10 February 2016

IRISH RESIDENTIAL PROPERTIES REIT PLC
PRELIMINARY ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Irish Residential Properties REIT plc ("I•RES" or the "Company"), an Irish multi-unit residential property investment company, today issues its results for the year ended 31 December 2015.

HIGHLIGHTS

	31 December 2015	31 December 2014
Basic NAV and EPRA NAV per share (cents per share)	104.3	99.5
Diluted EPRA NAV per share (cents per share)	103.5	99.4
Number of apartments	1,614(1)	1,204
Basic NAV and EPRA NAV (€ million)	435.0	200.9
Total return	15.3%(2)	5.9%
Profit for the period (€ million)	30.8	7.9 (3)
Basic EPS (cents per share)	8.4	8.3(3)
Basic EPRA EPS (cents per share)	3.3	1.6(3)
Group Total Gearing	8.6%	37.6%

(1) 2,056 apartments to date
(2) Total return is calculated assuming shares have been held since the initial offering and based on a share price of €1.115 as at 8 February 2015 and including dividends declared to date
(3) For the period 2 July 2013 to 31 December 2014

Active Period with Strategic High Quality Acquisitions and Capital Fundraising

- Strategic acquisitions of 410 high quality apartments, €125.5 million invested in Dublin during the year
- Successful equity issuance in March 2015 raising gross proceeds of €215 million (net proceeds of approximately €204 million), used for acquisitions and to partly repay the credit facility
- Since 31 December 2015 the Company has entered into a new revolving and accordion credit facility of up to €250 million, which can be extended to €350 million subject to certain terms and conditions, and replaces the €60 million revolving credit facility which was due to mature in August 2016. The new facility has a five-year term commencing January 2016 and has a reduced margin compared to the previous facility
- Since 31 December 2015 a further property was acquired for €83 million (including VAT, but excluding other transaction costs) (442 apartments) funded through the new revolving and accordion credit facility, bringing its total number of apartments to 2,056.

Strong Organic Growth Supported by Strong Market Fundamentals

- Maintaining a high occupancy of 96% at 31 December 2015 (99.7% as at 31 December 2014)
- Strong rental growth during 2015 arising from renewals and turnovers of residential apartments within its overall property portfolio
- Strong net rental income margin of 80.8% for the year ended 31 December 2015
- Portfolio Gross Yield at cost is 6.9% as at 31 December 2015, adjusted for estimated cost of development land
- Portfolio Gross Yield at fair value is 6.2% as at 31 December 2015, adjusted for fair value of development land

Delivering Shareholder Value

- Net assets of €435.0 million as at 31 December 2015 (€200.9 million as at 31 December 2014)
- Basic NAV and EPRA NAV per share of 104.3 cents up 4.8% from 31 December 2014
- Pro-forma NAV per share of 105.3 cents and adjusted to exclude property acquisition transaction costs incurred since 31 December 2014
- Basic EPRA EPS and Diluted EPRA EPS were 3.3 cents for the year ended 31 December 2015 compared to 1.6 cents for the reporting period 2 July 2013 to 31 December 2014

Dividends

- Dividends of €1.8 million paid in 2015 in respect of the 2014 accounting period
- Since 31 December 2015, dividends declared of €13.1 million (DPS of 3.15 cents) for the 2015 fiscal year

Positive Outlook

- Strong market demand and continued shortage of housing helps support the rental market
- Continued support of experienced investment manager with track record of growth and value creation in residential sector
- Intensification opportunity to add approximately 600 to 650 apartments with significant infrastructure (e.g. parking) in place, particularly approximately 450 to 500 apartments at Rockbrook, subject to required planning and any other necessary approvals
- Strong pipeline of future acquisitions available through NAMA and private market opportunities
- Acquisition (including development) capacity in excess of €300 million at 31 December 2015 based on a target gearing of 45%, with availability of low cost financing, of which c. €70.5 million has been used subsequent to year end relating to the purchase of a property. (Acquisition capacity to date in excess of €230 million based on a target gearing of 45%).

David Ehrlich, the Company's Chief Executive Officer commented:

"Properly acquired and managed rental apartments provide steady and increasing dividends over the long term. This is already proven by our 3.3 cents per share EPRA earnings in only our first full year of operations and despite essentially doubling the number of outstanding shares and having very low leverage for 9 months of 2015.

