwrite. These projects have generated over €15 million of new rent for our shareholders, secured on long term leases to strong tenant covenants. These lettings will be a significant contributor to the expected 7% increase in shareholder dividends in 2018. We are forecasting further material increases as the next phase of our regeneration programme completes.

We are at various stages of advancement with the next phase of our development projects. We are on-site at 5 Earlsfort Terrace and will commence shortly at One Wilton Park. We have lodged planning applications on both 30-32 Sir John Rogerson's Quay and Quadrant 3, The Park, Carrickmines, Dublin 18 which we expect will be key drivers of shareholder returns in the future.

Sustainability

IPUT is firmly established as the market leader in Irish property in terms of sustainability. We were the first Irish property fund to achieve a 2-star Green Star Rating in the GRESB survey in what was only our second year participating.

We have taken a leadership role in sustainability which is suitably reflected in our brand "An IPUT Building". Our ambition for an IPUT Building is that it is well designed, energy efficient and has the wellbeing of its users in mind.

We have several exciting initiatives planned for 2018 particularly in the area of the public realm. Works to improve the public realm are already underway along Molesworth Street. We are planting new trees, laying granite paving and widening footpaths adjacent to our developments at 10 and 40 Molesworth Street.

€15m+
of new income secured through pre-lets

€123m
Estimated Rental Value

98.1%
Occupancy rate

€144m
Strategic acquisitions

12.6 years
Average WAULT on new lettings

€31m
Capital recycled through disposals

"We continue to be active in the current market. We are disciplined in our approach to investment where suitable opportunities arise to add value to the portfolio. Equally we will continue to dispose of assets which do not fit within our strategic long term objectives."

People

At its core, IPUT is a people focused business and our staff are paramount to the success of the Fund. Having added additional resources in 2016 we have continued to add further to the headcount in 2017. We have recruited people in the development, investment and administrative areas of the business. The business is growing steadily and I expect recruitment to continue in 2018 to meet our ambitious plans for the future.

We have relocated to St. Stephen's Green and our new office reflects both the ambition and personality of our business. We are authentic about promoting quality design across our estate and in doing so, we recognise that thoughtful design will serve to improve the wellbeing of our people. I expect the move will enhance productivity, help retain our existing team and assist in the recruitment of new high calibre employees into the future.

Outlook

Having de-risked the current development pipeline we have further regeneration opportunities across our estate, in particular within the Dublin city centre office market. These initiatives will potentially grow shareholder dividends by approximately 20% over the next five years.

We continue to be active in the current market. We are disciplined in our approach to investment where suitable opportunities arise to add value to the portfolio. Equally we will continue to dispose of assets which do not fit within our strategic long term objectives.

The Fund is well capitalised and in 2018 we will continue to engage with new and existing investors to meet our ongoing capital requirements. The €150m revolving credit facility has served us well since 2016 allowing us to complete our development projects, while also minimising any dilution of shareholder dividends.

Despite volatility in the global economy, Dublin remains an attractive location for global capital to invest and for multi-national occupiers to locate their EMEA bases. In 2017, we witnessed record levels of office take-up, particularly from the fintech sector. We expect this trend to intensify in 2018 and our portfolio is well positioned to capitalise on the demand for large scale city centre office accommodation.

In summary, the Fund is in good shape as we move into 2018. We have prudent levels of development exposure to the best performing sector of the market and we believe this will deliver solid dividend growth to our shareholders over the coming years.

Pictured:
IPUT Offices at
47-49 St. Stephen's Green, Dublin 2

DUBLIN MARKET COMMENTARY

The heartbeat of the Irish economy

IPUT is exclusively focused on the Dublin market. Dublin and the Greater Dublin Area (Dublin, Kildare, Meath, Wicklow) is the heartbeat of the Irish economy accounting for almost 50% of economic activity,[1] with Dublin firmly established as a highly attractive investment location.

The city hosts internationally renowned clusters of technology and financial services companies and is consistently ranked among the top cities in Europe as a business location.

There are several key factors cited by companies as key to locating in Dublin; demographics, transport connectivity, access to the single market, English as a primary spoken language, an attractive tax infrastructure and an excellent quality of life.

Demographics

The population of Dublin grew by 5.8% between 2011 and 2016 to 1.35 million, 1.9 million including the Greater Dublin Area (GDA)[2].

The population of the GDA accounts for 40% of Ireland's total population[2], broadly unchanged since the early 1990's. Notably, over half the population is under 34 years and over a third are under 25 years[3] – the highest in Europe.

The availability of a young highly educated and growing workforce has been a key factor attracting companies to locate in Dublin. This is a significant advantage compared to many other European cities which have significantly older demographics and declining populations in some instances.

Economic growth

GDP growth for Ireland for the 12 months to the end of 2017 was 7.8% according to CSO making it the fastest growing economy in Europe for the 4th consecutive year[4]. According to EY, economic growth in Ireland is projected to average 4% between 2018 – 2020 which compares to IMF forecasts for the Euro area of 1.6% over the same period. This is expected to drive employment growth of c. 2.5% per annum (c. 50,000 jobs per annum), with more than half of new jobs expected to be created in Dublin.

50%
of Irish economic activity in Dublin

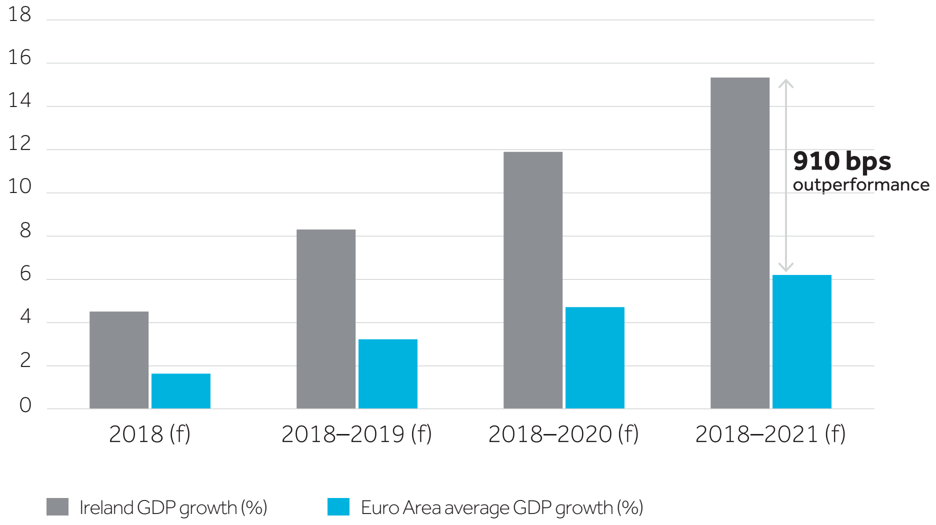
1.9m
Population of Greater Dublin Area

40%
of Irish population in Greater Dublin Area

50%
of population under 34

References:
[1] Eurostat yearbook [2] CSO [3] IDA [4] Davy

Cumulative GDP Growth (projected)



'Ireland is forecast to significantly outperform the Euro Area average over next 4 years.'

Investment

The total investment in Irish commercial real estate in 2017 was €2.6bn. The current cycle is characterised by global institutional investors, accounting for over 50% of investment activity in 2017. Dublin continues to attract new overseas investors, which in the context of the previous cycle when virtually all investment emanated from domestic investors, largely financed by domestic bank debt, is a welcome sign. The office market continues to attract the vast majority of investment and prime office yields have subsequently tightened from 4.65% to 4%.

Office sector

Demand for space in the office market remains buoyant, with 335,000 sq m (3.6 million sq ft) leased during 2017, a new record for the Dublin office market. There was a marked increase in lettings over 4,650 sq m (50,000 sq ft) which accounted for over 50% of new lettings and a high proportion of these were to technology and financial services firms. Despite a notable pick up in commentary on "Brexit" related demand, there has been only a modest increase in office take-up from UK companies.

Rents in the office market continue to improve with prime office rents +4% to €65 psf. However, many of the larger deals have been agreed at lower levels in the range of €55-€60 psf, particularly where there is a greater term certain on the lease. The supply of new office space is increasing, however, this cycle is notable for the lack of speculative development. There is limited development finance available and many projects require a pre-let prior to commencing on-site.

Retail sector

The shift towards online retailing has impacted on demand for retail space as retailers focus on fewer larger stores in prime locations. This has led to a two-tier retail market with the best retail schemes and prime high street stores performing well and secondary locations suffering. Another notable trend is that demand from UK brands, which have traditionally accounted for a significant proportion of retail take-up, has narrowed somewhat. This appears to be due to the uncertainty from Brexit and a weaker economic outlook in the UK.

Logistics sector

The logistics sector in Dublin continues to perform strongly and rents have increased due to a shortage of large high-quality space. The logistics sector is expected to be a key beneficiary from the shift to online retailing and this was reflected in the returns generated in 2017 when it outperformed both the office and retail sectors. Further rental growth in the logistics sector is anticipated in 2018 in light of limited new supply and increased demand.

Residential sector

The pace of economic growth in Dublin is creating infrastructure issues in the housing market. While not to the same degree, there are also issues in other areas, including transport and education. There has been increased investment from global investors in the residential sector, predominantly in the private rental sector, but also in the house-building sector. This is leading to increased supply, a higher quality product and greater professionalism in what has typically been a fragmented sector. The benefit of new entrants to the sector is already evident with data from Goodbody showing the volume of new house completions is +70% in 2017, albeit from a very low base.

The measures introduced by the Government and Central Bank respectively will improve the supply of new homes while at the same time limit the rental and capital value growth experienced in the past. We anticipate further new entrants will help alleviate the issue, however, pressure will remain in the residential market over the short to medium term.

DUBLIN FOCUSED PORTFOLIO

Our investment strategy is centred on Dublin, with a particular focus on Dublin's central business district (CBD).

