IPUT

Ireland's Premier Property Fund

IPUT plc

Annual Report &
Financial Statements 2018

Pictured:
10 Molesworth Street, Dublin 2

About IPUT

IPUT is the longest established commercial property fund in Ireland and is the largest owner of office buildings in Dublin.

As a core income fund, our principal objective is to provide institutional investors with a consistent income yield from commercial real estate.

IPUT has a proven track record in delivering superior returns and delivered a Total Shareholder Return of 8.3% in 2018.

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 logistics assets with a focus on offices in Dublin's core central business district.

Our team has multi-cycle experience and seeks to maximise shareholder returns through targeted exposure to added value projects, underpinned by the Fund's core income generating properties.

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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Contents

Positioned to Perform

2018 HIGHLIGHTS

FOCUS ON PRIME DUBLIN OFFICES

310,000 sq ft
of new and refurbished prime office space delivered in 2018

2m sq ft
portfolio of prime Dublin offices

65,000 sq ft
of prime offices acquired with re-development potential

Leading Occupiers
proven ability to attract and pre-let to both domestic and global occupiers including AIB at 10 Molesworth Street and LinkedIn at One Wilton Park

Pictured from left to right:
A selection of our South Docklands offices;
Riverside Two, Riverside One, 33-34 Sir John Rogerson's Quay
and the Tropical Fruit Warehouse

MARKET LEADING PORTFOLIO

€2.5bn

7% NAV growth to €2.5bn reflecting new equity raised and capital value growth

€46m

realised capital gain on disposal of two assets at George's Dock and Molesworth Street

€186m

cumulative total value of transactional activity in 2018

€180m

new capital invested in the Fund in 2018

Strong, Secure Income

2018 HIGHLIGHTS

15% Income Growth

Net rental income reached €107m in 2018

Balanced Income Stream

WAULT of 6.9 years across a balanced and diversified portfolio

Added Value Projects Delivering

Key added value projects – 10 Molesworth Street and The Exchange – fully let generating €12m of new income

Reversionary Potential

15 rent reviews were completed securing €1.8m of additional rental income

Pictured (centre of image):
1 Grand Canal Square, Dublin 2

Dividend Pipeline

Strong medium-term upside in the dividend following significant pre-letting activity in 2018

Commitment

IPUT's genuine commitment to sustainability and public realm supports long-term shareholder value

8% Dividend Growth

Dividend grew to €44.71 per share in 2018 (2017: €41.41)

Setting Industry Standards

IPUT continues to lead; the first Irish commercial real estate fund to achieve a 3-star Green Star GRESB rating

Dublin City Centre Portfolio

OUR INVESTMENT STRATEGY IS CENTRED ON DUBLIN, WITH A PARTICULAR FOCUS ON DUBLIN'S CENTRAL BUSINESS DISTRICT (CBD).

€1.8bn

Value of CBD properties

44

Properties in CBD

2m sq ft

(185,874 sq m)
Total area of CBD properties

IPUT IS THE LARGEST OWNER OF OFFICES IN DUBLIN


25-28 North Wall Quay
> see pages 20-21
Tropical Fruit Warehouse
> see pages 34–35
Riverside One
> see pages 20-21
Riverside Two
> see pages 20-21
7 Hanover Quay
> see pages 20-21
1 Grand Canal Square
> see pages 20-21

Ireland's Premier Property Fund

IPUT AT A GLANCE

IPUT is Ireland's premier property fund with an unrivalled track record, delivering consistent returns to shareholders through multiple real estate cycles.

89
Number of Properties

5m sq ft
Total Portfolio Size

380
Number of Tenancies

99%
Portfolio in Dublin

5.0%
20 Year Average Dividend Yield
(Annualised to end 2018)

9.1%
20 Year Average Total Property Return
(MSCI Return)

- OFFICE **69%**
- RETAIL **19%**
- INDUSTRIAL **10%**
- OTHER **2%**

€2.5bn
NAV

€107m
Net Rental Income

4.1%
Dividend Yield

€98.5m
Dividend Paid

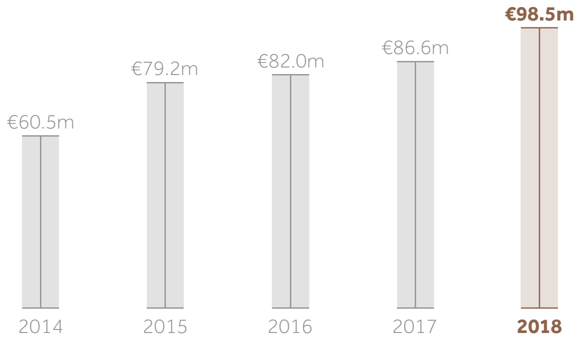
8.3%
Total Shareholder Return

99.5%
Occupancy Rate

Consistent Income Returns over the Long-Term

OUR KEY PERFORMANCE INDICATORS

IPUT has a 50 year track record of paying a dividend to our shareholders. We offer investors a reliable, long-term income return through the cycle. Over the past decade we have distributed over €600m in dividends.

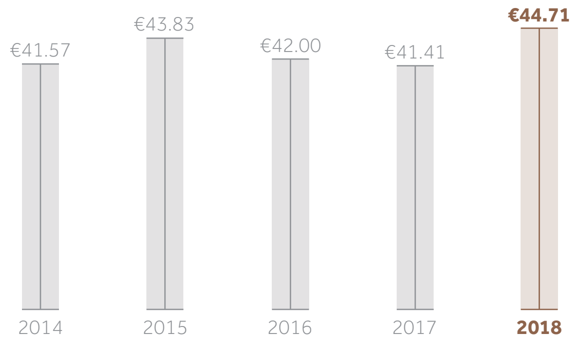


Dividends

€98.5m

+13.7% (2017: €86.6m)

IPUT pays quarterly cash dividends and distributed €98.5m to shareholders in 2018. Strong net income growth and the delivery of key added-value projects supported the 13.7% increase in dividends paid in 2018.

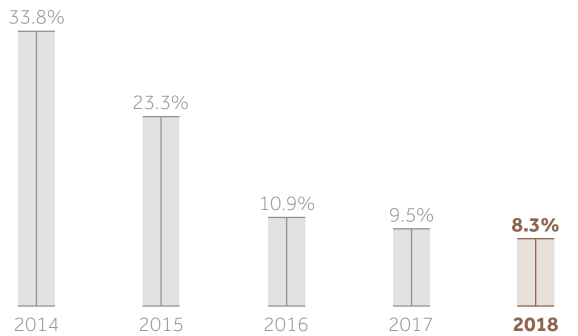


Dividend per Share

€44.71

+8% (2017: €41.41)

IPUT paid a dividend per share of €44.71 for 2018, an increase of 8% year-on-year.

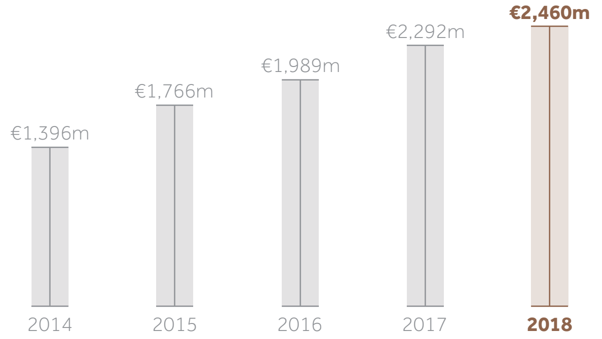


Total Shareholder Return (TSR)

8.3%

-1.2% (2017: 9.5%)

The TSR of 8.3% for 2018 reflects the excellent income and capital returns generated in the year.

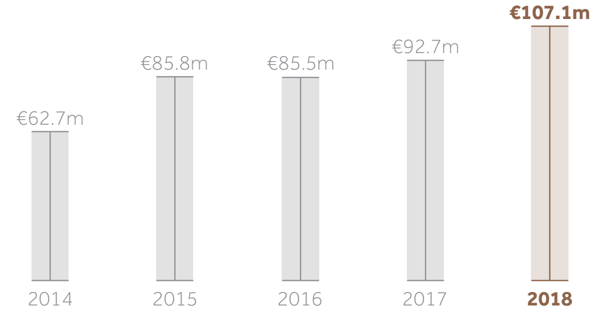


Net Asset Value

€2,460m

+7% (2017: €2,292m)

The Fund's NAV increased by 7% in 2018; a combination of capital value growth and continued investment in the Fund by shareholders.

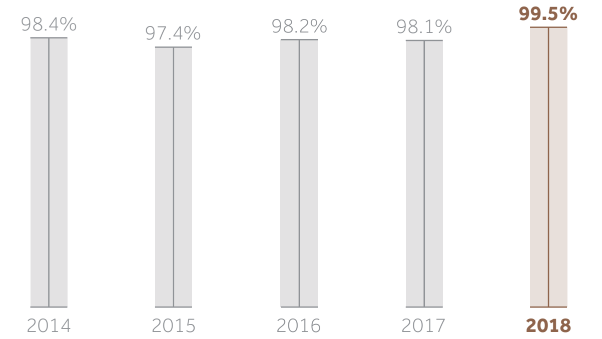


Net Rental Income

€107.1m

+15.6% (2017: €92.7m)

An active year of new lettings, lease renewals and lease re-gears increased net rental income by 15% in 2018.

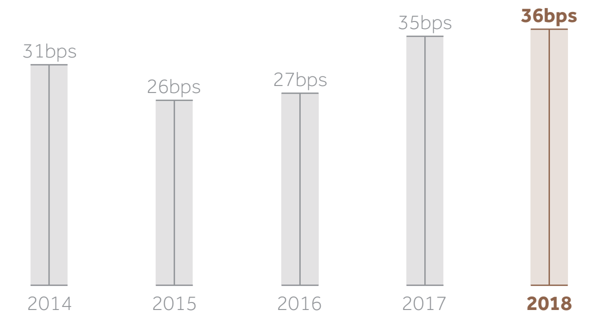


Occupancy Rate

99.5%

+1.4% (2017: 98.1%)

IPUT's occupancy rate of 99.5% at the end of 2018 reflects the active management of the portfolio by the management team and the strength of the underlying tenant covenants across the estate.



Total Expense Ratio

36bps

+1bps (2017: 35bps)

IPUT is an internally managed fund and maintains an exceptionally efficient cost base.

Delivering for our Shareholders

CHAIRMAN'S STATEMENT

2018 was a year during which IPUT secured and passed important milestones that further increased the quality and strength of the Fund. A dividend yield of over 4% and a total return of over 8% was delivered to our shareholders.

John F. Mulcahy
Chairman

Delivery on our Strategy

IPUT's strategy is to deliver long-term, risk adjusted income returns for shareholders by investing in Irish commercial real estate with a clear focus on prime, large-scale Dublin assets. The Fund seeks to generate shareholder value with targeted exposure to added value projects underpinned by the Fund's core income generating assets.

As a core income fund, our exposure to added value projects remains moderate and, at the end of 2018, represented less than 6% of our NAV (Net Asset Value). Both Board and management are guided by our clear strategy which is reviewed annually.

2018 Growth

NAV increased by 7% in 2018, reaching €2.5bn at year end. This increase reflects a combination of capital value growth and continued investment in the Fund by shareholders. Growth in capital value in 2018 was primarily due to the successful completion of several regeneration projects, most notably; 10 Molesworth Street which was completed on time, on budget and pre-let to AIB; and significant progress on One Wilton Park which has been pre-let to LinkedIn and has commenced development.

We have an active pipeline of added value projects that will continue to support growth, but remain modest in the context of our overall asset base.

Financial Performance

The Fund generated net rental income of €107m in 2018, reflecting an active year of new lettings and lease re-gears. Key income drivers included amongst others: 10 Molesworth Street, The Exchange in the IFSC, 5&6 Earlsfort Terrace; and the pre-letting of Unit 103 Northwest Business Park.

The IPUT management team continues to improve efficiency which underpins our strong financial performance including a consistent rent recovery rate of 100% and an equally efficient cost base. The Fund's total expense ratio for 2018 stands at 0.36% of NAV which compares very favourably to the industry.

IPUT's strong full-year income performance resulted in a dividend of €98.5m being paid to shareholders which equates to a dividend per share of almost €45. This strong level of dividend growth was achieved notwithstanding the significant capital investment by the Fund in portfolio regeneration projects, which by their nature are not income producing during the course of redevelopment. The substantial increase in the dividend in 2018 reflects the successful and timely letting of these projects. Our strategy of modernising, renewing and regreening our portfolio continues to yield real dividend growth for shareholders.

Governance, Culture & Shareholder Engagement

The Board continues to review its performance, effectiveness and oversight including continuous assessment of the principal risks and uncertainties facing the business. This active review ensures that our portfolio exposure and investment strategy reflect the evolving market backdrop and events IPUT may face in the period ahead. Full details are set out in the risk management section of this report on page 52.

The Board also reviews its composition, diversity and skills on an annual basis. During 2018, we were delighted to appoint Ms. Eithne Fitzgerald as an independent, non-executive Director. Eithne is a former Senior Partner of international law firm, A&L Goodbody and has long-standing expertise in corporate law, corporate finance and M&A. She brings a wealth of business, legal and transactional expertise to IPUT and we are very pleased to add an individual of her calibre and skill set to our Board. While we have a strong, diverse and majority independent Board, we continue to keep Board composition, size and skill set under ongoing review.

A key consideration for the Board in 2018 was to ensure that Directors are fully appraised of the views of shareholders. We held an investor day in Dublin in September which was attended by the vast majority of our shareholders. This investor day is now an annual event and represents an opportunity for the Board and management to engage with our shareholders; provide them with a deeper understanding of the business; and, to case study some of our landmark assets.

The Board also recognises the importance of a strong culture and set of values which are shared and understood across the team and by our stakeholders. Our culture and values are centred around our people, team-work; pride in the quality of our buildings; a passion for what we do in giving top quality service to our occupiers and delivering long term value to our shareholders.

Setting Standards

IPUT continues to strive for improvements in quality in the real estate sector in Ireland. Our commitment to quality in everything that we do, spans sustainability, connectivity and the public realm. This commitment will, we believe, deliver superior sustainable performance in the long run.

IPUT achieved a 3-star Green Star rating in the 2018 Global Real Estate Sustainability Benchmark (GRESB) assessment, the first Irish property fund to do so. We are a leading adopter of the LEED standard for office buildings with over 300,000 sq ft of IPUT offices accredited with LEED Gold or Platinum ratings. In addition, as part of our regeneration programme in Dublin city, we are making significant investment in the public realm around our buildings for the benefit of our both our occupiers and the City. Consistent with our commitment to sustainability, we also recently established our own Asset Services Team who will be implementing a wide range of efficiency and sustainability initiatives across the IPUT portfolio in 2019 and beyond.

Real Estate Vehicle of Choice

The Fund has a track record of delivering consistent, strong returns through the cycles and has outperformed the MSCI industry benchmark over a 3, 5, 10 and 20 year time horizon.