In less than 2 years, I•RES has become the dominant consolidation player in the Irish residential rental market. We believe that it has brought professional management to the rental sector in Ireland and assembled one of the finest quality portfolios for rental apartments anywhere. Using available financing with our new credit facility, with our pipeline of future acquisition opportunities and development intensification opportunities (enhanced by relaxed building regulations within our existing properties), the growing Irish economy and a severe supply and demand imbalance (which is likely to extend for a number of years), our prospects for continued bottom line growth are very positive (notwithstanding the new government limitation on increasing rents every two years, which we believe will be a timing matter as rents continue to grow). In terms of real estate fundamentals, the environment is very strong. We are particularly focused going forward on steady, growing dividends, which will be sustainable over the long term, to create shareholder value. We announced the first development of 68 units at Beacon South Quarter by a press release issued on 9 February 2016."

Chief Executive Officer's Statement

2015 was a busy and productive year for I•RES. In March 2015, the Company raised gross proceeds of €215 million through the issuance of 215 million ordinary shares (the "Capital Raise"), which together with the €200 million raised at the initial offering in April 2014, brings the total gross proceeds raised to €415 million. As the most active consolidators in the Irish residential rental sector, I•RES completed the accretive acquisition of 410 apartments and 4,665 sq. m. (50,214 sq. ft.) of ancillary commercial space during the year. This increased our apartment count by 34% to 1,614 extremely high quality well located apartments in the Dublin area near important transportation links and employment centres. Operationally, we generated solid increases in our key operational performance benchmarks, driven primarily by strong organic growth resulting from high occupancies and solid increases in monthly rents on renewals and turnovers. In 2015, approximately 25% renewed in quarter one and quarter two, and 15% and 10% were renewed in quarter three and quarter four respectively. Also, approximately 20% of the apartments turned over in 2015.

On 14 January 2016, the Company signed a new revolving and accordion credit facility of up to €250 million, which can be extended to €350 million subject to certain terms and conditions (the "New Revolving Credit Facility"). This new facility replaces the €60 million revolving credit facility which was due to mature in August 2016. The new facility has a reduced margin and a five year term.

In addition, subsequent to the year ended 31 December 2015, the Company acquired a further 442 apartments and 18,344 sq. m. (197,460 sq. ft.) of commercial space and associated underground car parking at 'Tallaght Cross West' located in Tallaght, Dublin 24 for a total purchase price of €83 million (including VAT, but excluding other transaction costs). The acquisition was mainly funded by our New Revolving Credit Facility. With this acquisition, our total portfolio consists of 2,056 apartments at a total investment of €526 million to date (including VAT and other acquisition costs).

Financial Results

Balance Sheet of the Group[1]:	**31 December 2015**	**31 December 2014**
Total Property Value (€ million)	472.2	323.6
Basic and EPRA Net Asset Value (€ million)	435.0	200.9
Basic and EPRA NAV per Share (cents per share)	104.3	99.5
Number of apartments	1,614	1,204
Bank Indebtedness (€ million)	41.5	125.0
Group Total Gearing	8.6%	37.6%
Income Statement of the Group:	**Year ended 31 December 2015**	**2 July 2013 to 31 December 2014**
Gross Rental Income (€ million)	24.7	9.7
Net Rental Income (€ million)	20.0	7.6
Profit (€ million)	30.8	7.9
Basic EPS (cents per share)	8.4	8.3
Diluted EPS (cents per share)	8.3	8.3
Basic EPRA EPS (cents per share)	3.3	1.6

The property portfolio was valued at €472.2 million at 31 December 2015 with total net borrowings of €41.5 million, compared to €323.6 million at the end of 2014, with total net borrowings of €125.0 million. For the year ended 2015, there was a significant 6.7% increase in value for the properties held as at 31 December 2014. The Group's loan to value ratio was 8.6%.

[1] This report incorporates the financial information of the Company and its wholly-owned subsidiary, IRES Residential Properties Limited, together referred to as the "Group" for the period from 1 January 2015 to 31 December 2015.