99%

Dublin (by value)

74%

CBD (by value)

45

Properties in CBD

178,500 sq m

(1.9m sq ft)
Total Area of CBD properties

● IPUT properties

The entire portfolio of 95 properties is listed on page 94


EASTPOINT
BUSINESS PARK
N
W
E
S
DUBLIN PORT
IFSC
NORTH DOCKS
SOUTH DOCKS
GRAND CANAL DOCK
Merrion Square
Fitzwilliam Square
BALLSBRIDGE

MAJOR HOLDINGS

Prime Dublin Assets

Our portfolio is characterised by best in class institutional grade properties.

1 Grand Canal Square, Dublin 2

Size: 11,150 sq m (119,270 sq ft)
Tenancies: HSBC, Accenture, Bank of Ireland

Quadrant 1, The Park, Carrickmines, Dublin 18

Size: 23,000 sq m (247,500 sq ft)
Tenancies: Multi-let

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

Size: 10,252 sq m (110,350 sq ft)
Tenant: McCann Fitzgerald Solicitors

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

Size: 6,800 sq m (73,500 sq ft)
Tenancies: Beauchamps Solicitors, BNY Mellon

10 Molesworth Street, Dublin 2

Size: 10,680 sq m (115,000 sq ft)
Tenant: AIB plc

Geodis Building, Damastown Business Park, Dublin 15

Size: 30,194 sq m (325,000 sq ft)
Tenant: Geodis Ireland

40 Molesworth Street, Dublin 2

Size: 3,025 sq m (32,550 sq ft)
Tenancies: Jet.com, Specsavers

The Exchange, IFSC, Dublin 1

Size: 9,750 sq m (105,450 sq ft)
Tenancies: Food Safety Authority of Ireland, Liquidnet, Walkers Global, Ronan Daly Jermyn

7 Hanover Quay, Dublin 2

Size: 6,160 sq m (65,950 sq ft)
Tenant: Accenture

25-28 North Wall Quay, IFSC, Dublin 1

Size: 10,600 sq m (113,900 sq ft)
Tenant: A&L Goodbody Solicitors

DELIVERING ON OUR STRATEGY

How we deliver

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

1. Prime 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.

- **470,000 sq m (5 million sq ft)**
- **95 properties**
- **Long term ownership**
- **Focus on prime Dublin assets in the office, retail and logistics sectors**
- **Leading global and domestic tenants**
- **Ongoing regeneration of portfolio**
- **Redevelop projects to market leading standards of sustainability.**

Strategy in Action...

One Wilton Park is a new development of 14,100 sq m (150,000 sq ft) in the heart of the CBD in Dublin 2 replacing the existing Fitzwilton House, which has been owned by IPUT since 1982.

2. Experienced Management Team

Develop and retain the most experienced team of real estate professionals in Ireland.

- **Experienced high performance team of skilled and insightful individuals**
- **All key disciplines are resourced in-house**
- **Stable team with interests aligned with those of shareholders**
- **Increased headcount and a new working environment to encourage collaboration**
- **Majority independent non-executive board of directors**
- **Internally managed cost efficient structure.**

Strategy in Action...

New working environment to increase collaboration amongst teams.

3. Grow Rental Income

Grow rental income and maximise long term shareholder returns.

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

Strategy in Action...

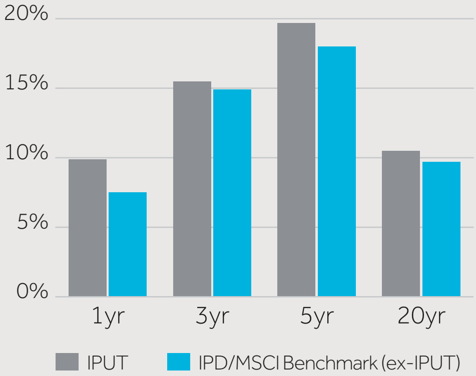
The redevelopment and letting of 40 Molesworth Street has secured €2.1 million of income for our shareholders.

4. Consistent Long-Term Performance

Consistently outperform key domestic and international performance benchmarks.

- **Performance exceeds IPD/MSCI benchmark over all time horizons**
- **20 year average Total Property Return – 10.5%**
- **20 year average dividend yield – 5.0%**
- **€540 million paid to investors (2008 – 2017)**
- **€41.41 dividend per share paid in 2017**
- **9.5% Total Shareholder Return in 2017.**

Strategy in Action...



IPUT's Total Property Return has consistently outperformed the IPD/MSCI benchmark over all time horizons.

A track record of performance through multiple cycles

Reasons to invest	Strategic objectives
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.
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.
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.
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.
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.

2017
Achievements

Strategies implemented	Medium term objectives (2018–2020)			
€205m new equity €155m matched though secondary trades Total Shareholder Return 9.5% Disposal of non-Dublin assets generating €8.6m	Focus exclusively on Dublin	Target Total Shareholder Return (TSR) of 6-8%	Grow dividend through active management of portfolio	
Net Rental Income +8% to €92.7m €10.8m secured through rent reviews and lease re-gears Occupancy rate above 98% maintained	Reduce vacancy rate by leasing vacant space	Grow rental income by capturing reversionary potential	Secure tenants for current developments	Actively manage the lease expiry profile
Daily analysis undertaken of key events relevant to our industry and tenants Detailed analysis on the office supply pipeline undertaken quarterly Bespoke research undertaken on key industry trends	Ongoing analysis of internal and external risks to our business strategy	Comparative analysis of other markets	Monitor investment and business strategy to ensure performance is in line with objectives	
€144m deployed across 4 strategic acquisitions De-risked 23,200 sq m (250,000 sq ft) of development projects adding €15m of new income Resources added in key areas of development, investment and administration	Completion of projects currently underway on time and on budget	Achieve planning for future development projects	Increase headcount to ensure delivery of strategic objectives	Maintain "An IPUT Building" brand
First Irish fund to achieve 2-star Green Star rating in GRESB survey Commenced public realm enhancements at Molesworth Street On track to achieve first LEED Platinum new build office in Dublin	Complete projects to minimum LEED Gold Standard	Achieve a 3-star GRESB Green Star rating	Complete public realm enhancements at Molesworth Street	Target WELL certification at IPUT head office

PROJECT HIGHLIGHTS

10 Molesworth Street, Dublin 2

Leading Irish financial services group AIB plc pre-let the entire of 10 Molesworth Street, Dublin 2. The 10,680 sq m (115,000 sq ft) landmark office building is located at the heart of Dublin's commercial and government quarter and is due for completion in Q1 2018.

AIB

Status

100% pre-let

Income

€7m

Income Yield on Cost

11%

The original building was acquired in March 2013 for €18m and planning permission to redevelop the space was received in 2014. The full redevelopment of the site commenced in 2016 and has been managed by IPUT's in-house development team.

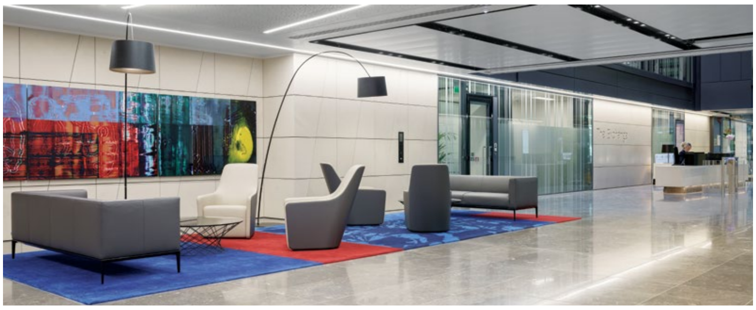
With a final construction cost of €45m, this is the largest redevelopment project undertaken by IPUT to date. The project has been a significant success for the Fund delivering an income yield on cost of c.11% and a profit on cost of 129%.

PROJECT TIMELINE:	2013	2016	2017	2018
	MARCH	MARCH	AUGUST	MARCH
	Acquired	Construction commenced	Letting agreed	Project completion

PROJECT HIGHLIGHTS

The Exchange, IFSC, Dublin 1

The Exchange completed in October 2017 and is the first new build office in the IFSC since 2003. IPUT forward funded The Exchange taking an active role in the design, marketing and management of the building. The Exchange benefits from a 2-year rental underwrite from date of completion.



Status

2-year rental underwrite

Income

€5.4m

Income Yield on Cost

6.4%

High quality tenants have been secured on long term leases for almost half of the 9,750 sq m (105,000 sq ft) space including; Food Safety Authority of Ireland, Walkers Global, Liquidnet and Ronan Daly Jermyn.

PROJECT TIMELINE:

2015
DECEMBER
Acquired

2016
JANUARY
Construction commenced

2017
OCTOBER
Project completion

2019
OCTOBER
2 year rental underwrite expires

PROJECT TIMELINE:	2013	2016	2017	2017
	MARCH	MAY	APRIL	JULY
	Acquired	Construction commenced	Letting agreed	Project completion

PROJECT HIGHLIGHTS

40 Molesworth Street, Dublin 2

In July, IPUT pre-let 40 Molesworth Street to leading U.S. online retailer Jet.com. The 20-year lease, at a headline rent of €60 per sq ft, has a term certain of 12 years and added €1.8m to the Fund's rental income. Specsavers have also agreed to take a 15-year lease of the ground floor retail space adding a further €0.3m to annual rental income.

40 Molesworth Street was acquired in March 2013 for €8.4m and IPUT subsequently secured planning permission for a substantial redevelopment of the entire building. Vacant possession was secured in May 2016 and the Fund commenced a full redevelopment at a cost of approximately €13m. The existing structure was stripped back to its frame and two penthouse office floors were added. The external façade has been completely transformed with a high-performance curtain walling system finished in a distinctive hand-crafted Petersen brick making it one of the most distinctive and attractive buildings in the CBD.

jet

Specsavers

Status

100% pre-let

Income

€2.1m

Income Yield on Cost

9.5%

2017 ACQUISITIONS

Growing rental income through strategic investments

€144m

Total acquisitions in 2017

Wilton Park House, Dublin 2

(Remaining 66% share)

Size: 13,190 sq m (141,986 sq ft)
Status: 100% Let

Purchase Price	€62.3m
Dublin	✓
Prime	✓
Existing Presence	✓
Logistics	–
Existing co-ownership	✓

Gardner House, Dublin 2

Size: 7,000 sq m (75,600 sq ft)
Status: 100% Let

Purchase Price	€63.3m
Dublin	✓
Prime	✓
Existing Presence	✓
Logistics	–
Existing co-ownership	–

IPUT has continued to implement its investment strategy over the past 12 months through a number of strategic acquisitions. The assets acquired are all located in Dublin and reflect our priority of maintaining our current weightings towards our preferred sectors.