Our income focus and proven track record continues to attract significant, institutional capital and IPUT is established as the vehicle of choice in Ireland for global real estate investors. Over €180m of new capital was invested in the Fund in 2018 through a combination of the issuance of new shares and secondary trades. Our ability to generate new institutional investment in IPUT enables us to continue to grow, while also providing a significant liquidity benefit for existing investors.

Outlook

Commercial property in Ireland, particularly in Dublin, has experienced a significant recovery. IPUT has successfully capitalised on the opportunities presented by this recovery over the past number of years, growing our portfolio to a NAV of close to €2.5bn at the end of 2018. Our core focus on prime Dublin assets will help sustain strong income returns for our shareholders over the long-term. Clearly there are always challenges, including a potential slow-down in global economic activity and the continuing uncertainty relating to Brexit, albeit that our Dublin office portfolio may stand to benefit from the latter. As a core income fund with a prime diversified Dublin portfolio, and a carefully managed development pipeline, we are well positioned to continue to deliver strong income returns into the future.

I would like to thank the Board, and all the IPUT team, for their commitment and contribution to the business during the year and to making 2018 another successful year for the Fund.

Regenerating our Income

CHIEF EXECUTIVE'S REVIEW

Realising our ambitious regeneration projects in 2018 allowed us to generate over €100m in rent roll for the first time in our history. We achieved this milestone off the back of pre-letting these projects and have positioned the portfolio for further growth in 2019 and beyond.

Niall Gaffney
Chief Executive

15%
Growth in net rental income to over €107m

€70m
Strategic acquisitions

€116m
Capital recycled through disposals

€250m
Revised and up-sized revolving credit facility

3 Star
Green Star rating in the 2018 Global Real Estate Sustainability Benchmark

11.3
Average Years WAULT on new lettings

8%
Growth in Dividend per Share

Industry Leading Portfolio

IPUT owns and manages the leading prime commercial property portfolio in Ireland. At the end of 2018 we owned 89 properties, almost exclusively in Dublin, with a NAV of €2.5bn. Our portfolio is principally invested in prime offices, with selected exposure to the retail and industrial sectors. Across our portfolio, we have an occupier base of 380 businesses with an occupancy rate of 99.5% at year end.

Strong Income Growth

2018 was a year of significant income growth reflecting an active year for lettings and lease re-gears. In particular, we let a number of our added value projects most notably 10 Molesworth Street and The Exchange, delivering a 15% increase in net rental income to €107m.

We completed 17 new lettings and 15 rent reviews in 2018. The average WAULT on new lettings was over 11 years, delivering a year end WAULT of 6.9 years across the estate.

Rental values across our portfolio continued to improve in 2018 with significant reversionary potential embedded in our portfolio. Passing rental income at the year end was €111m with an estimated rental value (ERV) of €130m. We are focused on driving further income growth through continued and active rent reviews across the estate.

Actively Managing our Portfolio

IPUT is an actively managed core income fund and we are alive to market opportunities. We continually review the performance prospects of all our assets and in this context, we completed transactions with a cumulative value of €186m in 2018.

We sold six assets generating proceeds of over €116m and acquired two assets for just under €70m. This included the off-market €158m asset swap involving the acquisition of Deloitte House, a landmark office building on the corner of Earlsfort Terrace, in exchange for two office properties, namely 6 George's Dock and 40 Molesworth Street. In this transaction, we crystallised a significant €46m gain on the disposed assets and acquired an income generating asset which offers substantial medium term development potential. Over the course of the year we also disposed of several smaller retail and logistics assets, which is consistent with our primary focus on larger scale, prime assets.

Post year end, we sold our minority holding at Pavilions Shopping Centre, Swords. In a separate transaction we acquired Phase 2 in Carrickmines giving us full ownership of this retail park. We have ambitious plans to create one of Ireland's leading retail and leisure destinations with the development of Phase 3, Carrickmines. In Q1 2019, we also acquired an additional large-scale logistics asset beside Dublin Airport which has expanded our logistics holdings to over 2.4 million sq ft.

We continue to review our portfolio and market opportunities in 2019. As demonstrated by the level of our activity in the Dublin market, we have a proven ability to both recycle and deploy capital in a timely fashion.

Strategy in Action

During 2018, we completed a substantial development at 10 Molesworth Street which was pre-let to AIB plc as their new corporate headquarters. This property now represents our largest single asset and is let on a long-term lease delivering €7m of annual rental income and generating an income yield on cost of over 11%. We let The Exchange, the first new office development in Dublin's IFSC since 2003, delivering €5m of annual rental income and an income yield on cost of 6.4%. We also successfully completed a refurbishment and pre-letting of a substantial logistics unit in Northwest Business Park, consistent with our strategy of increasing our exposure to prime logistics assets.

We reached practical completion and pre-let the majority of 5 & 6 Earlsfort Terrace where we initiated an extensive redevelopment during 2018 including the addition of two new floors. In keeping with our commitment to investment in the public realm, we are also developing a new urban park in front of the buildings.

Chief Executive's Review
(CONTINUED)

For 2019 and beyond, we will continue to pursue our strategy of regenerating our portfolio. Currently, we are on-site with two projects; a 152,000 sq ft office development at One Wilton Park which has been pre-let to LinkedIn and will generate annual income of €8m upon completion in Q4 2020. At 30–32 Sir John Rogerson's Quay, the Tropical Fruit Warehouse, we are also on site and on track to deliver 83,500 sq ft of office space in Q1 2021. Our ambition is that this building will become an iconic riverside office development and currently represents the only speculative development in the portfolio.

We have submitted a planning application for the redevelopment of the remainder of our estate at Wilton Park, which includes Wilton Park House, Gardner House and their associated public spaces. Outside of prime office space in Dublin City Centre, we have submitted a planning application for Phase 3, Carrickmines. Our ambition for both schemes would be to achieve planning permission within the calendar year 2019 with a view to substantially pre-letting the projects thereafter.

In short, over the course of 2018 we have largely de-risked our development pipeline and positioned the portfolio for further growth in 2019.

Funding

New investment in the Fund of over €180m in 2018 has further diversified and internationalised our shareholder base and there continues to be significant interest in the Fund from both domestic and global institutional investors.

We secured a new five year €250m revolving credit facility from Wells Fargo during the year. This facility continues to be the most efficient method of funding our development projects and ensures there is no dilution of returns for existing shareholders. As we enter 2019, the Fund is well capitalised and positioned to deliver upon its investment strategy.

Investment in our People

In line with the growth in our business, we have continued to resource our professional team across all areas of our business, increasing our headcount from 14 to 21 people. We have a proven and experienced team that are focused on maximising the income generating capability of our existing portfolio, as well as targeting asset management opportunities to generate long-term value. Most notably, we have appointed Mr. Glenn Cran as Head of Asset Services, who along with his team will work to further enhance our tenant engagement and sustainability strategies.

Our new office on the 4th floor of 47-49 St. Stephen's Green is the first office in Dublin to achieve WELL Certificatied™ Gold. The WELL accolade reflects our commitment to quality in everything we do and our ambition to attract and retain the highest calibre of people in our business.

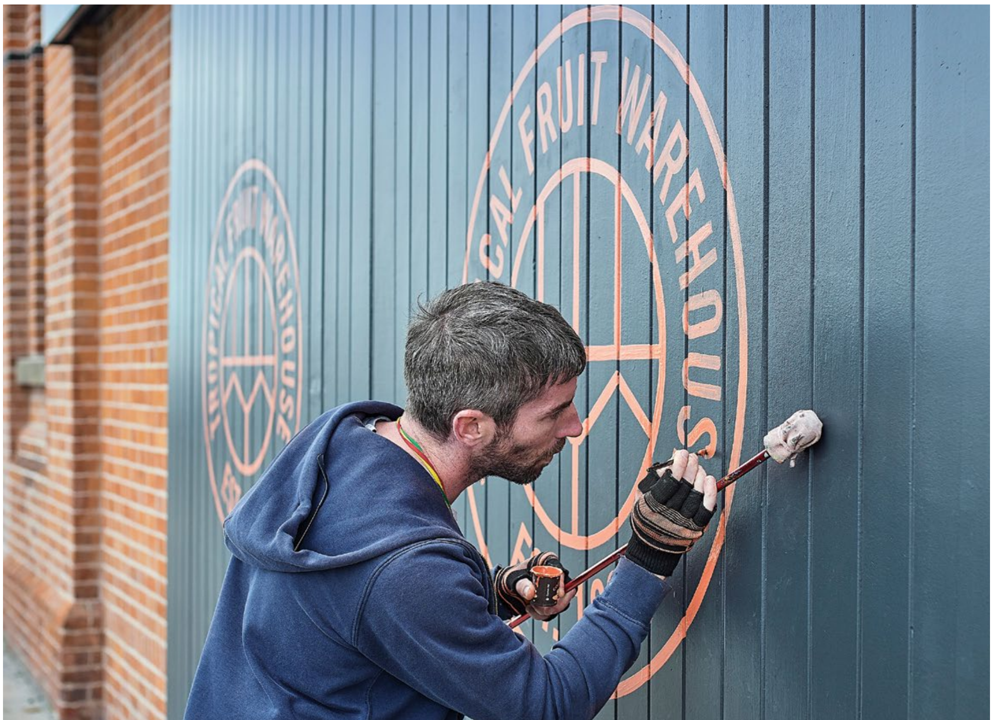
Outlook

We enter 2019 with measured but ambitious plans. In 2018, we delivered 8% growth in our dividend per share and believe that our future pipeline of regeneration projects will further enhance our income returns over the next five years.

We will continue to seek opportunities to add prime, income generating assets to the portfolio. Our acquisition criteria is clear – we target prime office assets in or adjacent to Dublin's CBD. Our investment in retail will remain focused on prime destination retail assets and we will continue to identify opportunities to increase our exposure to the logistics sector in a measured way.

In 2018, we commissioned Savills Global Research to undertake a report to help us put Dublin in a global real estate context. An extract from this report is set out on pages 38 to 41. We used the report to test and validate our outlook for the Dublin real estate market and in doing so, help our stakeholders better understand the drivers of the recent recovery in Ireland and the outlook for the years ahead.

Our strongly held view is that Dublin can and will maintain its current growth trajectory for the medium term. There is no doubt that growth will moderate, however, we are confident that IPUT has the quality assets, occupier base and measured exposure to development which will ensure that we continue to deliver consistent returns to our shareholders through the cycle.



Pictured:
Restored façade, internal timber beams and hand-painted signage at Tropical Fruit Warehouse, 30-32 Sir John Rogerson's Quay, Dublin 2

Strategic Highlights

IPUT's strategy is to deliver long-term, risk adjusted income returns for shareholders. The Fund seeks to generate shareholder value with a combination of targeted exposure to added value projects underpinned by the Fund's core income generating assets.

Computer Generated Image

2018

INDUSTRY LEADING PORTFOLIO

IPUT's strategy is to maintain the leading real estate portfolio in the Irish market which can drive secure, long-term income returns for shareholders.

see page 20

FOCUS ON LONG-TERM PERFORMANCE

IPUT is focused on driving long-term income growth and identified Fitzwilton House, owned by the Fund since 1982, as a redevelopment opportunity which would generate additional rental income and capital value growth for shareholders.

see page 22

"IPUT is a core income fund and we are focused on owning the best income generating properties for the long-term. By scaling-up and regenerating our city centre office portfolio, we aim to attract and retain both global investors and occupiers."

Niall Gaffney, Chief Executive

ACTIVE ASSET MANAGEMENT

IPUT is a long-term investor in prime Dublin real estate but is active in managing the portfolio to strategically recycle and redeploy capital to facilitate further income and capital growth.

see pages 24 – 27

CONTINUING TO BUILD OUR TEAM

Develop and retain an experienced team of real estate professionals to protect and enhance value for shareholders; and support our extensive occupier base.

see page 28

COMMITMENT TO SUSTAINABILITY

IPUT continues to set the benchmark for sustainability in the real estate sector in Ireland with a target to achieve world-class credentials. IPUT is the first Irish property fund to achieve a 3-star Green Star rating in the annual GRESB assessment.

see page 30

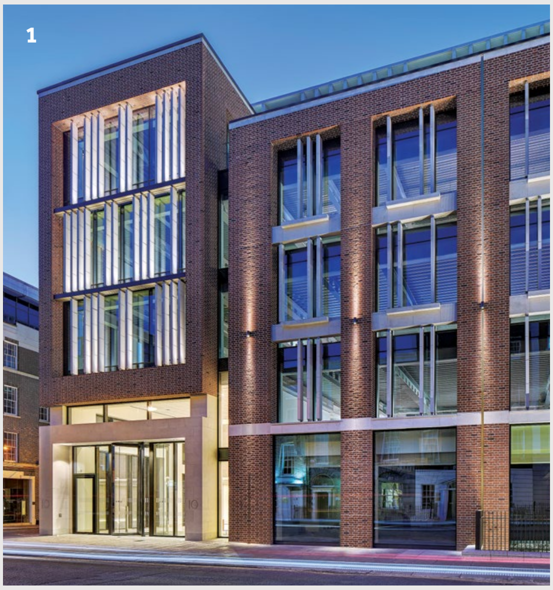
Industry Leading Portfolio

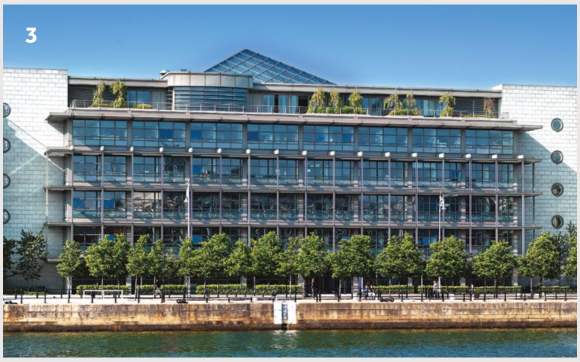
MAJOR HOLDINGS

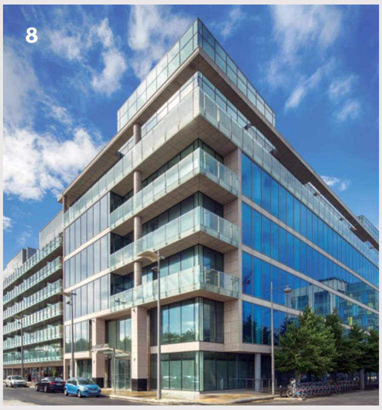
IPUT's strategy is to maintain the leading real estate portfolio in the Irish market which can drive secure, long-term income returns for shareholders.

Market-leading assets attract high-quality tenants providing a strong covenant which, in turn, supports income security over the long-term. Certification of our major holdings against industry-leading efficiency, digital connectivity and sustainability benchmarks also enhances the attractiveness of 'IPUT Buildings' to tenants.

IPUT's top 10 holdings, which represent over 40% of the Fund's NAV, align with this strategy and include some of Dublin's most attractive and highly regarded real estate assets.