Basic NAV and EPRA NAV were €435.0 million for the year, with Basic NAV and EPRA NAV per share of 104.3 cents in 2015, up 4.8% from 99.5 cents in 2014. The Company's Pro-forma NAV per share as at 31 December 2015 was 105.3 cents, adjusting for acquisition transaction costs. Importantly, we have recovered all the costs incurred in connection with our Capital Raise in 2015 and the costs incurred with our acquisitions through appreciation in the fair value of the portfolio. The main drivers of the valuation movement in the year were primarily continued rental growth as a result of effective management achieved together with the continued increasing demand for high quality rental accommodation slightly offset by yield compression.

Average monthly rent increased to €1,372 per apartment as at 31 December 2015, up from €1,250 at 31 December 2014 largely due to strong rental increases in monthly rental rates on renewals and turnovers during the year. Occupancy levels remained strong throughout the year, mirroring the strong market fundamentals in the Irish residential rental sector. As at 31 December 2015, the property portfolio had an annualised passing rent of €28.2 million representing a Gross Yield at cost of approximately 6.9% (excluding the estimated cost for development land), and a NRI margin of approximately 80.8%.

Basic EPS was 8.4 cents, and EPRA Basic EPS was 3.3 cents for the year ended 31 December 2015.

Dividends

Under the Irish REIT regime, subject to having sufficient distributable reserves, the Company is required to distribute to shareholders at least 85% of the property income of its property rental business for each financial year. Accordingly, in 2015, the Board paid dividends of approximately €1.8 million for the 2014 accounting period.

On 9 February 2016, the Directors declared an interim dividend of €13.1 million (DPS of 3.15 cents) for the 2015 accounting period, to be paid on 21 March 2016 to shareholders on record on 19 February 2016.

Investment Manager

We are very satisfied with the significant contribution that the Company's investment manager and senior management (as well as the other staff) at CAPREIT have made. The Company's investment manager, IRES Fund Management Limited ("IRES Fund Management"), is an indirect wholly-owned subsidiary of CAPREIT. As of 31 December 2015 there were 26 staff located in Dublin providing dedicated and experienced support to the I•RES portfolio.

On 28 October 2015, IRES Fund Management became authorised by the Central Bank of Ireland as an alternative investment fund manager under the European Union (Alternative Investment Fund Managers) Regulations, 2013 (the "AIFM Regulations"). On 1 November 2015, IRES Fund Management was appointed by the Company as its new alternative investment fund manager in accordance with the AIFM Regulations and replaced the existing alternative investment fund manager.

Outlook

Strong Market Fundamentals

Ireland's GNP is improving, unemployment is falling, and the overall population is growing. As labour market conditions continue to tighten, upward pressure is being applied on employee compensation which together with a range of tax cuts introduced in the most recent budget should boost disposable incomes. Ireland's economy is expected to continue to grow in 2016, with consumer demand, trade and investment expected to increase going forward as consumer confidence is solid. In addition, there is little new supply of residential housing coming to market, and new housing starts are expected to remain well under forecasted requirements over the next number of years. As a result, we continue to see strengthening fundamentals in the rental residential business.

Acquisition and Development Opportunities

We continue to evaluate a significant pipeline of future acquisition opportunities available through Ireland's National Asset Management Agency (NAMA) as well as other off-market sources. As at 31 December 2015, the Company has an acquisition (including development) capacity in excess of €300 million based on a target gearing of 45%, of which c. €70.5

million has been used subsequent to year end to purchase a property. (Acquisition capacity to date in excess of €230 million based on a target gearing of 45%). Using this available financing under the New Revolving Credit Facility, the Company will enhance returns to shareholders.

The current planning guidelines and the high cost of new construction will make it difficult for the severe shortage of accommodation to be rectified over the short to medium term, at least. The Company will benefit in two ways; firstly, it helps it to continue to build on its strong operational performance and secondly the Company has capacity at its existing properties to build between approximately 600 to 650 apartments, subject to required planning and any other necessary approvals. With respect to Rockbrook, approximately 470 apartments can be built. The planning process was postponed while we awaited the introduction of the new building regulations. The effect will be to lower development costs. We are in the process of preparing a planning application under the revised regulations.

We expect to begin development of the first phase of 68 units at Block B2B, Beacon South Quarter, Sandyford, Dublin 18, imminently and to have them available for rent in approximately 16 months. Based on management's expectations of rents at the time of letting and the fixed price cost of completion, the apartments are expected to have a gross yield in the range of 8.5% - 9%. We believe these sites can be developed and leased on a highly accretive basis as infrastructure, particularly multi-story parking, has largely been completed and paid for as part of the acquisition of those sites.