Unit 103 Northwest Business Park, Dublin 15

Size: 12,500 sq m (135,000 sq ft)
Status: Under refurbishment

Purchase Price	€12.3m
Dublin	✓
Prime	✓
Existing Presence	✓
Logistics	✓
Existing co-ownership	–

Fresh Supermarket, 1 Grand Canal Square, Dublin 2

Size: 1,200 sq m (13,155 sq ft)
Status: 100% Let

Purchase Price	€6.5m
Dublin	✓
Prime	✓
Existing Presence	✓
Logistics	–
Existing co-ownership	–

2017 ACQUISITIONS
(CONTINUED)

IPUT increases strategic holdings in Wilton Park Estate

Following the acquisitions of Wilton Park House (remaining 66.6% interest) and Gardner House, IPUT has control of the entire Wilton Park Estate.

This strategic holding in the heart of Dublin's CBD also includes One Wilton Park and the Lad Lane apartments. Our proposal to redevelop the entire estate, including enhancements to the public realm at Wilton Park, is currently at pre-planning stage.

The Wilton Park Estate has the capacity to accommodate over 55,740 sq m (600,000 sq ft) of modern office accommodation and the first phase of this development will commence with the development of One Wilton Park in Summer 2018.

2017 DISPOSALS

Recycling capital through disposals

€31m

Total disposals in 2017

10-12 Lansdowne Rd, Dublin 4

Size: 1,190 sq m (12,764 sq ft)

Sale Price	€8.8m
Versus IPUT Valuations	+16%
Non-Dublin	–

Unit 35 Plassey Technology Park, Limerick

Size: 6,150 sq m (66,144 sq ft)

Sale Price	€2.1m
Versus IPUT Valuations	+20%
Non-Dublin	✓

IPUT continues to recycle capital through disposals. We realised €31m during 2017 achieving a premium of 7% ahead of valuations. Disposals primarily focused on assets outside of Dublin and assets which have performance prospects which do not match our long-term expectations.

73 & 74/75 St Patrick's Street, Cork

Size: 1,090 sq m (11,690 sq ft)

Sale Price	€6.5m
Versus IPUT Valuations	**+5%**
Non-Dublin	✓

87 Grafton Street, Dublin 2

Size: 310 sq m (3,364 sq ft)

Sale Price	€13.6m
Versus IPUT Valuations	**+1%**
Non-Dublin	–

LETTING ACTIVITY

Enhancing income returns

2017 has been one of the busiest years on record for new lettings both for IPUT and the Dublin market as a whole. The cumulative value of new lettings in 2017 for the Fund was €17.2m. All lettings have been secured on long term leases with an average lease term of 12.6 years.

These lettings have ensured that the occupancy rate remains above 98% with deals completed after year-end pushing this above 99%, a significant achievement, given the scale of the portfolio.

In addition, we completed a number of rent reviews and lease re-gears, securing €10.8m of income for the Fund. Notably these lettings outperformed ERV's and were 8.5% ahead of the previous rent.

The portfolio remains reversionary at the end of December with the Estimated Rental Value at €123m relative to current income of €100m. Over €40m of income is due for review over the next 3 years across all sectors and we expect to capture much of the reversionary upside over the coming years.

€17.2m

New lettings during the year

46,000 sq m

(495,000 sq ft)
Leased across 22 lettings

8.5%

Rent reviews ahead of previous rent

12.6 Years

WAULT on new lettings

TENANTS

Strong and diverse mix

Letting activity in 2017 has enhanced an already strong and diverse tenant mix. The balanced income profile is not overly exposed to any specific sector and no individual tenant accounts for more than 8% of the Fund's income.

Tenants by Sector

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

CASE STUDIES

DB SCHENKER

Unit 624, Northwest Business Park, Dublin 15

We agreed a pre-let with leading German logistics operator DB Schenker for Unit 624 in Northwest Business Park, Dublin 15. The long-term lease for the 9,570 sq m (103,000 sq ft) unit was the largest logistics letting in the Irish market in 2017. The letting followed a substantial extension and refurbishment of the facility by IPUT delivering a high-quality space for the tenant.

VICTORIA'S SECRET

28-29 Grafton Street, Dublin 2

In January, IPUT added global fashion brand Victoria's Secret to the portfolio. The Fund agreed a new long-term lease of its flagship retail asset at 28/29 Grafton Street, Dublin 2, extending to 2,700 sq m. The new letting secures €1.85m of income annually.

OUR APPROACH TO RISK MANAGEMENT

IPUT aims to deliver its strategic objectives whilst operating within a risk envelope defined by our risk appetite.

We recognise that risks are inherent in running any business and use the Fund's risk management system to ensure that risks to the Fund's strategy are identified, understood and managed.

Our risk management policy identifies the relevant risks to which the Fund is exposed and puts in place procedures and actions to enable the Fund 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. Our investment strategy focuses 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.	STABLE
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 are regularly assessed and taken into account when reviewing and evaluating our investment strategy. 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
	Brexit.	Potential disruption to trade flows post Brexit.	Brexit remains a risk, however Dublin, where IPUT is focused, has seen increased demand for office space from UK companies.	STABLE

Risk	Details	Impact	Mitigation	Change to risk in last 12 months
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. We also regularly review our relationships with counterparties to ensure they are trading well and continue to meet the required standards in each of these areas.	STABLE
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 & Tenant	Weaker occupier demand and increased tenant default.	Adverse impact on income profit and rental growth forecasts. Negative impact on capital values and our dividend payments.	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.	STABLE

OUR APPROACH TO RISK MANAGEMENT (CONTINUED)

Risk	Details	Impact	Mitigation	Change to risk in last 12 months
Monetary Policy	Rising interest rates.	Increased interest rates could potentially negatively impact property valuations and economic growth.	IPUT's portfolio comprises prime Dublin assets where demand remains most robust.	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.	STABLE
Cyber Security	External threat to corporate or building management systems.	A cyber-attack would have adverse impact on our operations and reputation.	All IT systems are protected by strong anti-virus software and firewalls are continually updated and tested. Employee awareness training educates all employees of the importance of cyber security and the risks facing the business.	INCREASED
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. 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

Risk	Details	Impact	Mitigation	Change to risk in last 12 months
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. We formally engage with key stakeholders on our office supply pipeline forecasts to ensure the risk to our buildings of oversupply is sufficiently monitored. We target pre-lets on some or all of the space prior to commencing on-site.	STABLE
Income	Mis-pricing of rents, low tenant retention, poor management of voids.	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
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 revolving credit 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.	STABLE
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 during 2017 to ensure delivery of our business strategy. 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. Relocated to a new work environment which will attract and retain high calibre employees.	STABLE

Notable Reductions in Energy and Carbon

Sustainability remains an integral part of how we do business. We generate consistent income returns for shareholders through active management of our commercial real estate portfolio. In 2017, we have further integrated sustainability into our strategy to help us achieve this.

Our sustainability programme has 4 strategic objectives:

- Engage with our industry to set and enforce high standards
- Support the social and cultural fabric of Dublin City
- Provide responsible management of our buildings
- Deliver well designed and sustainable buildings

In our 2016 Annual Report, and further in our 2016 Sustainability Report, we were pleased to introduce our sustainability strategy. This set out how we intend to develop a unified and effective approach to sustainability which drives value whilst reducing the negative impact on society and the environment. In its second year, our sustainability strategy became more embedded and resulted in notable reductions in energy and carbon, as well as increased engagement with tenants around energy use in buildings.

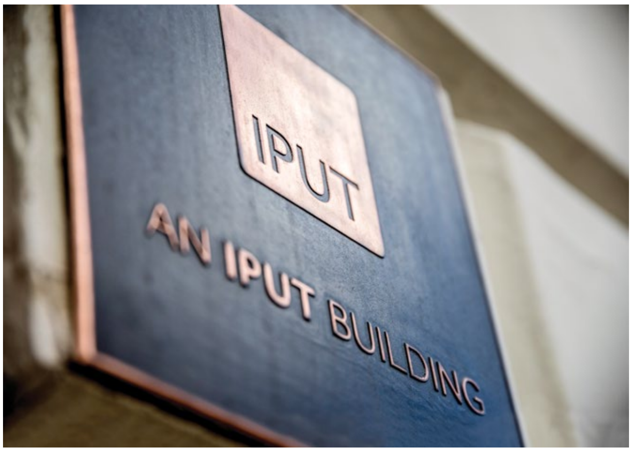
Industry Affiliations

IGBC MEMBER

GRESB®

An IPUT Building – Establishing a brand identity

We have introduced "An IPUT Building" brand and are hard wiring quality design into our activities. Our Brand represents aesthetically appealing, innovative and considered designs as well as focusing on energy efficiency and wellbeing. Through the establishment of a brand identity we believe this will help differentiate our product in an increasingly competitive market.



2017 Highlights

Following on from 2016's progress in establishing the formal sustainability programme and strategy, the focus in 2017 was on the achievement of the following:

GRESB Rating

We were pleased to achieve a 2 star Green Star GRESB Rating in 2017, reflecting the quality of our newly developed sustainability strategy and data management programme.

Developments

Two of our completed developments, 40 Molesworth Street and The Exchange achieved LEED Gold ratings.

Reduced energy consumption

Our focus on energy efficiency saw 4% year on year reductions in both electricity and natural gas. A longer-term programme targeting greater reductions has also been established.

Building optimisation

We piloted a building optimisation programme at Riverside Two, using building systems data to improve how the plant and equipment are managed for better tenant comfort and more efficient operations.

Tenant engagement

We engaged with our tenants on sustainability. This included an outreach programme to share data and tenant engagement meetings at key offices.