1 **10 Molesworth Street, Dublin 2**
Size: 10,800 sq m (116,250 sq ft)
Tenant: AIB

2 **1 Grand Canal Square, Dublin 2**
Size: 12,300 sq m (132,400 sq ft)
Tenancies: HSBC, Accenture, IPB, Bank of Ireland, Citadel

3 **25-28 North Wall Quay, IFSC, Dublin 1**
Size: 10,600 sq m (113,900 sq ft)
Tenant: A&L Goodbody Solicitors

4 **Phase 1, Carrickmines, Dublin 18**
Size: 19,138 sq m (206,000 sq ft)
Tenancies: Multi-let

5 **The Exchange, IFSC, Dublin 1**
Size: 9,986 sq m (107,480 sq ft)
Tenancies: Food Safety Authority of Ireland, Liquidnet, Mediolanum, Walkers Global, Ronan Daly Jermyn

6 **Riverside One, Sir John Rogerson's Quay, Dublin 2**
(70.8% Ownership)
Size: 10,252 sq m (110,350 sq ft)
Tenancies: McCann Fitzgerald Solicitors

7 **Wilton Park House, Wilton Place, Dublin 2**
Size: 13,192 sq m (142,000 sq ft)
Tenant: IDA

8 **7 Hanover Quay, Dublin 2**
Size: 6,130 sq m (66,000 sq ft)
Tenant: Accenture

9 **One Wilton Park, Wilton Place, Dublin 2**
Size: 14,120 sq m (152,000 sq ft)
Tenant: LinkedIn
Status: Under Construction

10 **Riverside Two, Sir John Rogerson's Quay, Dublin 2**
Size: 6,830 sq m (73,500 sq ft)
Tenancies: BNY Mellon, Beauchamps Solicitors, Cosmo Pharmaceuticals

Focus on Long-Term Performance

ONE WILTON PARK, DUBLIN 2

IPUT is focused on driving long-term income growth and identified Fitzwilton House, owned by the Fund since 1982, as a redevelopment opportunity which would generate additional rental income and capital value growth for shareholders.

Having obtained planning permission to redevelop Fitzwilton House, we subsequently pre-let the entire 152,000 sq ft development to LinkedIn, the world's leading professional network and a subsidiary of the Microsoft Corporation on a long-term lease.

Upon completion in Q4 2020, the redevelopment of One Wilton Park will yield €8m p.a. in rental income for the Fund and deliver an income yield on cost of over 6%.

One Wilton Park will be one of the leading prime office assets in Dublin. The development was awarded a WiredScore 'Platinum' digital connectivity rating, the highest possible WiredScore rating, placing it among the best-connected buildings in the world. It will also meet the highest sustainability and efficiency credentials in the market – designed for LEED 'Platinum' certification and a WELL Certified™ Gold Rating.

IPUT has also strategically assembled ownership of the entire Wilton Park Estate which includes the adjacent Wilton Park House and Gardner House and their associated public spaces. We have submitted planning to develop an additional 450,000 sq ft of prime office space and which will create a 600,000 sq ft new city quarter in the heart of Dublin's CBD.

Pictured left:
Niall Gaffney, Chief Executive IPUT plc; Sharon McCooey, Head of LinkedIn Ireland; and Martin Shanahan, Chief Executive IDA, announcing the pre-letting of One Wilton Park to Linkedin.

CGI of One Wilton Park, Dublin 2

Active Asset Management

CAPITAL RECYCLING

IPUT is a long-term investor in prime Dublin real estate but is active in managing the portfolio to strategically recycle and redeploy capital to facilitate further income and capital growth.

During 2018, the Fund completed a €158m property transaction involving the exchange of several high-profile office buildings in Dublin city centre. As part of the transaction, IPUT acquired Deloitte House, Earlsfort Terrace, Dublin 2 and disposed of assets at 6 George's Dock, IFSC, Dublin 1 and 40 Molesworth Street, Dublin 2.

Deloitte House is a landmark office building situated on the corner of Earlsfort Terrace and Hatch Street in the heart of Dublin's CBD. It is occupied by Deloitte on a long-term lease and combines a strong income profile with future redevelopment potential.

40 Molesworth Street & 6 George's Dock were acquired by the Fund in 2013 and through active asset management, the value and income from both of these assets was maximised. Through this transaction, the Fund crystallised a capital gain of €46m while re-investing the proceeds in an asset which offers potential for further upside for both income and capital returns.

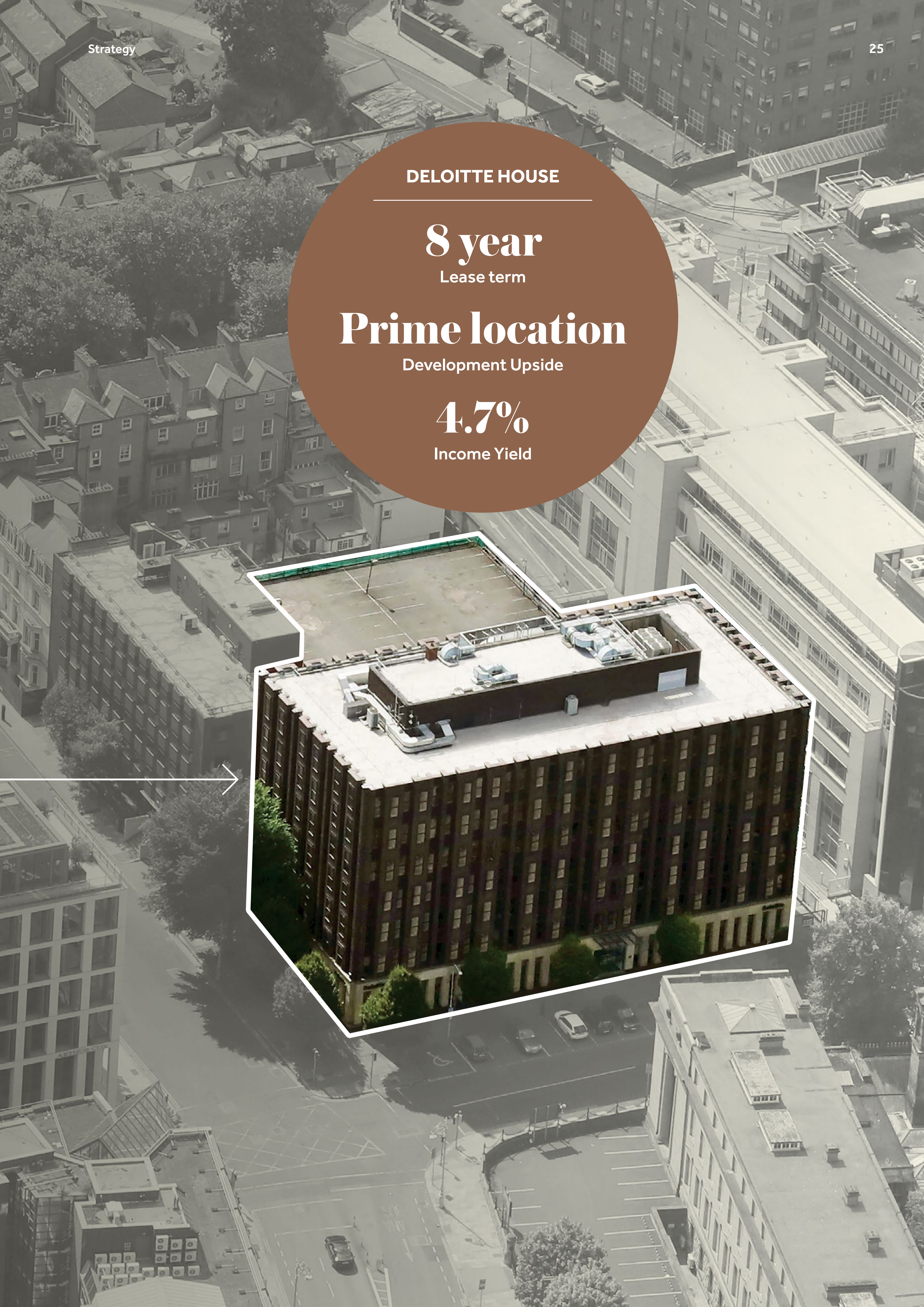
€46m
capital gain on disposal

6 Gerorge's Dock, Dublin 1
Size: 4,784 sq m (51,491 sq ft)

Acquisition cost	€21m
Capital Expenditure	€3m
Disposal Price	€46m
Return on Cost	92%

40 Molesworth Street, Dublin 2
Size: 3,025 sq m (32,550 sq ft)

Acquisition cost	€8.5m
Capital Expenditure	€14m
Disposal Price	€48m
Return on Cost	113%



DELOITTE HOUSE

8 year
Lease term

Prime location
Development Upside

4.7%
Income Yield

85%
let before practical completion

€20m
refurbishment

Active Asset Management

ASSET REGENERATION – 5 & 6 EARLSFORT TERRACE, DUBLIN 2

IPUT continues to review opportunities to regenerate assets within its portfolio to increase lettable space, enhance the tenant experience and support long-term income growth.

During 2018, IPUT initiated an extensive €20m refurbishment of 5 & 6 Earlsfort Terrace, in the heart of Dublin's CBD, to include the addition of two floors increasing total office space to 101,000 sq ft. Parts of the refurbished buildings have been certified to LEED Platinum and WiredScore Platinum, the highest environmental and connectivity standards available.

Consistent with a strategy to invest in the public realm and enhance the public areas adjacent to our buildings, a new urban park, designed by award winning landscape architect Robert Townshend, is also under development in front of Earlsfort Terrace and will be completed in the first half of 2019.

Continuing to Build our Team

CREATING A NEW ASSET SERVICES FUNCTION WITHIN OUR CORE BUSINESS

Direct and regular engagement with our occupiers has been a key element of our investment management strategy to date. In 2015 we launched 'An IPUT Building' as part of a strategic objective to enhance the level of management and service at our properties. We wanted to take both these objectives a step further and in 2018 we created an Asset Services division to continue this journey.

The team, comprising of management surveyors and facilities managers, will develop building services and standards in line with the IPUT Building vision and will embrace technology, innovation and sustainability in the delivery model. This team will also be responsible for day to day facilities management operations at our multi-let portfolio and will be our occupiers' point of contact for all management and service charge related communications.

Tenant engagement is being enhanced by hosting more regular tenant forums. These will be supported by events which are individually created to optimise occupier engagement and also offer support and information in pursuit of more responsible building management and use. The Asset Services division will allow us embed the 'IPUT Building' brand standard in a consistent way throughout our portfolio and will place service and responsible management at the forefront of our operations.

In Q4 2018 the Asset Services team took direct management control of the Shelbourne Buildings Estate in Dublin 4. This transition to the multi-let office management function will continue through 2019 creating a new channel for the delivery of our sustainability strategic objectives. All of this activity is focused on improving our occupiers' experience in an IPUT Building and further enhancing tenant retention rates.

18%

of multi-let portfolio under direct management at year end 2018

Reception at 5 Earlsfort Terrace

Commitment to Sustainability

47-49 ST. STEPHEN'S GREEN, DUBLIN 2

IPUT continues to set the benchmark for sustainability in the real estate sector in Ireland with a target to achieve world-class credentials. IPUT is the first Irish property fund to achieve a 3-star Green Star rating in the 2018 GRESB assessment.

We are the largest adopter of WiredScore's 'Wired Certification' in Ireland with 15 of our office buildings, representing almost 1 million sq ft, certified to date. We will continue to focus on increasing the number of Wired certified buildings across our estate in 2019 and we are committed to securing a minimum Gold rating for all our current and future developments and refurbishments. We are also committed to certifying all new developments to LEED sustainability standards with a target of Gold or Platinum ratings; and to increase the number of our buildings with a WELL rating for health and wellness. During 2018, our new head office received the first WELL Certified™ Gold award for a building in Dublin.

In addition to our commitment to sustainability, IPUT believes in the benefits of investment in the public realm across our estate. During 2018, we improved the infrastructure around our development on Molesworth Street by upgrading the paving, footpaths and planting new trees. We also commenced the redevelopment of the new urban plaza at Earlsfort Terrace. Our redevelopment of the Wilton Estate will include a substantial investment in the adjacent park to open it up for greater use by occupiers, our neighbours and the wider public.

Our commitment to investing in the public realm reflects an acknowledgement that businesses must look solely beyond short-term financial returns and consider the social impact we have in the areas where we live and work. We also believe that an investment in the public realm is consistent with our focus on long-term value as it enhances the value of our assets over a long-term time horizon.

U.S. GREEN BUILDING COUNCIL LEED PLATINUM USGBC

INTERNATIONAL WELL BUILDING INSTITUTE WELL GOLD

WIRED CERTIFIED PLATINUM

IGBC SILVER MEMBERSHIP | 2018

Reception of IPUT offices,
47-49 St. Stephen's Green, Dublin 2

Investment Case

A TRACK RECORD OF PERFORMANCE THROUGH MULTIPLE CYCLES

REASONS TO INVEST

Ireland's premier property fund, est. 1967

Delivering consistent income returns from Dublin commercial property

STRATEGIC OBJECTIVES

We are the premier property fund in Ireland. We provide strong, consistent income returns to our investors from a portfolio of high-quality office, retail and industrial assets with a clear focus on Dublin's CBD and its surrounding areas.

We own and manage a significant portfolio of high-quality assets and actively manage our properties to add value and drive secure, long-term 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.

2018 STRATEGY IMPLEMENTED

Over €180m of new capital raised

Additional rental income generated through active asset management and delivery of added value projects

€250m, 5 year revolving credit facility put in place to fund development programme

NAV increased to **€2.5bn**

Total Shareholder Return of **8.3%**

Net rental income grew by **15%** in 2018 to €107m

17 new leases executed in 2018 securing long-term income

Over €6m of annual income secured through rent reviews and lease re-gears

Occupancy rate of **99.5%** with 100% rent recovery

MEDIUM TERM OBJECTIVES 2019–2021

Continue to focus on Dublin

Target annualised shareholder returns of 5-6%

Continue to grow dividend through active management of the portfolio

Grow rental income by capturing reversionary potential

Secure pre-lettings for current and future developments

Actively manage lease expiry profile

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 management.

Regular analysis undertaken of key events relevant to our industry and tenants

Detailed analysis on the office supply pipeline undertaken quarterly

Issuance of research report on Dublin as a global real estate market

Programme of engagement with shareholders and other stakeholders to keep Board and management informed of external perspectives

Ongoing analysis of internal and external risks to our business strategy

Monitor investment and business strategy to ensure performance is in line with objectives

Continue to engage proactively with shareholders

A portfolio of best-in-class assets, expertly managed

We invest in prime office, retail and industrial assets, weighted in favour of offices located within Dublin's CBD. We optimise income through active management and add value through targeted investment and re-development. 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.