Industry Leading Property Management

Our fully-integrated management platform, between the Dublin office of IRES Fund Management, a subsidiary of CAPREIT, and the CAPREIT head office resources, is driving solid increases in organic growth, and we are confident this progress will continue as our property portfolio increases in size. We believe we have one of the highest quality rental property portfolios in any market, characterised by quite new, well-maintained buildings, large, attractive and modern apartments, industry-leading property amenities, and property management programmes aimed at ensuring our residents' needs are met quickly and efficiently. We are confident the quality of the portfolio and the market fundamentals will continue to drive strong occupancies and increasing monthly rents over the long term. Finally, as we further increase the size and scale of our property portfolio, we will benefit from economies of scale and operating synergies, enhancing our organic growth.

I wish to thank the Board of Directors for all their hard work this past year. We are excited about our future and look forward to keeping you apprised of our progress.

David Ehrlich
Chief Executive Officer

IRES Fund Management's Statement

We are pleased with our progress in growing I•RES' portfolio and enhancing its property operations. The strengthening fundamentals in the Irish multi-unit rental residential market are compelling, and we believe there are significant opportunities to further increase the size and scale of the Company's property portfolio and generate continued solid organic growth.

On 28 October 2015, IRES Fund Management became authorised by the Central Bank as an alternative investment fund manager under the AIFM Regulations. On 1 November 2015, IRES Fund Management was appointed by the Company as its alternative investment fund manager in accordance with the European Union with the AIFM Regulations.

On completion of the I•RES initial offering, CAPREIT acquired an indirect beneficial interest in the Company. With the completion of the Company's Capital Raise on 26 March 2015, CAPREIT indirectly made a further investment, bringing CAPREIT's ownership interest at 31 December 2015 to 15.7% (total invested €63.5 million). CAPREIT continues to be well aligned with all I•RES shareholders. Our goal is to build I•RES into the residential landlord of choice in Ireland through professional property management, a rigorous focus on property maintenance, building and maintaining good relations with residents and responding quickly and efficiently to their needs, and attracting, retaining, and training the best operating team in Dublin. We are bringing a dedicated professionalism to the Irish rental residential sector with proven property management programmes. I•RES has the benefit of CAPREIT's team of senior executives (including myself). CAPREIT's resources available to I•RES include management, due diligence, finance, training, risk management, marketing, legal, information technology and other expertise provided by a significant number of specialists. In addition, I•RES benefits from CAPREIT's infrastructure, including an industry leading IT platform, and its practices that have been developed and successfully implemented in Canada over the past eighteen years. As of 31 December 2015 we had 26 staff located in Dublin taking advantage of CAPREIT's systems and working seamlessly with the resources in Toronto, including the number of senior people who are also in Ireland on a regular basis.

We are confident that through our attention to detail, we can continue to maintain high occupancy levels and achieve ongoing rental growth to generate strong cash flows over the long term. We have proven we can source and complete acquisitions, and we will continue to build on this success going forward.

Thomas Schwartz
Director of IRES Fund Management

Market Update

The significant supply / demand imbalance previously noted by I•RES continues to be a feature of the Irish residential property market. Data from the Department of Environment, Community and Local Government ("DoECLG") shows that only 12,666 residential housing units were completed across Ireland in 2015. While this is 15% above the outturn for 2014, this level of output is well below the ESRI's estimate, using county-level analysis, of annual new household formation (18,000).

In Dublin, where all of I•RES' current portfolio is located, the situation is even more acute, with only 2,891 residential completions recorded in 2015, which compares to the ESRI's estimate of new household formation in the city of nearly 8,000 per annum.

Apart from new household formation, other drivers of demand are supportive.

Total employment in Ireland has increased for 12 successive quarters (to end-Q3 2015), with the numbers at work having increased by 139,700 (+7.6%) from the Q3 2012 trough. The employment components of all three Irish PMIs – the Investec Services and Manufacturing PMIs and Ulster Bank's Construction PMI suggest that this momentum continued through Q4 2015 and into the new year. The latest (January 2016) Monthly Unemployment release from the Central Statistics Office ("CSO") shows that the rate of unemployment has fallen to a seven-year low of 8.6%.