CASE STUDY

GRESB improvements in 2017

IPUT participated in the Global Real Estate Sustainability Benchmark (GRESB) for the second time in 2017. This second assessment included reference to our sustainability strategy and resulting activities.

We achieved a significant year-on-year improvement in our sustainability performance. Our GRESB score of 56 achieved a 2 star Green Star rating and reflects further progress towards our 2018 target of a 3 star Green Star rating.

There is momentum in our sustainability activities and our objective is to continue to drive improvement in our GRESB score.

Active Management of our Buildings

Active engagement with managing agents and tenants over energy and sustainability issues has been the primary focus of the environmental programme in 2017. Energy from electricity and fossil fuels is a notable cost to tenants making it a focal point in routine engagement with agents and tenants.

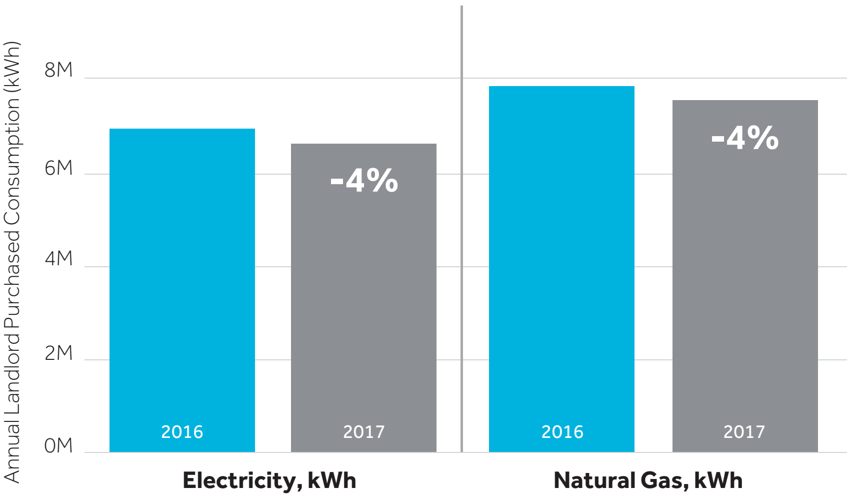
Progress at "Focus Sites"

In the 2016 Sustainability Report, we introduced the programme of active management of "Focus Sites" which have the highest opportunity for energy savings. In 2017, the active management of these sites led to a more formal approach to energy reduction opportunities.

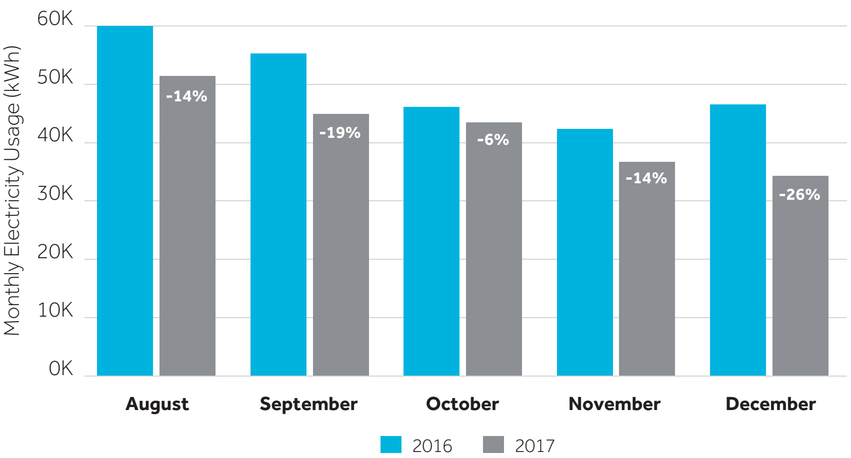
The increased focus is having an impact: IPUT's like for like portfolio of assets which were under management in both 2016 and 2017 saw a 4% year-on-year reduction in both electricity and natural gas use. The overall reduction came from a number of assets, including a 5% reduction in electricity at Styne House and an 11% reduction in electricity at Fitzwilton House.

The focus on active management has identified the necessity for improved metering infrastructure to be rolled out across the portfolio. Metering may not directly result in energy reduction, but without this detailed information it is difficult to accurately manage site performance. In conjunction with ESB Smart Energy Services, IPUT is piloting a smart buildings programme to increase electricity monitoring in a number of properties. This project will support and inform future metering and smart building initiatives across the estate.

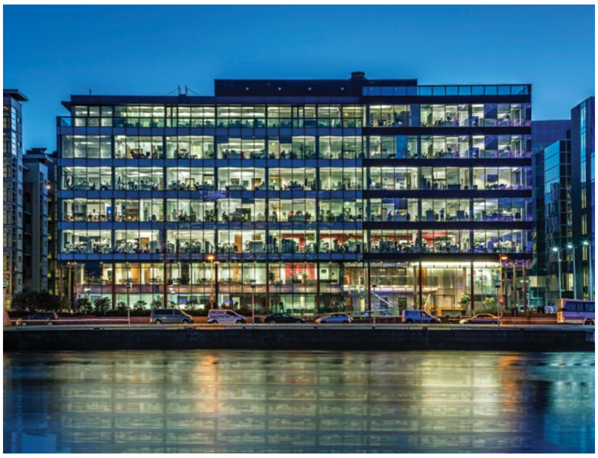
Like for Like Managed Portfolio Performance



Electricity Reductions, Year on Year, at Riverside 2



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



'The electricity and natural gas usage in Riverside Two was reduced by 16% and 15%, respectively.'

Riverside Two

Another example of using granular building data to improve performance is a pilot project using smart building analytics to implement energy improvement opportunities. With increased monitoring of plant and equipment on site, the electricity and natural gas usage in Riverside Two was reduced by 16% and 15%, respectively, compared to the same period in 2016.

The result was not just a reduced cost of energy for tenants, but also a more detailed understanding of how the building is controlled – making comfort controls and maintenance more straightforward. This programme is an example of how our targeted approach to sustainability improves the management of our buildings.

Working with our tenants

Sustainability affects both IPUT and those who occupy our buildings and requires collaboration. With a more formalised programme in place, 2017 saw a dialogue with tenants about what sustainability means and how it impacts IPUT buildings.

A formal "Green Lease" agreement to share data was written into the 20-year lease of 10 Molesworth Street, as is required to maintain LEED Platinum accreditation. The green lease agreement is reflective of the new approach to sustainability in IPUT assets where collaboration on sustainability matters are required to maintain the premium features of the building.

In other assets, IPUT is engaging directly with existing tenants to establish a joint approach which supports both tenant and IPUT's sustainability aims. In September, we conducted a series of tenant engagement meetings to discuss how tenants can benefit from increased collaboration with owners of buildings. Some of the opportunities are mutually beneficial. By creating joint energy contracts the tenants get the benefits of scale when negotiating energy prices, and IPUT has a more detailed account of how energy is used in the assets, and what improvements to target.

SUSTAINABILITY
(CONTINUED)

Sustainable Developments in 2017

IPUT is committed to developing buildings with sustainability at their core. 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.

Our aim to achieve LEED Gold or better on all new developments was achieved in 2017 with the completion of two developments at The Exchange and 40 Molesworth Street. Both certified to LEED Gold with a BER rating of A3 placing these assets among the top 1% of energy efficient commercial buildings in Ireland.

In 2018, we look forward to the completion of 10 Molesworth Street, which we expect will be the first new build office to achieve LEED Platinum accreditation. The building includes a green roof and over 750 sq m (8,000 sq ft) of rooftop gardens and terraces.

LEED

We aim to achieve LEED Gold or better on all new developments

CASE STUDY – PUBLIC REALM ENHANCEMENT

Molesworth Street

As part of IPUT's sustainability programme and a commitment to enhance the public space in which it invests and operates, we have commenced a programme of improvements on Molesworth Street.

IPUT is planting new trees, laying granite paving and widening footpaths adjacent to our developments at 10 and 40 Molesworth Street. Upon completion, the overall scheme will include new trees and granite paving on the north footpath from Dawson Street to Kildare Street. The number of trees will increase from 6 to 17.

We believe the Molesworth Street works will complement the rich heritage of the surrounding area and enhance the built environment where our buildings are located. We will continue to work with the local authorities on other similar initiatives so that future generations can continue to enjoy Dublin City and its environs.

Social Responsibility Highlights

IPUT has continued to invest in the social and cultural fabric of the city of Dublin. Our sustainability policy speaks to social impact as well as environmental improvement. Engagement with the Dublin community has resulted in the following cultural activities:

1. Sponsoring the **Freemasons Young Musician of the Year**
2. Supporting the **Irish Architectural Archive**, which preserves Irish architectural records.
3. Continuing to **commission Irish artwork** for prominent display in our key assets throughout Dublin, increasing exposure for local independent artists.
4. An open-air event in the IPUT owned Wilton Park for the **RTE Concert Orchestra** and Jenny Greene of 2fm where IPUT worked closely with the organisers to deliver the event.

'Unfurl' by Eilis O'Connell RHA at Dublin Bronze Art foundry.
The sculpture resides in the garden at 10 Molesworth Street, Dublin 2.

2018 Ambitions

We have an exciting year ahead in 2018 as we look forward to completing Ireland's first LEED Platinum new office development.

We will once again participate in the GRESB Real Estate assessment in 2018 with a view to building on the significant progress made over recent years.

Following the establishment of site level targets for energy and water usage we aim to further reduce the impact our buildings have on the environment.

Our new head office is on track to be the first office in Dublin to achieve the WELL Standard for health and wellbeing in the workplace

We plan to obtain a BER energy rating certification on all our properties which will allow us to identify deficits in energy efficiency across our portfolio.

We aim to continue the rollout of the smart metering initiative which will support future smart building initiatives across the portfolio.

We will continue to engage with local authorities on other public realm enhancements which will complement our assets and drive value back to the Fund.

We are ambitious in our sustainability plans and are committed to developing and operating premium buildings in the Dublin market. Our focus on sustainability reflects our commitment to our long term investment in the Dublin property market.

SENIOR MANAGEMENT TEAM

The day-to-day management of IPUT is carried out by a team of 16 professionals led by the Chief Executive, Niall Gaffney.