Ongoing refinement of estate with **€186m** of acquisitions and disposals completed

Key added value projects delivered generating **€12m** of annual rental income on long-term leases

Increased exposure to logistics sector and continued to reduce investment in co-owned assets

Measured exposure to added value projects

WAULT increased to **6.9 years**

Efficient cost base maintained at **0.36%** of NAV

Complete projects currently under development

Achieve planning for future development projects

Continue to invest in market-leading portfolio under "An IPUT Building" Brand

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; and a commitment to certify our assets to the highest international standards of efficiency, digital connectivity and sustainability. 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.

First Irish fund to achieve **3-star Green Star GRESB rating**

Public realm investments made across a number of key assets

Largest adopter of **'Wired Certified'** rating in Ireland

Three assets awarded **LEED ratings** in 2018

Dublin's first ever **WELL Certified™ Gold** achieved at IPUT's head office

Establishment of Asset Services team to drive sustainability initiatives across portfolio

Increase LEED, WELL and WiredScore certification across the estate

Achieve a 4-star GRESB Green Star rating

Deliver on objectives set out in our updated Sustainability Strategy

Added Value Pipeline

TROPICAL FRUIT WAREHOUSE, 30-32 SIR JOHN ROGERSON'S QUAY, DUBLIN 2

Type: Office Development
Size: 7,776 sq m (83,500 sq ft)
Status: Under construction

IPUT is redeveloping 30-32 Sir John Rogerson's Quay, Dublin 2 which is one of the last remaining original warehouse buildings on Dublin's quays. This historic building, which was originally used for the importation of tropical fruit into Ireland, sits on the waterfront facing the landmark Samuel Beckett bridge. Designed by Henry J Lyons Architects, the Tropical Fruit Warehouse is a cutting-edge scheme which will deliver over 83,500 sq ft of unique riverfront offices and will include a new 6 storey office block at the rear overlooking an existing public square.

The original warehouse building will be sensitively restored and the design incorporates the addition of two floating, fully glazed office floors which will cantilever over the protected structure providing panoramic views over the River Liffey. The development has been designed to meet the highest sustainability credentials and will also incorporate a significant investment in the public realm, creating a vibrant pedestrian connection to Whitaker Square from the riverfront.

The redevelopment will complement the Fund's existing office holdings in the immediate vicinity – Dublin's 'Silicon Docks' – which extend to over 600,000 sq ft; and is consistent with IPUT's long-term strategy to provide buildings that are recognised for the highest standards in design, functionality and sustainability credentials.

Computer Generated Image

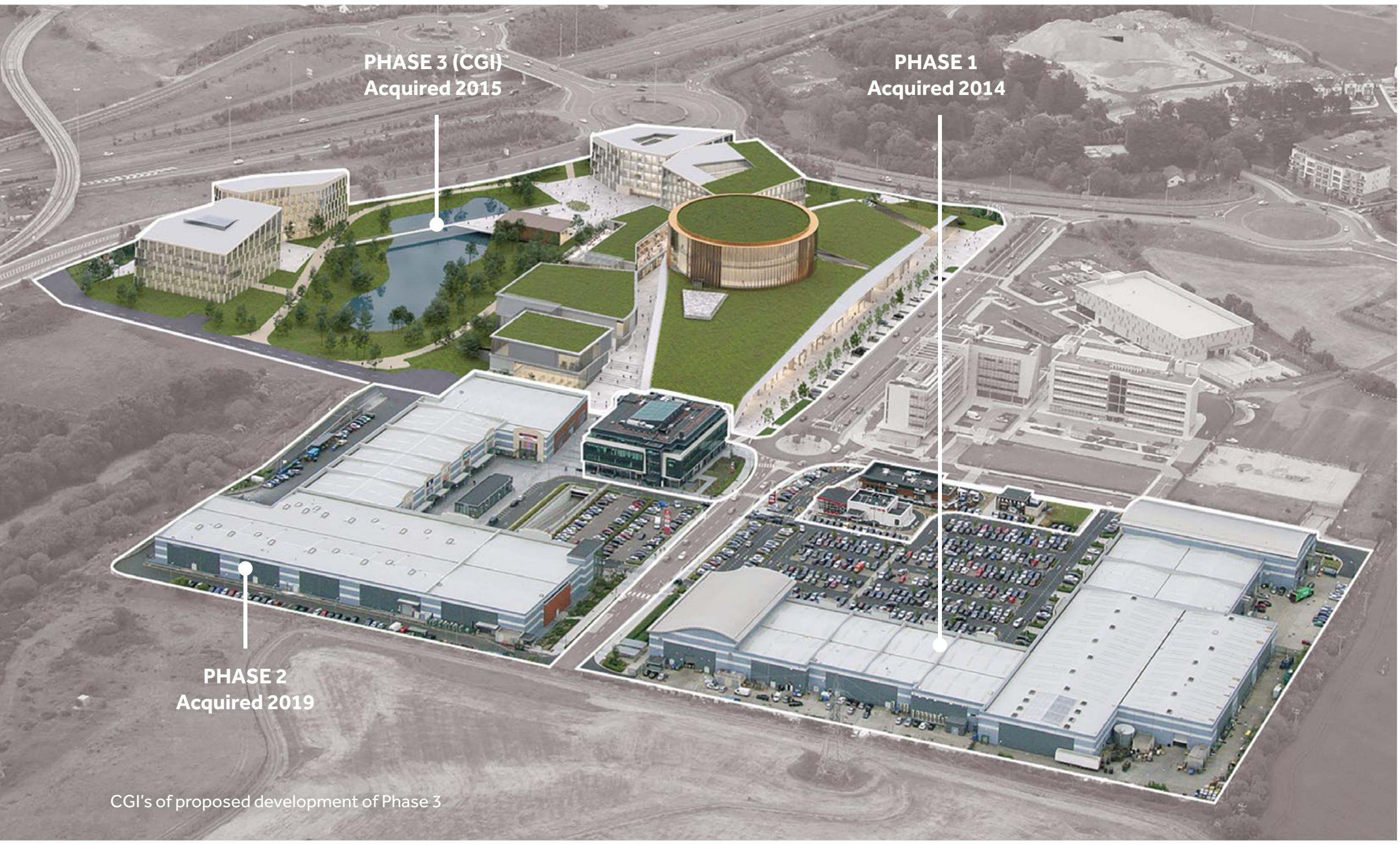
Computer Generated Image

Pictured:
The unique setting, adjacent to the Samuel Beckett Bridge, will offer the occupier the opportunity to work in the last available historical quayside warehouse.

Added Value Pipeline

CARRICKMINES, DUBLIN 18

Phase 1: 19,138 sq m (206,000 sq ft)
Phase 2: 17,559 sq m (189,000 sq ft)
Phase 3: 60,390 sq m (650,000 sq ft) – in planning



CGI's of proposed development of Phase 3

IPUT initially acquired 19,138 sq m (206,000 sq ft) of retail warehousing at Carrickmines in 2014 and subsequently assembled the entire retail park through further acquisitions, including a 7.24 ha (18 acre) site in 2015 and a further 13,657 sq m (147,400 sq ft) of retail warehousing space in 2019.

The proposed new 60,390 sq m (650,000 sq ft) development of Phase 3 will comprise; retail warehousing, neighbourhood retail, food & beverage outlets, leisure & entertainment space, including a cinema, and additional office and multi-family apartments.

The masterplan for the 18-acre Phase 3 development includes the creation of a new architecturally designed public park and direct connectivity to Dublin's light rail network. The park will be completed to the highest international standards and incorporating Phase 1 and 2, reinforces Carrickmines as one of Ireland's premier retail destinations.

CGI of Wilton Park

WILTON PARK, DUBLIN 2

Location: Wilton Terrace, Dublin 2

Type: Office Redevelopment

Size: 55,760 sq m (600,000 sq ft)

One Wilton Park: Under construction

Two, Three & Four Wilton Park: In planning

In the fourth quarter of 2018, IPUT announced plans to create a new city quarter at Wilton Park, Dublin 2. One Wilton Park forms the first phase of this proposed 152,000 sq ft development. It has been pre-let to LinkedIn and is due for completion in Q4 2020.

A planning application was submitted in November for the redevelopment of the remainder of the estate at Wilton Park which includes Wilton Park House, Gardner House plus their associated public spaces and Wilton Park.

Upon completion, IPUT's estate in the area will total 600,000 sq ft of office space located in the heart of Dublin's CBD. The buildings have been designed to meet the highest efficiency, sustainability and digital connectivity credentials with a strong sense of community.

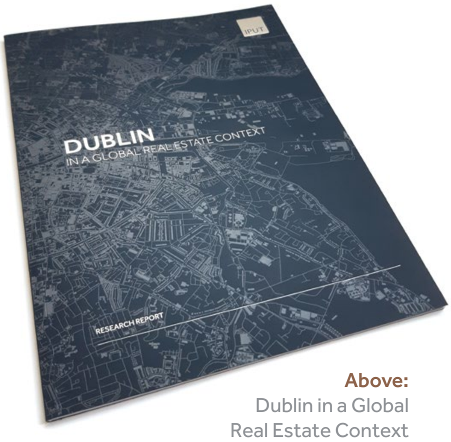
Dublin in a Global Real Estate Context

Our investment strategy over the past decade has been predicated on the strongly held belief that Dublin would re-establish itself as a leading European city following the global financial crisis and re-take its place as a vibrant European capital.

IPUT is predominantly Dublin focused with the majority of our portfolio in prime offices, with select exposure to retail and the growth potential within the logistics sector.

During 2018 we commissioned Savills Global Research to prepare a report to test and validate our view as to the outlook for the Dublin real estate market in a global real estate context and in so doing help our stakeholders to understand the outlook for Dublin in the period ahead and the extent to which the market has become a destination for international institutional capital.

As we move past the recovery phase, our view remains unchanged and we continue to see opportunity in Dublin and believe that it will outperform other European destinations of investment. It remains a strong and growing city with favourable macro and demographic trends sustaining expectations of future growth albeit at a more moderate rate.



Above:
Dublin in a Global Real Estate Context Research Report

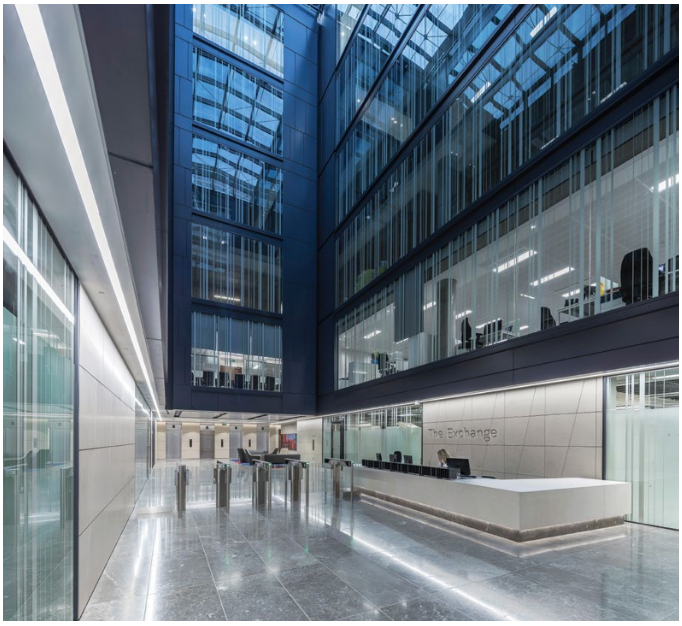
KEY POINTS

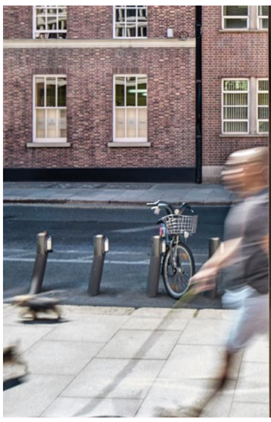
Dublin is the fastest growing economy in Europe and should continue to lead the way with GDP growth forecast at 3.05% p.a. up to 2022

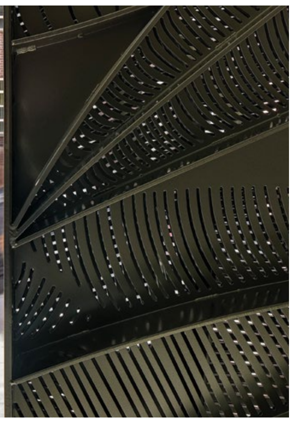
Ireland remains a favoured destination for FDI, led by many of the world's leading technology and high growth companies

Dublin's GDP is greater than many cities which are more than double its size driven by the scale of FDI and its reputation as a competitive place to do business

In a more competitive global labour market, employers need to be situated in attractive urban locations in order to attract and retain talent



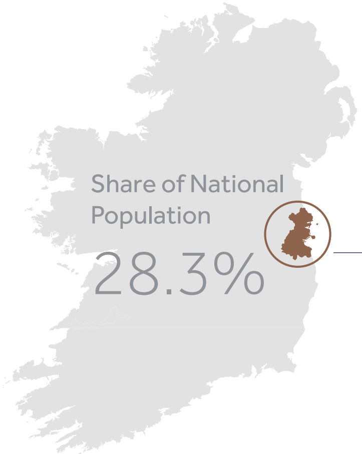




Left to right:
AIB Headquarters at 10 Molesworth Street, Dublin 2;
The Exchange, IFSC, Dublin 1;
Night Gates, 10 Molesworth Street, Dublin 2

Dublin in a Global Real Estate Context
(CONTINUED)

Dublin in Numbers

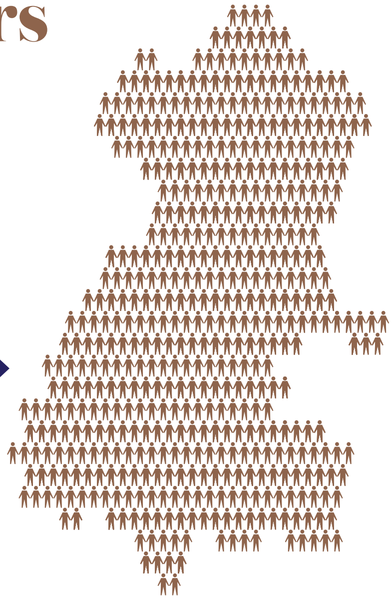


Share of National Population

28.3%

Dublin Population

1.4m



DEMOGRAPHICS

1.5%
Population growth p.a.

30.8%
Share of national employment

3.8%
Jobs growth p.a.