As labour market conditions continue to tighten, upward pressure is being applied on employee compensation. CSO data show that average weekly earnings rose 2.7% y/y in Q3 2015. Disposable incomes are also being boosted by tax cuts. In October the government unveiled a range of tax cuts in its budget, with reforms to the Universal Social Charge and Income Tax alone set to cost €589 million in 2016. It is estimated that, all else being equal, these measures will boost disposable incomes by c. 0.6%.

Given the supportive demand drivers and muted new build activity, it is no surprise to see that Irish residential property prices continue to increase. The latest Residential Property Price Index ("RPPI") release from the CSO reveals that national prices rose at an annual pace of 6.6% in December 2015. The RPPI also shows that the cumulative improvement in national prices from the 2013 trough is 35.4%, although it should be noted that prices are still 33.5% below the September 2007 peak.

With that being said, there has been a moderation in the annual rate of inflation in the Irish housing market (as per the RPPI), from a high of 16.8% in March 2015 to the current reading. The subindices of the RPPI also show a somewhat more pronounced softening in the annual rate of growth in Dublin prices, from 25.1% in August 2014 to 2.6% in December 2015. The introduction of new mortgage lending rules from the Central Bank of Ireland ("CBI"), which took effect in February 2015, has been a key factor behind the moderation in price inflation. The CBI introduced loan-to-value (80%, or 90% in the case of most first time buyers) and loan-to-income (3.5x) ceilings which apply to the majority of Irish mortgage lending. These rules have had a more significant impact in the Dublin market, where prices are materially higher than in the rest of the country (data on asking prices from the country's largest property website, Daft.ie, show that in Dublin these stood at €306,613, versus €164,838 in the rest of the country, in Q4 2015).

However, while tighter mortgage lending standards are impacting on price inflation, particularly in Dublin, they are failing to dampen demand for residential property, as evidenced by rising private rents. The Private Rent Index of the CPI was +9.6% y/y in December 2015, helping the cumulative increase in rents from the December 2010 trough to 37.1%. At 133.0 in December 2015, the CPI Private Rent index is at an all-time high. Regional data from the Private Residential Tenancies Board (PRTB), a government agency tasked with ensuring the proper functioning of the rental market, show that average rents for a two bedroom apartment in Dublin were +11.1% y/y in Q3 2015.

In a bid to cool the rate of increase in rents the Minister for the Environment, Alan Kelly, proposed the introduction of hard 'rent controls' linked to the CPI. This was met with opposition from a variety of sources, leading to the compromise of the 'rent certainty' measures unveiled in November 2015. The most meaningful aspect of these measures is that they will serve to limit the number of rent reviews to one every 24 months (most residential tenancies in Ireland were previously reviewed annually).

Daft.ie data show that the national stock of units available to rent has fallen to just 3,600 on 1 February 2016, the lowest in the history of the series (which began in 2006).

CSO Planning Permissions data show that permission was granted for only 785 apartments in 2014, the lowest annual outturn in the history of the series (which dates back to 1975). The latest data show that permission was granted for 1,331 apartments in the first nine months of 2015, but this is still well below what might be considered a 'normal' level of activity (the average annual number of apartment permissions since 1975 is 7,721).

Bringing it all together, a combination of robust demand and supply shortages suggests that the path of least resistance for both prices and rents is to the upside, at least until meaningful new supply begins to come on stream. Within that, the CBI mortgage rules should help to cause rental inflation continuing to outstrip price growth.

Portfolio Overview

The following table provides an overview of the Group's property portfolio as at 31 December 2015.