Niall Gaffney
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 and the Royal Institution of Chartered Surveyors.

Michael Clarke
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.

Niall Ringrose
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
Head of Finance

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).

Tom Costello
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.

Experience
Over 35 years' experience in various construction roles both domestically and internationally.

External Membership
Fellow of Engineers Ireland.

Derek Noble
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.

Experience
Over 25 years' experience in various development roles in Ireland largely focused on the commercial sector.

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

GOVERNANCE FRAMEWORK

IPUT is 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.

The Board recognises the importance of corporate governance and, as part of our aims of driving our long-term strategy and sustainable growth, is committed to adhering to high standards of corporate governance. A key aspect of that commitment is the strength, balance and experience of our Board, which is responsible for the leadership, strategic direction and stewardship of the Company.

While not subject to regulatory requirements in terms of Board composition, in line with best practice, IPUT's Board comprises over 50% independent Directors. Our Board currently consists of seven non-executive Directors, five of whom are independent. Each of these Directors brings a wealth of knowledge and expertise to Board discussions. Board meetings are held regularly throughout the year. All of these meetings focus on what is best for IPUT, with discussions predominantly centred on business strategy, monitoring ongoing performance, and the acquisition, development and disposal of properties.

The following Committees have been established to assist the Board in discharging its role and responsibilities:

Committee	Key Responsibilities	Meets
Investment Committee	Assisting the Board in the implementation of the Fund's property investment strategy and in particular its policies in relation to the acquisition, management, development and disposal of properties.	Quarterly
Audit & Risk Committee	Monitoring the integrity of financial statements, internal controls, risk management processes and reviewing the effectiveness of the external auditors.	Quarterly
Remuneration Committee	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.	Semi-annually

The membership of each of the Committees is as follows:

Board Member	Investment Committee	Audit & Risk Committee	Remuneration Committee
John F. Mulcahy			
Frank Close	●		○
Paul Armstrong	○		
Marie Collins		○	
Simon Radford	○		●
Jim Foley		○	○
Donal Courtney		●	○

● Committee Chairperson ○ Committee Member

BOARD OF DIRECTORS

John F. Mulcahy
Independent Non-Executive Chairman

John has over 40 years' experience in the real estate sector in Ireland. He is a Chartered Surveyor and was Head of Asset Management and a main Board member at the National Asset Management Agency 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 Ireland 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 25 years' experience in the investment management, fund administration and real estate businesses. Apart from IPUT plc, he currently holds a number of directorships including KBI Institutional Fund ICAV, which invests in global stock markets, Lothbury Fund Managers Limited, which acts as a manager to a number of property funds, and in several Jersey based companies. Frank is also Chairman of the Investment Committee of Lothbury Property Trust which invests in UK commercial real estate.

Chairman of the Investment Committee

Paul Armstrong
Non-Executive Director

Paul holds the position of Vice President Customer Supply Chain, Carlsberg UK and is a member of the Carlsberg UK board. Paul was previously European Beer Supply Director for Diageo in Ireland and has almost 40 years' experience in business activities 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 management. Paul led the project to redevelop the St. James's Gate Brewery in Dublin and is a Trustee Director of the Guinness Ireland Pension Fund and previously was a Director of Diageo Ireland and Diageo Great Britain.

Marie Collins
Independent Non-Executive Director

Marie is a Chartered Director and holds Board and Officer positions in a variety of organisations in the public and private sector. She is a member of the Audit & Risk Committees of the Communications Regulator and the Trinity Foundation and she chairs the Audit & Risk Committee of Eco-Unesco. Marie is an assessor for Board evaluations with the Institute of Directors in Ireland. She is a former Chairperson of the Irish Association of Pension Funds and formerly held the positions of General Manager and Secretary to the Trustees of the ESB Pension Fund. Marie holds a MBA from Trinity College, Dublin and 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.

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 with NatWest Investment Management and Gartmore Investment Management. He is currently Chief Executive of Lothbury Investment Management which has assets under management of over £2bn and is Chairman of the London Region of the Royal Institute of Chartered Surveyors. Simon is also a Director of The Association of Real Estate Funds.

Chairman of the Remuneration Committee

Jim Foley

Non-Executive Director

Jim is a Director of Trustee Decisions Ltd and acts as a professional trustee on pension schemes in the Aviation, FMCG and Telecommunications sectors. Prior to joining Trustee Decisions Jim worked at the Central Bank of Ireland, the Institute of Public Administration, the National Australia Group and Eircom in a variety of economic, finance and human resource roles. Jim is a Council Member, Director and immediate past Chairman of the Irish Association of Pension Funds.

Jim is also a Director of Irish Airlines Pensions DAC, 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

INDEPENDENT PROPERTY VALUER CERTIFICATE

Jones Lang LaSalle

as at 31 December 2017

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 2017.

Compliance with Valuation Standards

The Valuations of all the Properties have been prepared in accordance with the RICS Valuation – Global Standards 2017, VPS 4 and IVS Framework in accordance with IFRS 13.

We have assessed the Fair Value of the Properties in accordance with VPS 4.7. 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

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 2017 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:

€1,299,568,050

(One Billion, Two Hundred and Ninety Nine Million, Five Hundred and Sixty Eight Thousand and Fifty 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 8.46%.

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 the 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

John Moran
MRICS MSCSI
For and behalf of Jones Lang LaSalle

JLL®

INDEPENDENT PROPERTY VALUER CERTIFICATE

CBRE

as at 31 December 2017

Instruction

To value the unencumbered freehold interest in the properties on the basis of Fair Value (IFRS 13) as at the valuation date in accordance with the terms of engagement entered into between CBRE Unlimited Company and the addressee dated 31 March 2015.

Valuation Date

31 December 2017.

Capacity of Property Valuer

External Property Valuer, as defined in the RICS Valuation – Global Standards 2017.

Purpose

Balance Sheet Purposes.

Aggregate Fair Value

€1,069,900,000

(One Billion, Sixty Nine Million, Nine Hundred Thousand Euro) exclusive of VAT.

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.

Our opinion of Fair Value (IFRS 13) 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.

Compliance with Valuation Standards

The valuation has been prepared in accordance with the RICS Valuation –Global Standards 2017 ("the Red Book").

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 valuation competently.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE Unlimited Company, 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.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject properties as at the valuation date.

Assumptions

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

If any of the information or assumptions on which the valuation is 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;

- 6 Earlsfort Terrace, 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)

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.

Valuer

The Properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation – Global Standards 2017 ("the Red Book").

Independence

The total fees, including the fee for this assignment, earned by CBRE Unlimited Company (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.

Conflicts of Interest

We confirm that we have had no previous material involvement with any of the properties, and that copies of our conflict of interest checks have been retained within the working papers.

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 Unlimited Company has continuously been carrying out valuation instructions for the addressee of this report since March 2013.

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.

The contents of this Report may only be relied upon by:

(i) Addressees of the Report; or

(ii) Parties who have received prior written consent from CBRE Unlimited Company in the form of a reliance letter.

This Report is to be read and construed in its entirety and reliance on this Report is strictly subject to the disclaimers and limitations on liability on page 15. Please review this information prior to acting in reliance on the contents of this Report. If you do not understand this information, we recommend you seek independent legal counsel.

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.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Royal Institution of Chartered Surveyors Valuation – Global Standards 2017 ("the Red Book") or the incorporation of the special assumptions referred to herein.

Yours faithfully

Bruce Campbell
MRICS, MSCSI
Director, RICS Registered Valuer

Colm Luddy
FSCSI, FRICS
Director

For and on behalf of CBRE Unlimited Company

CBRE

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of IPUT plc (the "Company") for the year ended 31 December 2017.

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.

A full review of the performance and development of the Company is included in the Chief Executive's Review on page 10 and the financial highlights are set out on pages 2 to 5.

Results for the year and state of affairs at 31 December 2017

The results for the year and state of affairs of the Company are set out on pages 64 and 65. The profit on ordinary activities after taxation amounted to €189,101,000 compared with a profit of €196,028,000 in 2016. Total Equity at 31 December 2017 amounted to €2,292,083,000 (2016: €1,988,842,000).

Dividends

Dividends of €86,612,000 were declared during the year (2016: €81,914,000). 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 38 – 41 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 32 to the Financial Statements.

Directors, secretary and their interests

The Directors and Secretary of the Company are set out on page 96.

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 at the 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.

IPUT Secretarial Limited replaced Mr. Pat McGinley as Company Secretary on 30 November 2017.

The terms of appointment of Mr. Frank Close, Ms. Marie Collins, Mr. Simon Radford, Mr. Jim Foley and Mr. Paul Armstrong as Directors have been extended to 31 December 2018.

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 (2016: 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 2017.

The members of the Company's Audit & Risk Committee, together with their responsibilities, are set out on page 51.

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 the Republic of 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 47/49 St. Stephen's Green, 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 10 May 2018 in The Shelbourne Hotel, 27 St. Stephen's Green, Dublin 2.

For and on behalf of the board

John F. Mulcahy	**Donal Courtney**
Chairman	Director
28 March 2018	28 March 2018

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 2017 ("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
28 March 2018

NORTHERN TRUST

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

to the Members of IPUT plc

1. Report on the audit of the financial statements

Opinion

We have audited the financial statements of IPUT plc ('the Company') for the year ended 31 December 2017, 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, including the summary of significant accounting policies set out in note 3. 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 (EU).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the financial statements. The other information comprises the information included in the directors' report and all information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on that work, we report that

- we have not identified material misstatements in the directors' report or other accompanying information;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinion on other matter prescribed by the Companies Act 2014

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.

Matters on which we are required to report by exception

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. We have nothing to report in this regard.

2. Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 59, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at **https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf.**

The purpose of our audit work and to whom we owe our responsibilities

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

28 March 2018

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

		2017			2016		
		Income	Capital	Total	Income	Capital	Total
	Notes	€'000	€'000	€'000	€'000	€'000	€'000
Gross rental and related income	5	**102,412**	**–**	**102,412**	**94,973**	**–**	**94,973**
Net rental and related income	5	92,706	–	92,706	85,519	–	85,519
Net movement on fair value of investment properties	10	–	102,437	102,437	–	113,874	113,874
Profit on disposal of investment properties		–	1,387	1,387	–	1,229	1,229
Management expenses	7	(6,784)	–	(6,784)	(4,249)	–	(4,249)
Fund expenses		(908)	–	(908)	(907)	–	(907)
Operating profit		85,014	103,824	188,838	80,363	115,103	195,466
Finance income	8	4	–	4	25	–	25
Profit before taxation		85,018	103,824	188,842	80,388	115,103	195,491
Taxation	9	–	–	–	–	–	–
Profit after taxation		85,018	103,824	188,842	80,388	115,103	195,491
Other comprehensive income		163	96	259	154	383	537
Profit and total comprehensive income		**85,181**	**103,920**	**189,101**	**80,542**	**115,486**	**196,028**

STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Notes	2017 €'000	2016 €'000
ASSETS			
Non-current assets			
Investment properties	10	2,346,006	2,022,592
Property, plant and equipment	13	4,346	4,303
Other receivables	14	9,748	7,249
Restricted cash and cash equivalents	15	5,789	4,923
		2,365,889	**2,039,067**
Current assets			
Investment properties held for sale	12	8,650	15,150
Trade and other receivables	14	7,696	6,779
Cash and cash equivalents	15	43,830	18,049
		60,176	**39,978**
Total assets		**2,426,065**	**2,079,045**
EQUITY			
Capital and reserves			
Equity	19	2,292,083	1,988,842
Total equity		**2,292,083**	**1,988,842**
LIABILITIES			
Non-current liabilities			
Trade and other payables	16	5,789	4,923
Borrowings	17	84,266	67,196
		90,055	72,119
Current liabilities			
Trade and other payables	16	21,877	18,084
Dividends payable	20	22,050	–
		43,927	18,084
Total liabilities		**133,982**	**90,203**
Total equity and liabilities		**2,426,065**	**2,079,045**

Approved for issue and signed on behalf of the Board of Directors of IPUT plc on 28 March 2018

John F. Mulcahy
Chairman

Donal Courtney
Director

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Notes	2017 €'000	2016 €'000
Balance at 1 January		**1,988,842**	**1,766,090**
Comprehensive income			
Profit after taxation		188,842	195,491
Other comprehensive income		259	537
Profit and total comprehensive income		**189,101**	**196,028**
Transactions with owners			
Issue of shares	18	204,888	111,021
Repurchase of own shares	18	(4,136)	(2,383)
Dividends	20	(86,612)	(81,914)
Total transactions with owners		**114,140**	**26,724**
Balance at 31 December		**2,292,083**	**1,988,842**

STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

	Notes	2017 €'000	2016 €'000
Cash flows from operating activities			
Profit before taxation		**189,101**	**196,028**
Adjustments to reconcile profit before taxation to net cashflows:			
- Depreciation	13	238	222
- Revaluation of owner occupied property		(259)	(537)
- Net movement on fair value of investment properties	10	(102,437)	(113,874)
- Lease incentives		(1,171)	(2,242)
- Profit on disposal of investment properties		(1,387)	(1,229)
- Finance income	8	(4)	(25)
		(105,020)	**(117,685)**
Working capital adjustments:			
- Movement in trade and other receivables		(3,528)	4,185
- Movement in trade and other payables		4,659	4,307
		1,131	**8,492**
Net cash generated from operating activities		**85,212**	**86,835**
Cash flows from investing activities			
Additions to investment properties		(229,779)	(185,256)
Proceeds from sale of investment properties		17,400	4,000
Purchases of property, plant and equipment	13	(22)	(178)
Interest received		4	22
Net cash used in investing activities		**(212,397)**	**(181,412)**
Cash flows from financing activities			
Proceeds from issue of shares	18	204,888	111,021
Payments to repurchase own shares	18	(4,136)	(2,383)
Dividends paid to shareholders		(64,562)	(100,816)
Drawdown of borrowings, net of costs		16,776	66,397
Net cash provided by financing activities		**152,966**	**74,219**
Net decrease in cash and cash equivalents		**25,781**	**(20,358)**
Cash and cash equivalents at 1 January		18,049	38,407
Cash and cash equivalents at 31 December	15	**43,830**	**18,049**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

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 47-49 St. Stephen's Green, Dublin 2, D02 W634, 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***

  EU effective date 1 January 2019. The implementation of IFRS 16 is not expected to have a significant impact on the Company's financial statements as the accounting by lessors has remained largely unchanged.

- ***Amendments to IAS 40: Transfers of Investment Property***

  Not endorsed, expected to be endorsed Q1 2018. This amendment clarifies the application of paragraph 57 of IAS 40 Investment Property which provides guidance on transfers to, or from investment properties. The implementation is not expected to have a significant impact on the Company's financial statements as the accounting by lessors has remained largely unchanged.

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.

2. Basis of preparation (continued)

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:

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 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 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.

3. Significant Accounting Policies (continued)

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.

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, development team costs 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

3. Significant Accounting Policies (continued)

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.

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 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 equivalent 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.

3. Significant Accounting Policies (continued)

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.

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.
(c) Amounts received from tenants to compensate for dilapidation liabilities are recognised in the statement of comprehensive income, net of any capital expenditure, when the right to receive them arises.
(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, subject to performance conditions. 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.

Pensions

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.

3. Significant Accounting Policies (continued)

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.

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 year end 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 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:

- 1 Grand Canal Square, Dublin 2 (6.3%)
- 10 Molesworth Street, Dublin 2 (5.4%)

	2017	2016
	€'000	€'000
Gross rental income		
Office	58,643	50,710
Retail	22,425	22,558
Industrial	12,899	12,399
Other	111	325
	94,078	**85,992**

	2016 Investment properties	2016 Investment properties under development	2016 Total
	€'000	€'000	€'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**

	2017 Investment properties	2017 Investment properties under development	2017 Total
	€'000	€'000	€'000
Property portfolio – fair value			
Office	1,358,740	255,980	1,614,720
Retail	458,610	–	458,610
Industrial	235,830	–	235,830
Land	–	47,308	47,308
Other	13,000	–	13,000
	2,066,180	**303,288**	**2,369,468**

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

5. Gross and net rental income

	2017	2016
	€'000	€'000
Rent receivable	94,078	85,992
Service charge income	7,163	6,749
Adjustment for lease incentives & other income	1,171	2,232
Gross rental and related income	102,412	94,973
Service charge expenses	(7,163)	(6,749)
Property specific costs:		
- relating to properties generating income	(1,334)	(1,336)
- relating to properties not generating income	(1,209)	(1,369)
Net rental and related income	**92,706**	**85,519**

6. Auditors' remuneration

	2017	2016
	€'000	€'000
Audit fees	60	60
Total audit and audit related assurance services	**60**	**60**
Other fees		
Tax advisory services	7	4
Others	36	30
Total other fees	**43**	**34**

7. Management expenses

	2017	2016
	€'000	€'000
Employment costs	5,040	3,025
Depreciation	238	222
Other operating costs	1,506	1,002
	6,784	**4,249**
Employment costs		
Wages and salaries		
- fixed	1,962	1,785
- variable	2,563	841
Social welfare costs	302	242
Pension costs	213	157
	5,040	**3,025**

The average number of employees (including Directors) during the year was 20 (2016: 19).

8. Finance income	2017	2016
	€'000	€'000
Interest income on short-term deposits	4	25
	4	**25**

9. Taxation	2017	2016
	€'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, as they arise but is instead subject to the investment undertakings tax and Irish real estate fund tax in certain circumstances in respect of certain investors.

Investment Undertakings Tax (IUT)

Subject to certain exceptions (see below), on the occasion of an IUT chargeable event the Company has an obligation to deduct IUT at 41% (25% in the case of certain corporate shareholders upon election) from amounts payable to such shareholders and pay it to the Irish Revenue Commissioners. An IUT 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 IUT will arise on the Company in respect of IUT chargeable events of:

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

Irish Real Estate Fund (IREF) tax

The Company is also an IREF as defined in section 739K of the Taxes Act. On the occasion of an IREF taxable event, in respect of a 'specified person', the Company has an obligation to deduct IREF withholding tax at 20% from amounts payable to such shareholders and pay it to the Irish Revenue Commissioners. For this purpose an IREF taxable event includes, for example:

- the making of a distribution;
- the cancellation, redemption or repurchase of shares from a shareholder;
- any exchange by a shareholder of shares in a sub-fund of the Company for shares in another sub-fund of the Company
- other disposals of shares in the Company by a shareholder (e.g. on a secondary transfer to a third party investor).

Broadly a 'specified person' refers to a person (subject to limited exception) who is not otherwise subject to IUT on a chargeable event.

IREF withholding tax will not arise on the Company in respect of an IREF taxable event where the shareholder is not a specified person as defined in section 739K of the Taxes Act, provided the Company is in possession of a valid relevant declaration to that effect, where applicable.

In the year ended 31 December 2017 the Company deducted IUT of €668,705 (2016: €4,886,111) from payments made to non-exempt Irish resident shareholders and deducted IREF withholding tax of €1,788,649 (2016: Nil) from payments made to 'specified persons'.

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

	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 property, plant & equipment	(3,667)	–	(3,667)
Transfer to investment properties held for sale	(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**

	2017 Investment properties	2017 Investment properties under development	2017 Total
	€'000	€'000	€'000
Fair value at 1 January	1,870,250	160,330	2,030,580
Reclassification in year	63,900	(63,900)	–
Acquisitions	149,050	–	149,050
Capital expenditure	17,858	76,421	94,279
Disposals	(13,700)	–	(13,700)
Transfer to investment properties held for sale	(8,650)	–	(8,650)
Valuation surplus	85,710	41,080	126,790
Valuation deficit	(17,633)	(4,043)	(21,676)
Fair value at 31 December	2,146,785	209,888	2,356,673
Less: tenant lease incentives	(10,667)	–	(10,667)
Fair value at 31 December	**2,136,118**	**209,888**	**2,346,006**

Investment properties under development continued to be 10 Molesworth Street, Dublin 2 and development lands at Quadrant 3, The Park, Carrickmines, Dublin 18 and Waterside, Citywest Business Campus, Dublin 24. The Exchange, IFSC, Dublin 1 reached practical completion in October 2017 and was subsequently transferred to investment properties. During the year 5 Earlsfort Terrace, Dublin 2 was reclassified as investment properties under development from investment properties.