BUSINESS & ECONOMICS

FDI COMPANIES
1,400

FDI EMPLOYEES
200,000

Dublin is home to **250** global financial institutions

50% of the world's top banks are in Dublin

30,000 employed in Dublin's International Financial Services Centre

45%
Share of Ireland's economic output

Half of the world's top 20 insurance companies are present in Dublin

9 of top 10 global ICT companies are present in Dublin

9
of the world's top 10 pharma companies are in Dublin

17
of the world's top 25 med-tech companies are in Dublin

Dublin Office Market

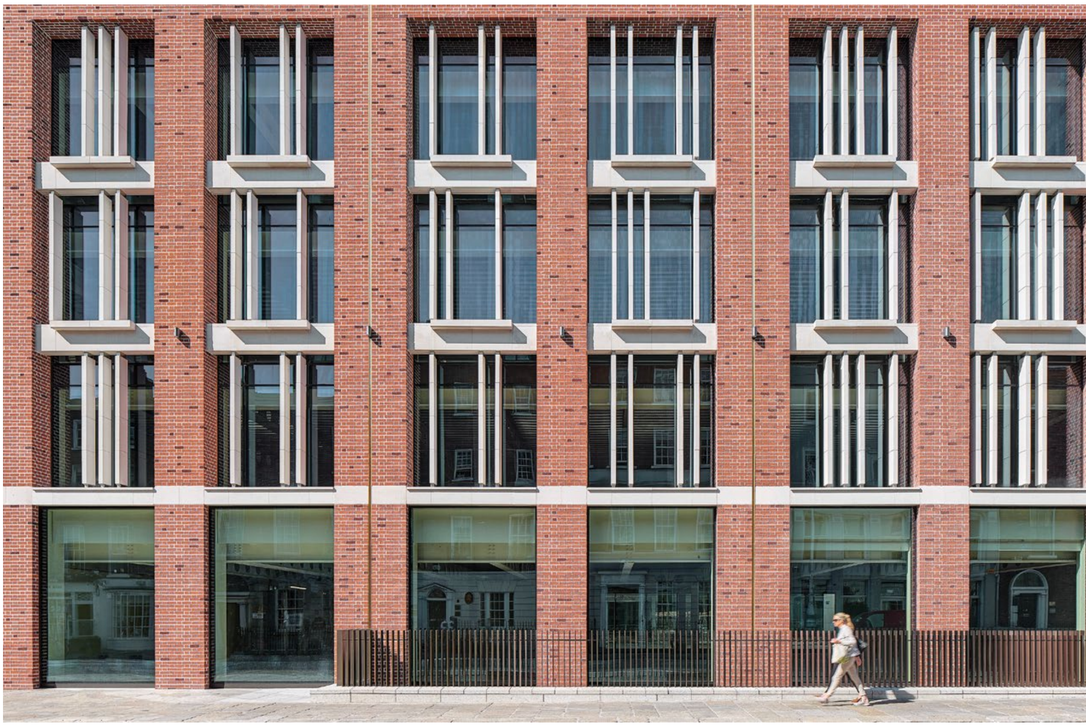
After an inevitable slowdown during the Global Financial Crises (GFC), Dublin's office market has rebounded strongly in recent years.

Take-up averaged 132,200 sq m between 2009-2013, but a sustained demand for space has seen this increase to 288,000 sq m per annum between 2014-2018. Full year take-up reached 346,000 in 2018, with continued evidence of strong outstanding space requirements.

Not only has gross letting activity increased in recent years but the 'conversion rate' between lettings, and the net increase in occupied space, has also been rising. This reflects the underlying nature of market activity, with new entrants and expansions accounting for a higher proportion of deals relative to movements within the market. Net absorption has steadily picked up from around 30% of gross lettings to 53% of total space let in 2018.

The strength of occupational demand has seen a resumption of office development activity since 2015. In the last three years some 448,493 sq m of new office space has been completed in Dublin. Most of this has been in city centre locations and has involved the demolition and replacement of older stock. In addition to driving a qualitative improvement in Dublin's office stock, this recycling of old space has driven a big gap between gross completions and net space added. In total 237,200 sq m of older space has made way in the current cycle, meaning that net new development is 255,100 sq m – equating to only 55% of gross completions.

The continued strength of underlying occupier demand is driving net absorption, and the manageable scale of net new development has been constrained by very limited speculative development. Consequently, vacancy rates are now at their cyclical low of 8.1% across the broader metropolitan area. Within this, however, vacancy rates in the Central Business District are substantially lower at 5%.



Pictured:
AIB Headquarters at
10 Molesworth Street, Dublin 2

Acquisitions & Disposals

During 2018, IPUT completed transactions comprising a total acquisition and disposal value of €186m – including six disposals generating proceeds of over €116m and the acquisition of two assets for almost €70m.

The landmark transaction of the year was the €158m asset swap involving the exchange of 6 George's Dock and 40 Molesworth Street for Deloitte House. In this transaction, IPUT crystallised a significant €46m capital gain on the disposed assets and acquired an income generating asset which offers upside on both income and capital returns.

IPUT also disposed of several smaller retail and logistics assets consistent with a primary focus on larger scale, prime assets.

2018 ACQUISITIONS

Deloitte House, Earlsfort Terrace, Dublin 2

Purchase Price **€63.7m**

Unit A, Furry Park Industrial Est., Dublin 9

Purchase Price **€5.7m**

2018 DISPOSALS

Swords Business Campus, Swords, Co. Dublin
(25% interest)

Sale Price €7.2m

40 Molesworth Street, Dublin 2

Sale Price €48m

6 George's Dock, IFSC, Dublin 1

Sale Price €46m

47-48 O'Connell Street, Dublin 1

Sale Price €7.7m

Willsborough Industrial Est., Dublin 17 (4 units)

Sale Price €5.8m

79 Patrick Street, Cork

Sale Price €1.5m

Letting Activity

DRIVING INCOME GROWTH

2018 was another active year for IPUT. The Fund signed a total of 17 new lettings and completed 15 rent reviews, covering 915,000 sq ft of space.

The Fund's estate comprised 89 assets at the end of 2018 representing a total of 5 million sq ft of lettable space. Occupancy at year-end was 99.5%. IPUT is actively engaged in letting activity with net rental income of €17.5m secured in 2018.

15 rent reviews were completed in 2018 providing an additional €1.8m of income representing 30% growth on rent prior to review.

IPUT is focused on securing the reversionary potential within the portfolio with the Estimated Rental Value of €130m (excluding developments) at year end compared to a passing rent of €111m. The Fund will seek to drive rental income growth with €7.8m of income due for review over the next 12 months.

17

new lettings signed

11.3 years

average WAULT on new lettings

OFFICE

RETAIL

INDUSTRIAL / LOGISTICS

Tenants

BALANCED PORTFOLIO

IPUT maintains a risk balanced tenant profile within its portfolio. We seek to maintain a balanced exposure to a broad range of sectors while not over-exposing the Fund to any specific sector. IPUT's portfolio comprises a total of 380 tenants with no one tenant accounting for more than 6.5% of net rental income.

- FINANCIAL SERVICES **26%**
- INTERNATIONAL RETAILERS **15%**
- TECHNOLOGY & MEDIA **13%**
- LEGAL FIRMS **13%**
- NATIONAL RETAILERS **11%**
- PUBLIC / EU / EMBASSY **8%**
- LOGISTICS **7%**
- OTHER **7%**

CASE STUDIES

INDUSTRIAL

SONAS BATHROOMS

Unit 103 Northwest Business Park, Dublin 15

IPUT agreed a pre-let of Unit 103 Northwest Business Park, Dublin 15 to Sonas Bathrooms, Ireland's leading supplier of bathroom products. IPUT signed a long-term lease for the 135,000 sq ft unit which represented the largest logistics letting in the Irish market in 2018. IPUT acquired the unit in early 2018, completed a substantial refurbishment programme and pre-let the building delivering an attractive income return on cost of 7.3% and a profit on cost of over 20%.

OFFICE

LinkedIn

One Wilton Park, Dublin 2

IPUT agreed to pre-let One Wilton Park to LinkedIn, the world's leading professional network and a subsidiary of Microsoft Corporation. One Wilton Park will be a Grade A office development of 152,000 sq ft constructed on the site of the former Fitzwilton House which IPUT has owned since 1982. Construction commenced during the year and is scheduled for completion by the end of 2020. One Wilton Park will deliver a projected income yield on cost of over 6%.

Sustainability

RESPONSIBLE MANAGEMENT OF OUR ASSETS

Sustainability continues to differentiate IPUT buildings in the Dublin market and is integral to how we do business.

2018 marked the third year of IPUT's sustainability strategy. Launched in our 2016 Annual Report and Sustainability Report, this strategy was based on the strong foundations of good building management and focused on embedding the principles of sustainability throughout our business.

At the end of our first three year sustainability strategy, we have achieved key targets in GRESB scores, and are now setting out an ambitious plan for the future.

As we look to the next 3 year period, we remain focused on delivering further improvements and taking increasingly ambitious action on carbon, waste and health & wellbeing.

Pictured Above:
Public Realm improvements at Molesworth Street, Dublin 2

OUR SUSTAINABILITY PROGRAMME FOR 2018 HAD FOUR STRATEGIC OBJECTIVES:

1 DELIVER WELL DESIGNED AND SUSTAINABLE BUILDINGS

2 ENGAGE WITH OUR INDUSTRY TO SET AND ENFORCE HIGH STANDARDS

3 PROVIDE RESPONSIBLE MANAGEMENT OF OUR BUILDINGS

4 SUPPORT THE SOCIAL AND CULTURAL FABRIC OF DUBLIN CITY

INDUSTRY AFFILIATIONS

IGBC SILVER MEMBERSHIP | 2018

GRESB® REAL ESTATE Member

2018 HIGHLIGHTS

WELL Certified™ Gold

IPUT's office became the first office in Dublin to be WELL Certified™ Gold.

Energy Reduction

In 2018 we saw a 7% reduction in electricity use at One Grand Canal Square, which is our highest consuming asset.

GRESB Performance

We improved our GRESB score to 67, a 20% increase on our 2017 score and a 3 star Green Star rating.

Tenant Satisfaction

We undertook our first formal survey in 2018 with over 100 participants. Over 80% of survey respondents found the services in IPUT buildings to be of an excellent standard.

Social and Cultural Support

Over the course of 2018 we continued to engage within the wider Dublin Community in a broad range of activities alongside environmental improvements.

LEED Certifications

LEED Gold at 40 Molesworth Street and The Exchange, IFSC and LEED Platinum at 10 Molesworth Street.

Green Energy

IPUT have sourced renewable energy supply from green energy providers associated with 75% of Scope 2 emissions.

CONTINUED GRESB IMPROVEMENTS

In 2018, IPUT participated in the Global Real Estate Sustainability Benchmark (GRESB) for the third year in a row. We improved our GRESB score to 67, a 20% increase on our 2017 score.

As we are committed to continually improving sustainability in our business, we were delighted our efforts were reflected in our 2018 GRESB performance, maintaining our leading position in the Irish market. In 2018 we met our target to achieve a 3 star Green Star rating, and performed above our peer group average in a number of areas including management, policy & disclosure and performance indicators.

Moving forward, we intend to take the learnings from GRESB participation to push beyond benchmarking and build upon aspects of sustainability that are most important to our business values and occupants.

Sustainability
(CONTINUED)

TENANT ENGAGEMENT & WELLBEING

Positive tenant relationships and high quality service are core to our success as a business. In 2018 IPUT achieved the first WELL Certified™ Gold office in Dublin and only the second in Ireland.

WELL Certification

In 2018, our new offices at 47-49 St. Stephen's Green achieved WELL Certified™ Gold. The WELL Building Standard is delivered by The International WELL Building Institute™ (IWBI™) and is the leading standard for benchmarking buildings and interior spaces on their commitment to human health and wellness. Our office space has been designed with collaboration and comfort in mind including flexible working spaces, interactive areas, acoustic design and access to roof gardens.

Tenant Engagement

We undertook our first formal tenant engagement survey in 2018 to understand how we can continue to make better workplaces for our occupiers and provide excellent service. Over one hundred tenants from across our portfolio responded to the survey, providing us with strong insight on both our strengths and areas for improvement as a landlord.

Creating and managing spaces which positively contribute to occupants' health and well-being is a key focus for our new sustainability strategy. Through this we aim to foster strong relationships and increase tenant participation in our sustainability programme.

Pictured Left:
IPUT's offices achieved WELL Certified™ Gold in 2018

75%
of responding occupiers indicated highly favourable feedback

Over 80%
of survey respondents found the services in IPUT buildings to be of an excellent standard

Pictured Right:
Christmas 2018 Tenant engagement event at the Shelbourne Buildings

SOCIAL RESPONSIBILITY

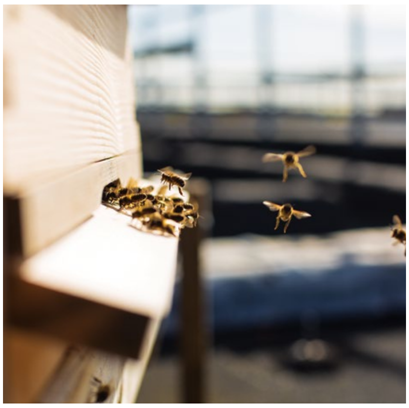
As our city develops it is also important that it grows sustainably and integrating nature in our estate is part of this growth.

Our beehive project is one of the ways in which we contribute to our surroundings. IPUT placed two beehives on the roof of our office building on St. Stephen's Green in 2017, and the bees have been thriving ever since.

Each hive contains about 50,000 bees in the height of the summer, made up of worker bees, drones and the queen. With a wide variety of trees and flowers from which to forage pollen and nectar, they gathered a staggering 60 Kilograms of delicious honey in the summer of 2018.

The hives are tended to by IPUT's Head of Property Management, Niall Ringrose, who incidentally also keeps a couple of hives on the roof of Buswells Hotel, on Molesworth Street!

IPUT's urban beehive project very much supports our aspiration to integrate natural habitats within a fast-developing city, helping to create a healthy and vibrant environment for Dublin's citizens to enjoy. It has also created a great opportunity for IPUT to engage with its many stakeholders, as the harvested honey is bottled and distributed amongst the IPUT team, occupiers and of course visitors to its offices.



Left to right:

1. A jar of Honey from IPUT's hives at St. Stephen's Green.
2. Bees returning to the hive.
3. IPUT's Head of Property Management, Niall Ringrose tending the hive.

Sustainability
(CONTINUED)

2018 PERFORMANCE

IPUT have established an ongoing energy reduction programme, and in 2018 set targets on all directly managed assets.

Net energy use increased on the like-for-like portfolio in 2018, contributing to a 9% increase in our direct (Scope 1 & 2) carbon emissions. Much of IPUT's emissions relate to shared services within multi-tenanted buildings. Unusual weather patterns had an impact on our energy performance this year, with increases in heating required in the spring, and cooling required during the summer.

However, we were pleased to see a 7% reduction in electricity use at 1 Grand Canal Square, our highest consuming asset.

IPUT are committed to continuing to make reductions; we are learning from this experience and looking at ways of better managing systems during abnormal weather patterns. We are also initiating metering and tenant engagement programmes to better understand how energy is being used across our buildings and discuss how to make improvements.

Verified Carbon Emissions 2017 v 2018

	2017	2018	Percentage change
Scope 1 - emissions from natural gas combustion and refrigerant top ups	1,628 t CO2e	1,736 t CO2e	7%
Scope 2 - emissions from purchased electricity and district steam	3,101 t CO2e	3,430 t CO2e	11%
Total Scope 1 and 2	**4,728 t CO2e**	**5,165 t CO2e**	**9%**
Scope 3 - emissions from third parties	1,755 t CO2e	1,791 t CO2e	2%
Total Scopes 1, 2 and 3	**6,484 t CO2e**	**6,956 t CO2e**	**7%**

7%
reduction in electricity use at our highest consuming asset 1 Grand Canal Square

Pictured Above:
10 Molesworth Street

Pictured Left:
1 Grand Canal Square

CONTINUING OUR SUSTAINABILITY JOURNEY

Sustainability has always been inherent in IPUT's approach to good estate management and how we run buildings.

In 2016 we began to implement a dedicated sustainability strategy, which has enabled us to build a robust approach to environmental and social issues, providing a strong foundation for further action.

This stage in our Sustainability journey has successfully drawn to a close. We are now ready to embark on our next ambitious program.

Pictured Above:
In 2018, we made an investment in sustainable transport for the Asset Services team with the purchase of a fully electric car.

2019-2022 Strategy

We recognise the importance of being a sustainability leader; it makes for a better business, stronger stakeholder relationships, improves our buildings and the product we provide to tenants.

Our 2019 strategy is designed to increase our ambition and explore how IPUT can deliver excellent buildings. Following engagement with our stakeholders, our 2019-2022 strategy centres around 3 key focus areas:

STRATEGIC FOCUS	TARGET	WHAT WE WILL DO
Climate change and energy	Achieve emissions reductions in line with limiting warming to 1.5°C symbol as set out by the IPCC.	Adopt a methodology to embed a measurable net zero emissions target.
Circular economy	Seek to eliminate waste from our operations and developments.	Embed reuse and disassembly principles into our processes and building design.
Health and Wellbeing	Deliver excellent workspace which provides a better occupier experience in our building.	Partner with our tenants to design, deliver and manage spaces which support enhanced wellbeing.

Our Approach to Risk Management

IPUT aims to deliver its strategic objectives whilst operating within a risk framework 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
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 over 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
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 continue to diversify our shareholder base in recent years to improve the liquidity of the Fund.	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. We have established an Asset Services division to ensure we maintain a close relationship with our tenants.	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. 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 a number of key development projects prior to commencing on-site.	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 2018 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.	REDUCED
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
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 new pieces of legislation.	STABLE

Our Approach to Risk Management
(CONTINUED)

RISK	DETAILS	IMPACT	MITIGATION	CHANGE TO RISK IN LAST 12 MONTHS
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 relevant 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 based companies seeking an EU base.	INCREASED
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
Dublin real estate market	Underperformance of Dublin property relative to other sectors or asset classes.	Reduced shareholder returns.	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
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

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.	STABLE
Occupier & Tenant	Weaker occupier demand and increased tenant default.	Adverse impact on income 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 to ensure that we are not over-exposed to any tenant or sector. 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

Senior Management Team

The day-to-day management of IPUT is carried out by a team of 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 25 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.

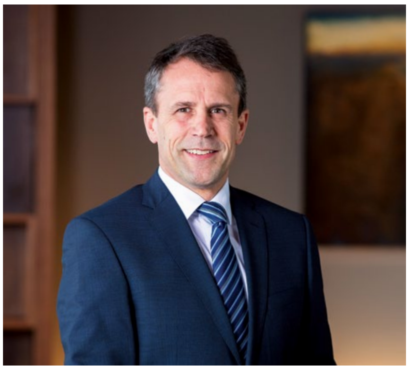
Michael Clarke Head of Investment

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 35 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.

Glenn Cran Head of Asset Services

Qualifications: Bachelor of Business and Legal Studies, a Masters in Business Studies and an MSc in Real Estate
Joined: 2018

Responsibilities
Delivering an industry leading Asset Services model to our portfolio and for our occupiers.

Experience
Over 15 years' experience in various property and facilities management roles both domestically and internationally.

External Membership
Society of Chartered Surveyors

Governance Framework

The Board of Directors is committed to maintaining the highest standards of corporate governance.

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.

Board of Directors

The Board is responsible for the long-term success of the Company. Supported by key Board Committees, the Board is responsible for setting and developing the Fund's overall investment strategy, for the oversight of the business and the continuous assessment of the principal risks and uncertainties facing the business. The composition of the Board is continually reviewed in order to ensure that it comprises the necessary diversity of background, knowledge and expertise to provide effective stewardship and oversight of the Fund. The Board is satisfied that during 2018 it, and each of the key Sub-Committees, continued to operate effectively.

Board Composition & Independence

The Board currently consists of eight non-executive Directors, six of whom are independent. While not subject to regulatory requirements in terms of Board composition, IPUT recognises the value of independent oversight at Board level. In line with best practice, the Board comprises over 50% independent Directors. During 2018, the expertise of the IPUT Board was further strengthened by the appointment of Eithne Fitzgerald as an independent, non-executive Director. Eithne is a former Senior Partner of A&L Goodbody and has long-standing expertise in corporate law, corporate finance and M&A. She brings a wealth of business, legal and transaction expertise to the Board.

Chairman and CEO

John Mulcahy is Chairman of the Board. He was appointed to the Board as an independent non-executive Director in 2014 and as Chairman in 2016. There is a clear separation of duties between the Chairman and the CEO. The Chairman is responsible for the effective working of the Board while the CEO, together with the executive team, is responsible for the day-to-day running of the business.

Meetings

The Board meets a minimum of four times a year and met six times in 2018. The principal agenda items at Board meetings include: business strategy; financial and operational performance; the acquisition, development and disposal of properties; risk management; investor engagement and feedback; and Board effectiveness and oversight. Attendance at Board meetings during 2018 is outlined on the page opposite.

Board Committees

In order to ensure the effective leadership and oversight of the business, the Board has established and delegated certain of its key responsibilities to Board Sub-Committees: the Investment Committee; the Audit & Risk Committee; and the Remuneration Committee. The responsibilities of each of these Committees are set out clearly in written terms of reference, which have been approved by the Board. Membership and Chairmanship of each committee is reviewed annually. Summary responsibility of each of these committees together with meeting attendance in 2018 is set out on the page opposite.

Communication with Shareholders

The Board places a high priority on effective communication with shareholders to foster mutual understanding of the Fund's investment strategy; performance and prospects; and the views of investors. On a day-to-day basis, engagement with investors is the responsibility of the CEO and Head of Finance who maintain regular dialogue with shareholders. The management team has also instituted an annual investor day in Dublin, the first of which was held in September 2018. An annual investor day provides the Board and management team with the opportunity to engage with a broad shareholder group, to provide them with a deeper understanding of the business and to showcase some of IPUT's landmark assets.

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 attendance at the Board and Committee meetings in 2018 was as follows:

Member	Board Meetings	Investment Committee Meetings	Audit & Risk Committee Meetings	Remuneration Committee Meetings
John F. Mulcahy	●●●●●●	◍◍◍◍◍	◍◍◍◍	◍◍◍
Frank Close	●●●●●●	●●●●●		●●●
Paul Armstrong	●●●●○○	●●●●○		
Marie Collins	●●●●●●		●●●●	
Simon Radford	●●●●●○	●●●●○		●●●
Jim Foley	●●●●●○		●●●●	●●●
Donal Courtney	●●●●●●		●●●●	●●●
Eithne Fitzgerald	2/2 ●●		2/2 ●●	

● Committee Member ◍ Committee Meeting Attendee

Board of Directors

John F. Mulcahy Independent Non-Executive Chairman

John has over 40 years' experience in the real estate sector. His current roles include chairman of Glenveagh Properties plc and being a member of the Boards of TIO ICAV, and Quinta do Lago S.A., a Portuguese resort developer. Previously, he was a member of the board (from 2012 to 2014), and Head of Asset Management (from 2011 to 2014), at NAMA. Prior to that, John was chairman and CEO of Jones Lang LaSalle's operations in Ireland from 2002 to 2010. John was also a founding member of the RICS Asset Valuations Standards Committee and the Property Advisory Committee of the National Pension Reserve Fund. 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 30 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 several Jersey based companies.

He is also Chairman of Lothbury Property Trust which invests in UK commercial real estate.

Chairman of the Investment Committee

Paul Armstrong Non-Executive Director

Paul is now retired having held the positions of Vice President Customer Supply Chain, Carlsberg UK & a member of the Carlsberg UK board. Paul was previously European Beer Supply Director for Diageo in Ireland. Paul 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 Saint James's Gate Brewery in Dublin and was a Trustee Director of the Guinness Ireland Pension Fund and 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 across a range of sectors. She is Director of Bank of Ireland, General Investment Trust and is a member of the Audit and Risk Committee of the Communications Regulator. She is a Trustee and Chair of the Audit & Risk Committee of Trinity College Foundation and a Director and Chair of the Audit and Risk Committee of Eco-Unesco.

She is a Board Evaluator and Board Training Consultant with the Institute of Directors. She is a former Chairperson of the Irish Association of Pension Funds and previously held the position of General Manager and Secretary to the Trustees of ESB Pension Fund.

She holds a MBA from Trinity College 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 with Unilever, Royal College of Surgeons in Ireland, Coillte, Eirgrid and Eir.

Jim previously worked at the Central Bank of Ireland, the Institute of Public Administration, the National Australia Group and Eircom in economic, finance and human resource roles. Jim has a primary degree in Financial Services (BFS) from UCD, qualified as an Accountant with the ACCA, holds an MSc (Business Admin) from Trinity College, a Diploma in Corporate Governance from UCD and is a Qualified Pension Trustee QPT (IIPM).

Jim is Chairman of Irish Airlines Pensions DAC and a Director of INTRUST Properties Ltd. Jim is also a Director of the Irish Forestry Unit Trust Forestry Management Ltd which is regulated by the Central Bank of Ireland and was Chairman of the Irish Association of Pension Funds Ltd from 2015 to 2017.

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 Permanent tsb plc and Dell Bank International DAC, both of which are regulated by the Central Bank of Ireland, where he also chairs the audit committees.

Chairman of the Audit & Risk Committee

Eithne Fitzgerald Independent Non-Executive Director

Eithne is a former senior Partner of A&L Goodbody, international law firm, having worked with the firm for 35 years. There she specialised in mergers and acquisitions, corporate finance and advising on a range of corporate law matters. She headed up A&L Goodbody's London office for 3 years and has held a number of management positions in the firm, including as a member of the firms Policy Committee and the Partner Selection Committee.

Eithne has also regularly been involved in the recruitment and development of young lawyers. She holds a degree from Trinity College Dublin and a Diploma in European Law from University College Dublin and is a qualified lawyer. She is former non-executive director of One 51 plc an environmental services, renewable energy, food and speciality plastics business (now IPL Plastics plc) where she also chaired the Nominations Committee. Eithne was appointed to the Board of IPUT in 2018.

Independent Property Valuer Certificate

JONES LANG LASALLE

AS AT 31 DECEMBER 2018

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 2018.

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 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 2018 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:

€1,587,198,050

(One Billion, Five Hundred and Eighty Seven Million, One Hundred and Ninety 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 schedules.

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 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 2018

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.

Valuation Date

31 December 2018 .

Capacity of Property Valuer

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

Purpose

Balance Sheet Purposes.

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 property as at the valuation 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").

Fair Value in accordance with IFRS 13

€908,990,000

(Nine Hundred and Eight Million, Nine Hundred and Ninety Thousand Euro) exclusive of VAT.

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

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, and has been primarily derived using comparable recent market transactions on arm's length terms.

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)
- Unit 11, 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.

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 provided. 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
MSCSI, MRICS
Senior 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 2018.

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 14 and the financial highlights are set out on pages 2 – 5.

Results for the year and state of affairs at 31 December 2018

The results for the year and state of affairs of the Company are set out on pages 72 and 73. The profit and total comprehensive income amounted to €190,571,000 compared with a profit of €189,101,000 in 2017. Total Equity at 31 December 2018 amounted to €2,459,851,000 (2017: €2,292,083,000).

Dividends

Dividends of €98,450,000 were declared during the year (2017: €86,612,000). 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 52 – 55 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 108.

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, 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.

Ms. Eithne Fitzgerald was appointed to the Board on 1 July 2018.

The terms of appointment of the following Directors have been extended as follows:

Mr. Paul Armstrong	31 December 2019
Mr. Simon Radford	31 December 2020
Mr. Frank Close	31 December 2021
Ms. Marie Collins	31 December 2021
Mr. Jim Foley	31 December 2021

Related party transactions

Internal controls are in place to ensure that any related party transactions involving Directors or their connected persons are carried out on an arm's length basis and are disclosed in the Financial Statements. Transactions with Directors and parties related to them have been disclosed in Note 23 to the Financial Statements.

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 (2017: 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 provisions of the Code during the year ended 31 December 2018.

The members of the Company's Audit & Risk Committee, together with their responsibilities, are set out on page 59.

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. They 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 Sections 281 to 285 of the Companies Act, 2014 with regard to adequate accounting records by using the services of appropriately qualified personnel and the maintenance of computerised accounting 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 2 May 2019 in The Shelbourne Hotel, 27 St. Stephen's Green, Dublin 2.

For and on behalf of the board

John F. Mulcahy
Chairman

22 March 2019

Donal Courtney
Director

22 March 2019

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 2018 ("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
22 March 2019

NORTHERN TRUST

Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF IPUT PLC

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 2018, 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU as applied in accordance with the provisions of the Companies Act 2014; 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 on other information, 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.

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 67, 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

22 March 2019

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018			2017		
		Income	Capital	Total	Income	Capital	Total
	Notes	€'000	€'000	€'000	€'000	€'000	€'000
Gross rental and related income	**5**	**119,740**	**–**	**119,740**	**102,412**	**–**	**102,412**
Net rental and related income	5	107,132	–	107,132	92,706	–	92,706
Net movement on fair value of investment properties	10	–	92,357	92,357	–	102,437	102,437
(Loss)/profit on disposal of investment properties		–	(236)	(236)	–	1,387	1,387
Management expenses	7	(7,640)	–	(7,640)	(6,784)	–	(6,784)
Fund expenses		(958)	–	(958)	(908)	–	(908)
Profit before financing		98,534	92,121	190,655	85,014	103,824	188,838
Finance expense	8	(321)	–	(321)	–	–	–
Finance income	8	2	–	2	4	–	4
Profit before taxation		98,215	92,121	190,336	85,018	103,824	188,842
Taxation	9	–	–	–	–	–	–
Profit after taxation		98,215	92,121	190,336	85,018	103,824	188,842
Other comprehensive income		235	–	235	163	96	259
Profit and total comprehensive income		**98,450**	**92,121**	**190,571**	**85,181**	**103,920**	**189,101**

Statement of Financial Position

AS AT 31 DECEMBER 2018

	Notes	2018 €'000	2017 €'000
ASSETS			
Non-current assets			
Investment properties	10	2,405,545	2,346,006
Property, plant and equipment	13	6,968	4,346
Other receivables	14	15,147	9,748
Restricted cash	15	5,993	5,789
		2,433,653	**2,365,889**
Current assets			
Investment properties held for sale	12	67,770	8,650
Trade and other receivables	14	19,994	7,696
Cash and cash equivalents	15	75,803	43,830
		163,567	**60,176**
Total assets		**2,597,220**	**2,426,065**
EQUITY			
Capital and reserves			
Equity	19	2,459,851	2,292,083
Total Equity		**2,459,851**	**2,292,083**
LIABILITIES			
Non-current liabilities			
Trade and other payables	16	5,993	5,789
Borrowings	17	68,794	84,266
		74,787	**90,055**
Current liabilities			
Trade and other payables	16	36,371	21,877
Dividends payable	20	26,211	22,050
		62,582	**43,927**
Total liabilities		**137,369**	**133,982**
Total equity and liabilities		**2,597,220**	**2,426,065**

Approved for issue and signed on behalf of the Board of Directors of IPUT plc on 22 March 2019.