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.

Included within the capital expenditure on investment properties in the year is capitalised borrowing costs of €1,496,000 (2016: €1,226,000) and development team costs of €645,000 (2016: Nil).

10. Investment properties (continued)

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

	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**

	2017 Investment properties	2017 Investment properties under development	2017 Total
	€'000	€'000	€'000
Valuation surplus	85,710	41,080	126,790
Valuation deficit	(17,633)	(4,043)	(21,676)
Movement on fair value of investment properties	68,077	37,037	105,114
Less: movement in tenant lease incentives	(2,677)	–	(2,677)
Net movement on fair value of investment properties	**65,400**	**37,037**	**102,437**

Valuations are performed on a quarterly basis and the breakdown of properties valued by the Company's two independent property valuers at 31 December 2017 are as follows:

	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**

	2017 Investment properties	2017 Investment properties under development	2017 Total
	€'000	€'000	€'000
JLL	1,214,260	85,308	1,299,568
CBRE	945,320	124,580	1,069,900
	2,159,580	**209,888**	**2,369,468**

10. Investment properties (continued)

The Company's investment properties are held at fair value and were valued at 31 December 2017 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.

Key unobservable inputs

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

	2017				2016			
	ERV - per sq ft		Equivalent yield		ERV - per sq ft		Equivalent yield	
	Low €	High €	Low	High	Low €	High €	Low	High
Office	7	63	4.3%	6.4%	7	60	4.6%	6.4%
Retail	5	697	3.2%	6.5%	5	650	2.9%	6.8%
Industrial	1	11	5.1%	7.2%	1	9	5.1%	8.1%

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:

	2017		2016	
	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	(86,485)	95,556	(76,213)	81,283
Retail	(24,805)	27,759	(24,693)	27,367
Industrial	(9,966)	10,815	(7,916)	8,975
Other	(795)	888	(660)	1,010
	(122,051)	**135,018**	**(109,482)**	**118,635**

11. Financial asset	**2017**	**2016**
	€'000	**€'000**
Investment	–	–
	–	**–**

The Company held 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 was Appleby Corporate Services (BVI) Limited, Jayla Place, British Virgin Islands. Ryde Dublin Limited was dissolved on the 14 December 2017.

Northern Trust Fiduciary Services (Ireland) Limited holds, in its capacity as Depositary to the Company, the entire share capital of IPUT Secretarial Limited (formerly IPUT Nominees Limited) (€2). IPUT Secretarial Limited acts as company secretary to IPUT plc and its registered address is 47-49 St Stephen's Green, Dublin 2.

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

12. Investment properties held for sale	**2017**	**2016**
	€'000	**€'000**
Fair value at 1 January	15,150	–
Transfer from investment properties	8,650	15,150
Disposals	(15,150)	–
Fair value at 31 December	**8,650**	**15,150**

The Company reclassified the following properties as investment properties held for sale during the year: 79 Patrick Street, Cork and the 25% interest in Swords Business Campus, Swords, Co. Dublin. The conditions to classify these two investment properties as held for sale were met on 31 December 2017. Income received from these properties during the year was €852,000, while costs incurred on these properties were immaterial.

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, both of which were held for sale at 31 December 2016.

13. Property, plant and equipment

	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**

	Land & buildings	Fixtures & fittings	Computer equipment	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 January 2017	4,050	208	70	108	4,436
Additions	–	13	9	–	22
Revaluation	96	–	–	–	96
	4,146	221	79	108	4,554
Depreciation/Revaluation					
At 1 January 2017	–	69	41	23	133
Depreciation charge for the year	163	37	16	22	238
Revaluation	(163)	–	–	–	(163)
	–	106	57	45	208
Net book amounts as at 31 December 2017	**4,146**	**115**	**22**	**63**	**4,346**

14. Trade and other receivables	2017	2016
	€'000	€'000
Trade receivables	34	47
VAT receivable	3,741	1,145
Prepayments and other receivables	3,921	5,587
Total current trade and other receivables	**7,696**	**6,779**
Non-current other receivables	9,748	7,249
Total trade and other receivables	**17,444**	**14,028**

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 €2,197,000 (2016: €4,199,000) deducted from shareholders and payable to the Revenue Commissioners.

Included within non-current trade and other receivables are tenant lease incentives of €9,748,000 (2016: €7,249,000). 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.

15. Cash and cash equivalents	2017	2016
	€'000	€'000
Cash at bank and in hand	43,830	18,049
	43,830	**18,049**
Restricted cash and cash equivalents		
Rental deposits	3,242	2,483
Sinking funds	2,547	2,440
	5,789	**4,923**

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

	2017	2016
	€'000	€'000
Trade creditors	409	38
Deferred income	9,160	10,149
Accruals and other payables	12,308	7,897
Total current trade and other payables	**21,877**	**18,084**
Non-current trade and other payables	5,789	4,923
Total trade and other payables	**27,666**	**23,007**

Included in deferred income are rents received in advance of €9,160,000 (2016: €10,149,000).

Included in non-current trade and other payables are sinking fund amounts of €2,547,000 (2016: €2,440,000) and tenant rental deposits of €3,242,000 (2016: €2,483,000). 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

	2017	2016
	€'000	€'000
Revolving credit facility	84,553	67,777
Arrangement fees and other costs	(859)	(859)
Amortised costs	572	278
Balance at 31 December	**84,266**	**67,196**
The maturity of borrowings is as follows:		
Less than 1 year	–	–
Between 2 and 5 years	84,266	67,196
Over 5 years	–	–
Total	**84,266**	**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.

17. Borrowings (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities

2016	Opening	Cash flows	Non-cash changes Dividend declared	Non-cash changes Amortised fees	Closing
	€'000	€'000	€'000	€'000	€'000
Long term borrowings	–	66,918	–	278	67,196
Dividends payable	18,902	(100,816)	81,914	–	–
Total liabilities from financing activities	**18,902**	**(33,898)**	**81,914**	**278**	**67,196**

2017	Opening	Cash flows	Non-cash changes Dividend declared	Non-cash changes Amortised fees	Closing
	€'000	€'000	€'000	€'000	€'000
Long term borrowings	67,196	16,776	–	294	84,266
Dividends payable	–	(64,562)	86,612	–	22,050
Total liabilities from financing activities	**67,196**	**(47,786)**	**86,612**	**294**	**106,316**

18. Share capital

	2017	2017	2016	2016
	€'000	No. of participating shares	€'000	No. of participating shares
Participating shares issued and fully paid				
Shares in issue on 1 January		1,983,772		1,875,820
Repurchase of own shares	(4,136)	(4,148)	(2,383)	(2,491)
Issue of shares	204,888	190,647	111,021	110,443
		2,170,271		**1,983,772**

The issuance and repurchasing of participating shares throughout the period 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.

18. Share capital (continued)

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. The offer price for new shares is set at the net asset value per share at the relevant valuation point plus a provision for duties and charges to cover the costs associated with the deployment of new equity.

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 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

	2017	2016	2015
	€'000	€'000	€'000
Total assets	2,426,065	2,079,045	1,803,692
Total liabilities	(133,982)	(90,203)	(37,602)
Net assets at 31 December	**2,292,083**	**1,988,842**	**1,766,090**

	2017	2016	2015
	Shares	Shares	Shares
Number of shares in issue at 31 December	**2,170,271**	**1,983,772**	**1,875,820**

	2017	2016	2015
	€	€	€
Net asset value per share at 31 December	**1,056.13**	**1,002.56**	**941.50**
INREV net asset value per share at 31 December (unaudited)	**1,070.77**	**1,008.19**	**957.84**

20. Dividends payable

	Payment date	€ per share	2017 €'000	2016 €'000
For the year ended 31 December 2016				
Q1 dividend	5 April 2016	10.50		19,694
Q2 dividend	5 July 2016	10.50		20,537
Q3 dividend	5 October 2016	10.50		20,843
Q4 dividend	22 December 2016	10.50		20,840
		42.00		
For the year ended 31 December 2017				
Q1 dividend	10 April 2017	10.50	21,406	
Q2 dividend	7 July 2017	10.50	21,522	
Q3 dividend	6 October 2017	10.25	21,634	
Q4 dividend	8 January 2018	10.16	22,050	
		41.41		
Total dividends			**86,612**	**81,914**

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 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.

21. Financial risk management (continued)

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 €34,748,000 at 31 December 2017 (2016: €91,584,000) which related to construction contracts for the refurbishment/development projects commenced during 2017. In order to manage the liquidity risk around the funding of these projects, the Company has a €150m Revolving Credit Facility with Wells Fargo. The maturity of borrowings is set out in Note 17.

The Board of Directors seek to maintain minimum cash balances of approximately 1% of the net asset value of the Company. At 31 December 2017, the company held cash of €43,830,000 (31 December 2016: €18,049,000) which is 1.91% (31 December 2016: 0.9%) of the net asset value.

Interest rate risk

At 31 December 2017 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%. €84,553,000 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 €1,496,000 (2016: €1,226,000).

An increase/decrease in the interest rate by 10 basis points would result in an increase/decrease of €84,553 on the debt of €84,553,000.

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

	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	–

	At 31 December 2017	1 year or less	2 to 5 years	5 years +
	€'000	€'000	€'000	€'000
Trade creditors	409	409	–	–
Accruals and other payables	12,308	12,308	–	–
Rental deposits	3,242	–	3,242	–
Dividends payable	22,050	22,050	–	–
Borrowings	84,266	–	84,266	–

21. Financial risk management (continued)

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.