John F. Mulcahy
Chairman

Donal Courtney
Director

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 €'000	2017 €'000
Balance at 1 January		**2,292,083**	**1,988,842**
Comprehensive income			
Profit after taxation		190,336	188,842
Other comprehensive income		235	259
Profit and total comprehensive income		**190,571**	**189,101**
Transactions with owners			
Issue of shares	18	86,714	204,888
Repurchase of own shares	18	(11,067)	(4,136)
Dividends	20	(98,450)	(86,612)
Total transactions with owners		**(22,803)**	**114,140**
Balance at 31 December		**2,459,851**	**2,292,083**

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 €'000	2017 €'000
Cash flows from operating activities			
Profit before taxation		190,336	188,842
Adjustments to reconcile profit before taxation to net cashflows:			
- Depreciation	13	383	238
- Net movement on fair value of investment properties	10	(92,357)	(102,437)
- Lease incentives & other income	5	(6,639)	(1,171)
- Loss/(profit) on disposal of investment properties		236	(1,387)
- Finance expense	8	321	–
- Finance income	8	(2)	(4)
		(98,058)	**(104,761)**
Working capital adjustments:			
- Movement in trade and other receivables		(12,298)	(3,528)
- Movement in trade and other payables		14,698	4,659
		2,400	**1,131**
Net cash generated from operating activities		**94,678**	**85,212**
Cash flows from investing activities			
Additions to investment properties		(94,687)	(228,283)
Proceeds from sale of investment properties		68,573	17,400
Purchases of property, plant and equipment	13	(509)	(22)
Interest paid		(1,563)	(1,496)
Interest received		2	4
Net cash used in investing activities		**(28,184)**	**(212,397)**
Cash flows from financing activities			
Proceeds from issue of shares	18	86,714	204,888
Payments to repurchase own shares	18	(11,067)	(4,136)
Dividends paid to shareholders		(94,289)	(64,562)
Repayment of borrowings		(49,178)	–
Costs associated with borrowings		(1,270)	–
Drawdown of borrowings		34,569	16,776
Net cash provided by financing activities		**(34,521)**	**152,966**
Net increase in cash and cash equivalents		**31,973**	**25,781**
Cash and cash equivalents at 1 January		43,830	18,049
Cash and cash equivalents at 31 December	15	**75,803**	**43,830**

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

Recent accounting pronouncements

The Company has adopted IFRS 9 Financial Instruments and IFRS 15 Revenue from Contract with Customers from 1 January 2018.

IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39 *Financial Instruments: Recognition and Measurement*. For financial liabilities there are no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through statement of comprehensive income. Adoption of this standard did not impact the Company.

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 *Construction Contracts* and related interpretations. Under IFRS 15, an entity recognises revenue when a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company's primary revenues of rental income are not within the scope of IFRS 15.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

2. Basis of preparation (continued)

Annual improvements 2015 - 2017 Cycle (effective date 1 January 2019)

– Previously Held Interest in a Joint Operation (Amendments to IFRS 3 and IFRS 11)

– Income tax consequences of payments on financial instruments classified as equity (Amendments to IAS 12)

– Borrowing costs eligible for capitalisation (Amendments to IAS 23)

– Amendments to IAS 40: Transfers of Investment Property

IFRS 9: Prepayment features with negative compensation (Amendments to IFRS 9)

IFRIC 23: Uncertainty over income tax treatments

IFRS: Amendments to references to the Conceptual Framework in IFRS standards

IFRS 16: 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.

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

Going Concern

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

Significant accounting judgements, estimates and assumptions

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

JUDGEMENTS OTHER THAN ESTIMATES

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

Classification of property

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Significant Accounting Policies

Investment properties

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

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

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

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

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

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

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. 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. Investment properties that are currently being developed or are to be developed in the near future are held within investment properties. These properties are initially valued at cost. Any direct expenditure on investment properties under development 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 an investment property under development 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Significant Accounting Policies (continued)

Fair value measurement

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

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

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

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

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

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

Property, plant and equipment

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

Land and buildings – 4% Straight Line

Fixtures and fittings – 20% Straight Line

Computer equipment – 33.33% Straight Line

Motor vehicles – 20% Straight Line

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

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

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Significant Accounting Policies (continued)

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.

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 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Significant Accounting Policies (continued)

Revenue recognition

(a) Gross rental income from investment properties leased out under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease in accordance with SIC 15 'Operating Leases – Incentives' and IAS 17 'Leases'. Lease incentives are recognised as an integral part of the net consideration for the use of the property and amortised on a straight line basis over the term of the lease.
(b) Payments received from tenants to surrender their lease obligations are recognised immediately in the statement of comprehensive income. Payments made to tenants to surrender their lease obligations are charged directly to the statement of comprehensive income unless the payment is to enable the redevelopment of the property.
(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.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Significant Accounting Policies (continued)

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. At year end the Company had the following non-derivative financial assets, which are classified as amortised cost:

– ***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.

– ***Financial assets (including receivables) – applicable from 1 January 2018***

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured at 12 month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or the financial asset is significantly past due. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Significant Accounting Policies (continued)

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial assets (including receivables) – effective in comparative period

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 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

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:

- 10 Molesworth Street, Dublin 2 (6.4%)
- 1 Grand Canal Square, Dublin 2 (6.0%)

	2018 €'000	2017 €'000
Gross rental income		
Office	65,735	58,643
Retail	23,024	22,425
Industrial	14,043	12,899
Other	102	111
	102,904	**94,078**

	2017 Investment properties €'000	2017 Investment properties under development €'000	2017 Total €'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**

	2018 Investment properties €'000	2018 Investment properties under development €'000	2018 Total €'000
Property portfolio – fair value			
Office	1,610,800	98,140	1,708,940
Retail	469,640	–	469,640
Industrial	256,900	–	256,900
Land	–	47,308	47,308
Other	13,400	–	13,400
	2,350,740	**145,448**	**2,496,188**

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

5. Gross and net rental income

	2018	2017
	€'000	€'000
Rent receivable	102,904	94,078
Service charge income	10,197	7,163
Adjustment for lease incentives & other income	6,639	1,171
Gross rental and related income	119,740	102,412
Service charge expenses	(10,197)	(7,163)
Property specific costs:		
– relating to properties generating income	(1,436)	(1,334)
– relating to properties not generating income	(975)	(1,209)
Net rental and related income	**107,132**	**92,706**

6. Auditor's remuneration

	2018	2017
	€'000	€'000
Audit fees	80	60
Total audit and audit related assurance services	**80**	**60**
Other fees		
Tax advisory services	–	7
Others	5	36
Total other fees	**5**	**43**

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

7. Management expenses

	2018 €'000	2017 €'000
Employment costs	5,242	5,040
Depreciation	383	238
Other operating costs	2,015	1,506
	7,640	**6,784**
Employment costs		
Wages and salaries		
– fixed	3,059	2,251
– variable	2,680	2,838
Social welfare costs	496	363
Pension costs	233	233
	6,468	5,685
Less: Employment costs allocated to capital expenditure on investment properties	(1,226)	(645)
	5,242	**5,040**

The average number of employees (including Directors) during the year was 27 (2017: 20).

8. Finance expense & income

	2018 €'000	2017 €'000
Interest expense on Revolving Credit Facility	321	–
	321	**–**
Interest income on short-term deposits	2	4
	2	**4**

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

9. Taxation

	2018	2017
	€'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 2018 the Company deducted IUT of €1,234,134 (2017: €668,705) from payments made to non-exempt Irish resident shareholders and deducted IREF withholding tax of €3,356,723 (2017: €1,788,649) 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

10. Investment properties

	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**

	2018 Investment properties	2018 Investment properties under development	2018 Total
	€'000	€'000	€'000
Fair value at 1 January	2,146,785	209,888	2,356,673
Reclassification in year	99,580	(99,580)	–
Acquisitions	74,936	–	74,936
Capital expenditure	44,831	22,919	67,750
Disposals	(105,347)	–	(105,347)
Transfer of owner occupied property to property, plant & equipment	(2,293)	–	(2,293)
Transfer to investment properties held for sale	(67,770)	–	(67,770)
Valuation surplus	91,373	17,860	109,233
Valuation deficit	(5,563)	(5,639)	(11,202)
Fair value at 31 December	2,276,532	145,448	2,421,980
Less: tenant lease incentives	(16,435)	–	(16,435)
Fair value at 31 December	**2,260,097**	**145,448**	**2,405,545**

Investment properties under development continued to be development lands at Phase 3, Carrickmines, Dublin 18 and Waterside, Citywest Business Campus, Dublin 24. One Wilton Park (formerly known as Fitzwilton House) and 30-32 Sir John Rogerson's Quay, Dublin 2 were transferred to investment properties under development during the year. 10 Molesworth Street, Dublin 2 reached practical completion in March 2018 and 5 Earlsfort Terrace, Dublin 2 reached practical completion in September 2018 and were subsequently transferred to investment properties.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

10. Investment properties (continued)

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 €1,563,000 (2017: €1,496,000) and development team costs of €1,226,000 (2017: €645,000).

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

	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**

	2018 Investment properties	2018 Investment properties under development	2018 Total
	€'000	€'000	€'000
Valuation surplus	91,373	17,860	109,233
Valuation deficit	(5,563)	(5,639)	(11,202)
Movement on fair value of investment properties	85,810	12,221	98,031
Less: movement in tenant lease incentives	(5,674)	–	(5,674)
Net movement on fair value of investment properties	**80,136**	**12,221**	**92,357**

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

10. Investment properties (continued)

Valuations are performed on a quarterly basis and the breakdown of properties valued by the Company's two independent property valuers at 31 December 2018 are as follows:

	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**

	2018 Investment properties	2018 Investment properties under development	2018 Total
	€'000	€'000	€'000
JLL	1,462,750	124,448	1,587,198
CBRE	887,990	21,000	908,990
	2,350,740	**145,448**	**2,496,188**

The Company's investment properties are held at fair value and were valued at 31 December 2018 by the external property valuers, JLL and CBRE. Both firms are independent qualified valuers in accordance with the Royal Institution of Chartered Surveyors Valuation – Global Standards 2017, VPS 4 and IVS Framework in accordance with IFRS 13. 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;

	2018				2017			
	ERV - per sq ft		Equivalent yield		ERV - per sq ft		Equivalent yield	
	Low €	High €	Low	High	Low €	High €	Low	High
Office	8	63	3.9%	6.5%	7	63	4.3%	6.4%
Retail	5	660	3.2%	6.4%	5	697	3.2%	6.5%
Industrial	1	11	5.1%	6.9%	1	11	5.1%	7.2%

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

10. Investment properties (continued)

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:

	2018		2017	
	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	(102,162)	113,623	(86,485)	95,556
Retail	(26,143)	29,350	(24,805)	27,759
Industrial	(10,084)	12,074	(9,966)	10,815
Other	(811)	910	(795)	888
	(139,200)	**155,957**	**(122,051)**	**135,018**

11. Financial asset

	2018	2017
	€'000	€'000
Investment	–	–
	–	**–**

Northern Trust Fiduciary Services (Ireland) Limited holds, in its capacity as Depositary to the Company, the entire share capital of IPUT Secretarial 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

	2018	2017
	€'000	€'000
Fair value at 1 January	8,650	15,150
Transfer from investment properties	67,770	8,650
Disposals	(8,650)	(15,150)
Fair value at 31 December	**67,770**	**8,650**

The Company completed the sale of its 25% interest in Swords Business Campus, Swords, Co. Dublin for €7,223,000 on the 27 February 2018 and 79 Patrick Street, Cork, for €1,550,000 on the 20 December 2018, both properties were held for sale at 31 December 2017.

The Company reclassified its 25% interest in Pavilions Shopping Centre, Swords, Co. Dublin to investment properties held for sale during the year. The conditions to classify this investment property as held for sale were met as at 31 December 2018. Income received from this property during the year was €3,862,000 (2017: €3,685,000), while costs incurred were €748,000 (2017: €252,000).

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

13. Property, plant and equipment

	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**

	Land & buildings	Fixtures & fittings	Computer equipment	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 January 2018	4,146	221	79	108	4,554
Additions	–	432	77	–	509
Reclassification of owner occupied	2,293	–	–	–	2,293
Disposals	–	(98)	(39)	–	(137)
	6,439	555	117	108	7,219
Depreciation/Revaluation					
At 1 January 2018	–	106	57	45	208
Depreciation charge for the year	235	96	30	22	383
Disposals	–	(72)	(33)	–	(105)
Revaluation	(235)	–	–	–	(235)
	–	130	54	67	251
Net book amounts as at 31 December 2018	**6,439**	**425**	**63**	**41**	**6,968**

On 16 February 2018, the Company relocated to a new office premises which was reclassified from investment properties to property, plant and equipment. The Company's previous office premises has been reclassified as investment properties.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

14. Trade and other receivables

	2018	2017
	€'000	€'000
Trade receivables	86	34
VAT receivable	1,674	3,741
Prepayments and other receivables	18,234	3,921
Total current trade and other receivables	**19,994**	**7,696**
Non-current other receivables	15,147	9,748
Total trade and other receivables	**35,141**	**17,444**

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

Included within prepayments and other receivables is withholding tax of €4,080,000 (2017: €2,197,000) deducted from shareholders and payable to the Revenue Commissioners.

The Company paid a deposit of €9,500,000 on 10 December 2018 to acquire Phase 2, Carrickmines, Dublin 18; €1,900,000 on 14 December 2018 to acquire Unit 1, Dublin Airport Logistics Park, Co. Dublin and €375,000 on 14 December 2018 to acquire 4 Fitzwilliam Place, Dublin 2. These deposits were paid in the normal course of business and represent 10% of the total prices.