Northern Trust Fiduciary Services (Ireland) Limited ("NTFSIL") is the appointed Depositary to the Company. NTFSIL has appointed The Northern Trust Company ("TNTC") as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation ("NTC"). NTC had a long term credit rating from Standard & Poor's of A+ at 31 December 2017.

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

	2017	2016
	€'000	€'000
Cash and cash equivalents	43,830	18,049
Restricted cash and cash equivalents	5,789	4,923
Trade and other receivables	17,444	14,028
	67,063	**37,000**

Fair value hierarchy

As at 31 December 2017, 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 2017 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 our 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 certain members of the 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 total remuneration of the key management personnel and eleven identified staff who have a material impact on the risk profile of the Company, is set out below in aggregate for each of the applicable categories specified in IAS 24 'Related Party Disclosures':

	Fixed	2016 Variable		Total
		Short term benefits	Share based payments	
	€'000	€'000	€'000	€'000
Total remuneration of key management personnel and identified staff	1,584	659	33	2,276

	Fixed	2017 Variable		Total
		Short term benefits	Share based payments	
	€'000	€'000	€'000	€'000
Total remuneration of key management personnel and identified staff	1,859	1,031	1,396	4,286

Included within the variable component are amounts recognised in the statement of comprehensive income, in accordance with IFRS 2 Share-based Payment, relating to 1,255 shares which were issued to key management personnel at the NAV per share price on 3rd October 2017 (2016: 106) for nil consideration. These shares were granted to incentivise and align management's interests with those of shareholders and include a requirement to hold the shares for a minimum of five years. The shares were issued to participants at the net asset value per share at the date of issue i.e. €1,057.27 per share. The cost of awarding these shares amounted to €1,326,633 and included awards made under the 2015 and 2016 incentive schemes which were implemented during 2017 and recorded at that date.

In addition, key management personnel were awarded the right to be issued 292 shares in 2020. The entitlement to these shares is conditional on continued service and company performance over a 3 year vesting period. The fair value of the award has been measured with respect to the net asset value per share at the reporting date and after considering the conditions associated with the award. The cost will be recognised over the 3 year vesting period to 31 December 2019, subject to service and performance conditions and an amount of €102,625 has been included in trade and other payables at 31 December 2017.

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 2017 are as follows:

Related companies	Company's interest	Nature of business	Country of incorporation
IPUT Secretarial Limited	100%	Corporate Services	Ireland

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 €475,000 during the year ended 31 December 2017 (2016: €370,000). No Directors fees remained payable at the year end.

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

	2017	2016
	€'000	€'000
Within 1 year	102,507	81,925
After 1 year but not more than 5 years	334,678	235,048
More than 5 years	231,767	311,742
	668,952	**628,715**

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 2017.

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; and

For the year ended 31 December 2017, the Administrator earned a fee of €264,000 (2016: €266,000), of which €68,000 was due and payable at the year end (2016: €132,000).

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 2017, the Depositary earned a fee of €277,000 (2016: €278,000), of which €67,000 was due and payable at the year end (2016: €130,000).

27. Funds committed

The Company had received new share applications with a cumulative value totalling €10,178,000 as at 31 December 2017 (31 December 2016: €114,981,000). These applications were considered by the Directors and were drawn down on 2 January 2018.

28. Changes to prospectus

The prospectus was updated on 14 March 2017 to include references to Irish Real Estate Fund tax legislation.

29. Soft commission arrangements

There were no soft commission arrangements undertaken during the year ended 31 December 2017 (2016: none).

30. Capital commitments

The Company had contracted capital commitments of €34,748,000 at 31 December 2017 (31 December 2016: €91,584,000) which related to construction contracts and design team fees for the refurbishment/redevelopment projects in progress at year end.

31. Litigation

From time to time the Company is involved in various legal matters and claims in the normal course of business. These matters are monitored by the Board of Directors on an ongoing basis and any potential outcome is not considered to have a material impact on the financial statements.

32. Events after the reporting year end

On 2 January 2018 the Company issued 9,156 shares for consideration of €10,178,000. This transaction, after the reporting year end, was not characterised by unusual size or frequency.

On 27 February 2018 the Company completed the disposal of its 25% interest of Swords Business Campus, Swords, Co. Dublin for the sum of €7,223,000.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of IPUT plc (the 'Company') will be held at The Shelbourne Hotel, 27 St. Stephen's Green, Dublin 2 on 10 May 2018 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 2017;
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

IPUT Secretarial Limited
Company Secretary
12 April 2018

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 the deployment of new equity.

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 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

95 properties

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. 5 Earlsfort Terrace, Dublin 2 (75%)
25. 6 Earlsfort Terrace, Dublin 2 (75%)
26. Fitzwilton House, Wilton Place, Dublin 2
27. Wilton Park House, Wilton Place, Dublin 2
28. Gardner House, Wilton Place, Dublin 2
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. 83 Grafton Street, Dublin 2
46. 72 Grafton Street, Dublin 2
47. 69 Grafton Street, Dublin 2
48. 65-66 Grafton Street, Dublin 2 (60%)
49. 28-29 Grafton Street, Dublin 2
50. 36 Grafton Street, Dublin 2
51. 40 Grafton Street, Dublin 2
52. 6-7 St. Stephen's Green, Dublin 2
53. 15-16 Lower Baggot Street, Dublin 2
54. Pavilions Shopping Centre, Swords, Co. Dublin (25%)
55. Airside Retail Park, Swords, Co. Dublin (50%)
56. B&Q, Liffey Valley Retail Park, Dublin 22 (50%)
57. Quadrant 1, The Park, Carrickmines, Dublin 18
58. The Iveagh Building, The Park, Carrickmines, Dublin 18
59. Opera Lane, Academy Street, Cork (35%)
60. 79 Patrick Street, Cork

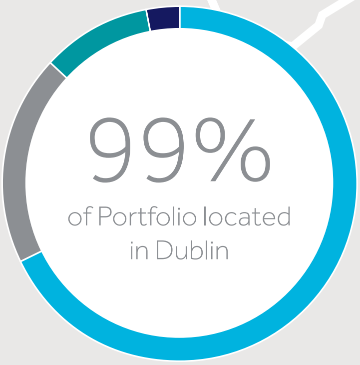
Industrial

61. Unit C, North Dublin Corporate Park, Swords, Co. Dublin
62. Unit D1, North Dublin Corporate Park, Swords, Co. Dublin
63. Unit D2, North Dublin Corporate Park, Swords, Co. Dublin
64. Unit E, North Dublin Corporate Park, Swords, Co. Dublin
65. Unit F, North Dublin Corporate Park, Swords, Co. Dublin
66. Unit D1, Airport Business Park, Swords, Co. Dublin
67. Geodis Building, Damastown Business Park, Mulhuddart, Dublin 15
68. Unit 14/16, Blanchardstown Corporate Park, Ballycoolin, Dublin 15
69. 1 Rosemount Business Park, Dublin 15
70. Unit D, Furry Park Industrial Estate, Dublin 9
71. Unit E, Furry Park Industrial Estate, Dublin 9
72. Unit K, Furry Park Industrial Estate, Dublin 9
73. Unit L, Furry Park Industrial Estate, Dublin 9
74. Unit M1, Furry Park Industrial Estate, Dublin 9
75. Unit M2, Furry Park Industrial Estate, Dublin 9
76. Unit N, Furry Park Industrial Estate, Dublin 9
77. Unit A, Willsborough Distribution Centre, Dublin 17
78. Unit B, Willsborough Distribution Centre, Dublin 17
79. Corner Unit East, Willsborough Industrial Estate, Dublin 17
80. Corner Unit West, Willsborough Industrial Estate, Dublin 17
81. East Unit, Willsborough Industrial Estate, Dublin 17
82. West Unit, Willsborough Industrial Estate, Dublin 17
83. Unit 103, Northwest Business Park, Ballycoolin, Dublin 15
84. Unit 624, Northwest Business Park, Ballycoolin, Dublin 15
85. Unit D, Kilcarbery Distribution Park, Clondalkin, Dublin 22 (50%)
86. Unit E, Kilcarbery Distribution Park, Clondalkin, Dublin 22
87. Unit 5, Westgate Business Park, Dublin 12
88. Unit 6A, Westgate Business Park, Dublin 12
89. Unit 7, Westgate Business Park, Dublin 12
90. 4045 Kingswood Road, Citywest Business Campus, Dublin 24
91. 4058-4060 Kingswood Drive, Citywest Business Campus, Dublin 24
92. Unit 92, Bracken Road, Sandyford Industrial Estate, Dublin 18

Other

93. Lad Lane Apartments, Lad Lane, Dublin 2
94. 8.2 acre site, Waterside, Citywest Business Campus, Dublin 24 (50%)
95. 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

- Office **68%**
- Retail **19%**
- Industrial **10%**
- Other **3%**

CONTACT DIRECTORY

Directors
John F. Mulcahy (Chairman)
Frank Close
Paul Armstrong
Marie Collins
Simon Radford
Jim Foley
Donal Courtney

Company Secretary
IPUT Secretarial Limited

Registered Office
47-49 St. Stephen's Green
Dublin 2

Company Number
535460

Bankers
Ulster Bank
Lower Baggot Street
Dublin 2

Bank of Ireland
Lower Baggot Street
Dublin 2

Permanent TSB
56-59 St. Stephen's Green
Dublin 2

Barclays Bank Ireland
Two Park Place
Hatch Street
Dublin 2

Wells Fargo Bank International
2 Harbourmaster Place
IFSC
Dublin 1

Northern Trust
George's Court
54–62 Townsend Street
Dublin 2

Auditors
KPMG
1 Stokes Place
St. Stephen's Green
Dublin 2

Depositary
Northern Trust Fiduciary Services
(Ireland) Limited
George's Court
54-62 Townsend Street
Dublin 2

Administrator
Northern Trust International Fund
Administrators (Ireland) Limited
George's Court
54-62 Townsend Street
Dublin 2

Legal Advisors
A&L Goodbody
25-28 North Wall Quay
IFSC
Dublin 1

Property Valuers
Jones Lang LaSalle
Styne House
Upper Hatch Street
Dublin 2

CBRE
Connaught House
1 Burlington Road
Dublin 4

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