Included within non-current trade and other receivables are tenant lease incentives of €15,147,000 (2017: €9,748,000). These amounts relate to rents recognised in advance as a result of spreading the effect of rent free periods, capital contributions in lieu of rent free periods and contracted rent uplifts over the expected terms of their respective leases.

The Company has assessed the impact of IFRS 9 on trade and other receivables at year end and provided a loss allowance of nil.

15. Cash and cash equivalents

	2018	2017
	€'000	€'000
Cash at bank and in hand	75,803	43,830
	75,803	**43,830**
Restricted cash and cash equivalents		
Rental deposits	3,219	3,242
Sinking funds	2,774	2,547
	5,993	**5,789**

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

16. Trade and other payables

	2018 €'000	2017 €'000
Trade creditors	212	409
Deferred income	9,285	9,160
Accruals and other payables	26,874	12,308
Total current trade and other payables	**36,371**	**21,877**
Non-current trade and other payables	5,993	5,789
Total trade and other payables	**42,364**	**27,666**

Included in deferred income are rents received in advance of €9,285,000 (2017: €9,160,000).

Included in non-current trade and other payables are sinking fund amounts of €2,774,000 (2017: €2,547,000) and tenant rental deposits of €3,219,000 (2017: €3,242,000). 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

	2018 €'000	2017 €'000
Revolving credit facility	69,945	84,553
Arrangement fees and other costs	(1,465)	(859)
Amortised costs	314	572
Balance at 31 December	**68,794**	**84,266**
The maturity of borrowings is as follows:		
Less than 1 year	–	–
Between 2 and 5 years	68,794	84,266
Over 5 years	–	–
Total	**68,794**	**84,266**

On 11 May 2018 terms for a new five year revolving credit facility replaced the existing facility which was due to expire in January 2019. The new revolving credit facility with Wells Fargo Bank International was for €250,000,000 at a margin of Euribor +1.40%. There were a number of drawdowns during the year to fund the Company's development and refurbishment projects. The facility is secured by way of a floating charge over the assets of the Company and is due to mature on 10 May 2023.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

17. Borrowings (continued)

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

			Non-cash changes		
	Opening	Cash flows	Dividend declared	Amortised fees	Closing
2017	**€'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**

			Non-cash changes		
	Opening	Cash flows	Dividend declared	Amortised fees	Closing
2018	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Long-term borrowings	84,266	(15,879)	–	407	68,794
Dividends payable	22,050	(94,289)	98,450	–	26,211
Total liabilities from financing activities	**106,316**	**(110,168)**	**98,450**	**407**	**95,005**

18. Share capital

	2018	2018	2017	2017
	€'000	No. of participating shares	€'000	No. of participating shares
Participating shares issued and fully paid				
Shares in issue on 1 January		2,170,271		1,983,772
Repurchase of own shares	(11,067)	(10,313)	(4,136)	(4,148)
Issue of shares	86,714	78,405	204,888	190,647
		2,238,363		**2,170,271**

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.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

18. Share capital (continued)

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

	2018	2017	2016
	€'000	€'000	€'000
Total assets	2,597,220	2,426,065	2,079,045
Total liabilities	(137,369)	(133,982)	(90,203)
Net assets at 31 December	**2,459,851**	**2,292,083**	**1,988,842**

	2018	2017	2016
	Shares	Shares	Shares
Number of shares in issue at 31 December	**2,238,363**	**2,170,271**	**1,983,772**

	2018	2017	2016
	€	€	€
Net asset value per share at 31 December	**1,098.95**	**1,056.13**	**1,002.56**
INREV net asset value per share at 31 December (unaudited)	**1,114.67**	**1,070.77**	**1,008.19**

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

20. Dividends payable

	Payment date	€ per share	2018 €'000	2017 €'000
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		
For the year ended 31 December 2018				
Q1 dividend	9 April 2018	10.50	22,884	
Q2 dividend	6 July 2018	11.00	24,104	
Q3 dividend	5 October 2018	11.50	25,251	
Q4 dividend	8 January 2019	11.71	26,211	
		44.71		
Total dividends			**98,450**	**86,612**

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 period. 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.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

21. Financial risk management (continued)

The Company had contracted capital commitments of €79,515,000 at 31 December 2018 (2017: €34,748,000) which related to construction contracts for the refurbishment/development projects. In order to manage the liquidity risk around the funding of these projects, the Company replaced the three year €150m Revolving Credit Facility ('RCF') with a new five year €250m RCF with Wells Fargo in May 2018. The maturity of borrowings is set out in Note 17.

The Board of Directors seek to maintain minimum cash balances of at approximately 1% of the net asset value of the Company. At the 31 December 2018 the company held €75,803,000 (2017: €43,830,000) which is 3.08% (2017: 1.91%) of the net asset value.

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

	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	22,050	22,050	–	–
Borrowings	84,266	–	84,266	–

	At 31 December 2018	1 year or less	2 to 5 years	5 years +
	€'000	€'000	€'000	€'000
Trade creditors	212	212	–	–
Accruals and other payables	26,874	26,874	–	–
Rental deposits	3,219	–	3,219	–
Dividend payable	26,211	26,211	–	–
Borrowings	68,794	–	68,794	–

Interest rate risk

At 31 December 2018 the Company had a revolving credit facility with Wells Fargo Bank International for an initial commitment of €250,000,000 at a margin of Euribor +1.40%. €69,945,000 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 €1,563,000 (2017: €1,496,000).

An increase/decrease in the interest rate by 10 basis points will result in an increase/decrease of €69,945 on the debt of €69,945,000.

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. Tenant 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

21. Financial risk management (continued)

All of the Company's cash is placed with financial institutions with a credit rating of at least B (Ulster Bank Ireland DAC 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 capital 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 2018.

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

	2018	2017
	€'000	€'000
Cash and cash equivalents	75,803	43,830
Restricted cash and cash equivalents	5,993	5,789
Trade and other receivables	35,141	17,444
	116,937	**67,063**

Fair value hierarchy

As at 31 December 2018, 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 2018 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

22. Remuneration disclosures

The Board has established a Remuneration Committee which is responsible for making 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 Company has dis-applied a number of the AIFMD remuneration provisions based on a proportionality assessment.

The Directors and 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 fifteen identified staff (2017: eleven) 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':

		2017		
	Fixed	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

		2018		
	Fixed	Variable		Total
		Short term benefits	Share based payments	
	€'000	€'000	€'000	€'000
Total remuneration of key management personnel and identified staff	2,459	1,760	687	4,906

Included within the variable component are amounts recognised in the statement of comprehensive income, in accordance with IFRS 2 Share-based Payment, relating to 415 shares which were issued to key management personnel at the NAV per share price on 4 January 2018 (2017: 1,255). 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. €1,056.13 per share. The cost of awarding these shares amounted to €438,000.

In addition, key management personnel were awarded the right to be issued 276 shares in 2021 (2017: 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 2020, subject to service and performance conditions and an amount of €352,000 has been included in trade and other payables at 31 December 2018.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 are as follows:

Related company	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 €500,000 during the year ended 31 December 2018 (2017: €475,000). 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

	2018	2017
	€'000	€'000
Within 1 year	109,668	102,507
After 1 year but not more than 5 years	395,127	334,678
More than 5 years	261,178	231,767
	765,973	**668,952**

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 2018.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018, the Administrator earned a fee of €283,000 (2017: €264,000), of which €72,000 was due and payable at the year end (2017: €68,000).

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 2018, the Depositary earned a fee of €292,000 (2017: €277,000), of which €73,000 was due and payable at the year end (2017: €67,000).

27. Funds committed

The Company had received new share applications with a cumulative value totalling €186,984,000 as at 31 December 2018 (31 December 2017: €10,178,000). On the 2 January 2019, €11,141,000 was drawn down.

28. Changes to prospectus

The prospectus was updated on the 3 July 2018 to include references to Irish Real Estate Fund tax legislation and General Data Protection Regulation (GDPR).

29. Soft commission arrangements

There were no soft commission arrangements undertaken during the year ended 31 December 2018 (2017: none).

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

30. Capital commitments

The Company had contracted capital commitments of €79,515,000 at 31 December 2018 (2017: €34,748,000) 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 2019 the Company issued 9,945 shares for consideration of €11,141,000. This transaction, after the reporting year end, was not characterised by unusual size or frequency.

On 2 January 2019 the Company repurchased 808 shares at a cost of €877,000. This transaction, after the year end, was not characterised by unusual size or frequency.

The Company completed the acquisition of 4 Fitzwilliam Place, Dublin 2 on 8 January 2019, the acquisition of Phase 2, Carrickmines, Dublin 18 on 10 January 2019, the acquisition of Unit 1, Dublin Airport Logistics Park, Co. Dublin on 11 January 2019 and the acquisition of Unit 6B, Westgate Business Park, Dublin 12 on 31 January 2019.

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 2 May 2019 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 2018;
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
9 April 2019

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.

QIAIF
Qualifying Investor Alternative Investment Fund.

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

Total Property Return (MSCI)
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 MSCI.

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

89 PROPERTIES

Office

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

Retail

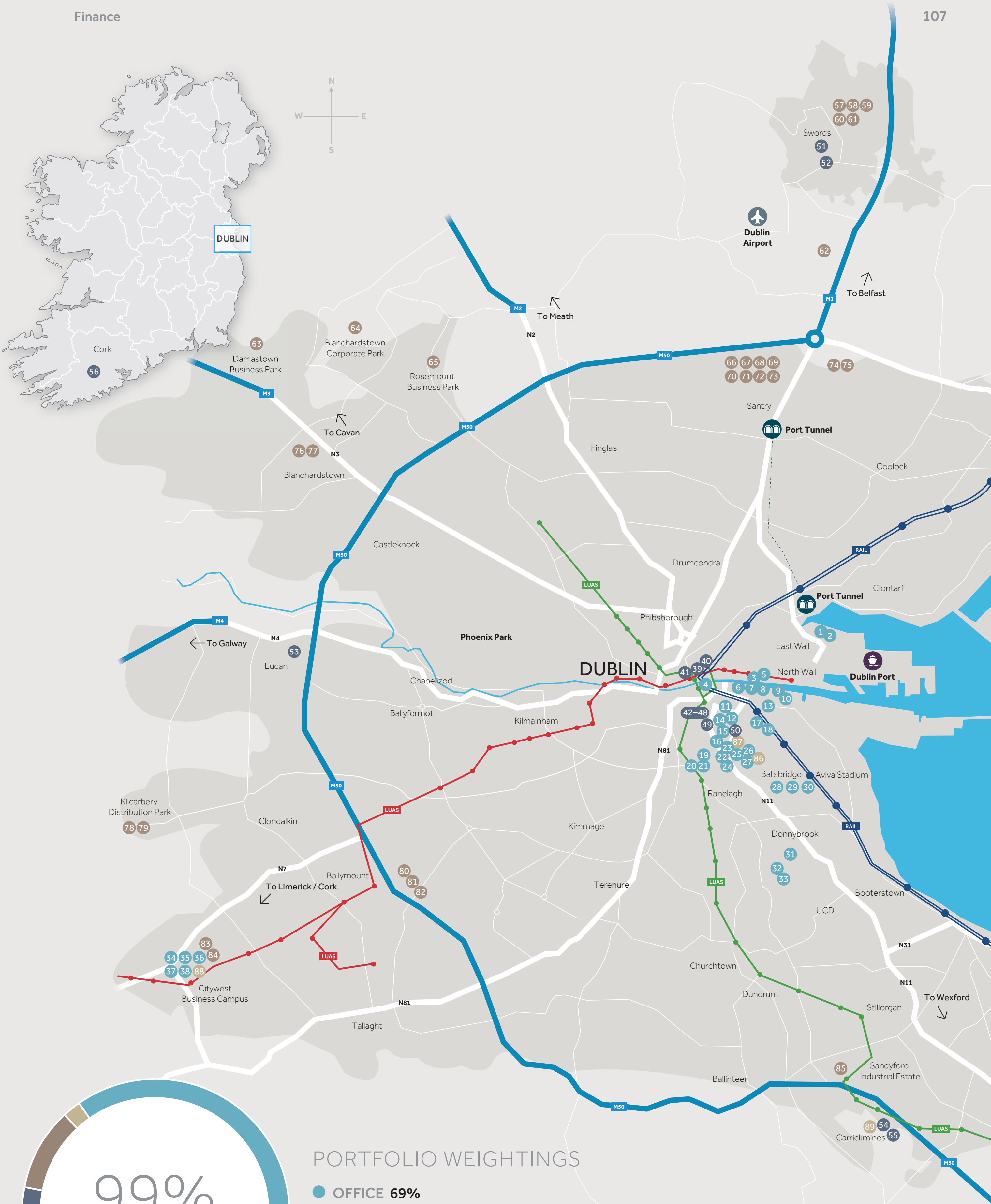
39. 45 Henry Street, Dublin 1
40. 16 Henry Street, Dublin 1
41. 17 Henry Street, Dublin 1
42. 83 Grafton Street, Dublin 2
43. 72 Grafton Street, Dublin 2
44. 69 Grafton Street, Dublin 2
45. 65-66 Grafton Street, Dublin 2 (60%)
46. 28-29 Grafton Street, Dublin 2
47. 36 Grafton Street, Dublin 2
48. 40 Grafton Street, Dublin 2
49. 6-7 St. Stephen's Green, Dublin 2
50. 15-16 Lower Baggot Street, Dublin 2
51. Pavilions Shopping Centre, Swords, Co. Dublin (25%)
52. Airside Retail Park, Swords, Co. Dublin (50%)
53. B&Q, Liffey Valley Retail Park, Dublin 22 (50%)
54. Phase 1, Carrickmines, Dublin 18
55. The Iveagh Building, Carrickmines, Dublin 18
56. Opera Lane, Academy Street, Cork (35%)

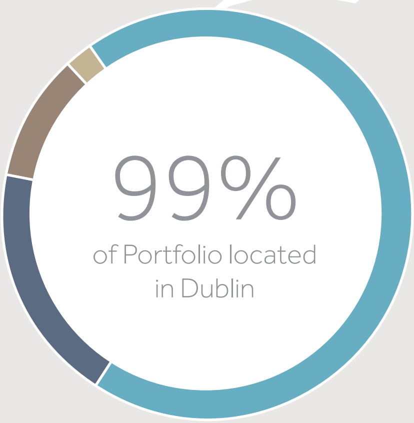
Industrial

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

Other

86. 43 Court Apartments, Wilton Place, Dublin 2
87. Lad Lane Apartments, Lad Lane, Dublin 2
88. 8.2 acre site, Waterside, Citywest Business Campus, Dublin 24 (50%)
89. Phase 3, Carrickmines, Dublin 18





PORTFOLIO WEIGHTINGS

- OFFICE **69%**
- RETAIL **19%**
- INDUSTRIAL **10%**
- OTHER **2%**

Contact Directory

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

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

IPUT plc
47-49 St. Stephen's Green, Dublin 2, D02 W634, Ireland

T +353 (0) 1 661 3499
E info@iput.com

iput.com