	Property Location	Location	Year Built	Date Acquired	# Apts. Owned(1)	Total # of Apts.(1)(8)	Value as at 31 December 2015(1)	Commercial Space Owned (sq.m.)(1)	Average Monthly Rent Per Apt.(1)(2)(3)	Occupancy (1) (2)
1	Kings Court	Smithfield	2006	10 Sep 2013	83	83	€ 17.2m	566	€ 1,288	98.8%
2	Grande Central(4)	Sandyford	2007	10 Sep 2013	65	195	€ 19.3m	-	€ 1,548	100.0%
3	Priorsgate	Tallaght	2007	10 Sep 2013	102	198	€ 17.5m	2,538	€ 1,045	98.0%
4	Camac Crescent	Inchicore	2008	10 Sep 2013	90	110	€ 17.9m	-	€ 1,221	98.9%
5	The Laurels	Tallaght	2007	27 Jun 2014	19	19	€ 2.8m	190	€ 1,103	94.7%
6	The Marker	Docklands	2012	18 Jul 2014	84	105	€ 55.9m	1,218	€ 2,328	96.4%
7	Beacon South Quarter(5)	Sandyford	2007/ 2008	07 Oct 2014	225(5)	850	€ 82.6m	2,395	€ 1,479	93.3%
8	Charlestown	Finglas	2007	07 Oct 2014	235	285	€ 54.8m	-	€ 1,165	94.5%
9	Bakers Yard	Dublin	2007/ 2008	07 Oct 2014	85	132	€ 19.6m	792	€ 1,283	98.8%
10	Lansdowne Gate	Drimnagh	2005	07 Oct 2014	224	280	€ 60.3m	-	€ 1,329	97.3%
11	Rockbrook Grande Central(4)	Sandyford	2007	31 Mar 2015	81	195	€ 26.1m	3,529	€ 1,450	96.3%
12	Rockbrook South Central	Sandyford	2007	31 Mar 2015	189	224	€ 66.0m	1,136	€ 1,454	95.8%
13	Tyrone Court	Inchicore	2014	05 Jun 2015	92	128	€ 20.0m	-	€ 1,297	92.4%
14	Bessboro	Terenure	2008	11 Dec 2015	40	40	€ 12.2m	-	€ 1,204	90.0%
Total owned portfolio as at 31 December 2015					**1,614**		**€ 472.2m**	**12,364**	**€ 1,372(6)**	**96.0%(6)**
15	Tallaght Cross West	Tallaght	2008	15 Jan 2016	442	507	€ 83.0m(7)	18,344	€ 1,006(7)	88.5%(7)
Total properties owned as at the date of this report					**2,056**		**€ 555.2m**	**30,708**	**€ 1,293(6)**	**94.4%(6)**

(1) As at 31 December 2015.
(2) Based on residential apartments.
(3) Average monthly rent (AMR) is defined as actual residential rents, net of vacancies, divided by the total number of apartments owned in the property.
(4) Total number of owned apartments at Grande Central as of 31 December 2015 is 146.
(5) Includes eight additional apartments purchased on 6 November 2015.
(6) Weighted average, by number of apartments owned.
(7) For Tallaght Cross West, the fair value is the purchase price including VAT but excluding other transaction costs, the AMR and occupancy are as at 15 January 2016.
(8) Total number of apartments in the development.

Kings Court (83 residential apartments, Smithfield, Dublin 7)

The Company acquired Kings Court, located in Smithfield, Dublin 7, in September 2013. The development was constructed in 2006 and is a residential development. The development consists of 83 residential apartments dispersed over four blocks and 566 sq. m. (6,093 sq. ft.) of commercial space, all of which is owned by the Company. The entire development is constructed over a common basement with 65 car park spaces. The Company's 83 residential apartments consist of 25 one-bedroom, 54 two-bedroom and four three-bedroom residential apartments. The purchase price was c. €12.5 million (including VAT, but excluding other transaction costs), compared to the value of c. €17.2 million as at 31 December 2015. The annualised rent roll at 31 December 2015 for both residential and commercial was c. €1.3 million, giving a gross yield of about 7.7% (approximate gross yield of 10.6% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy for residential apartments was at approximately 98.8%.

Grande Central (65 residential apartments, Sandyford, Dublin 18)

The Company acquired Grande Central, located in Sandyford, Dublin 18, in September 2013. The development was constructed in 2007 and is a residential development located within the suburb of Sandyford, Dublin 18, approximately 8 km south of Dublin City Centre. The development is on a 0.5-hectare site and consists of a purpose-built apartment block with 195 residential apartments, of which 65 are owned by the Company (which includes two additional residential apartments that were acquired in August and October 2014). The entire development is constructed over a common basement with a single car park space per residential apartments. The Company's 65 residential apartments consist of 10 one-bedroom, 34 two-bedroom and 21 three-bedroom residential apartments. The purchase price was c. €11.4 million (including VAT, but excluding other transaction costs), compared to the value of c. €19.3 million as at 31 December 2015. The annualised rent roll at 31 December 2015 was c. €1.2 million, giving a gross yield of about 6.2% (approximate gross yield of 10.6% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy was at approximately 100%.

Priorsgate (102 residential apartments, Tallaght, Dublin 24)

The Company acquired Priorsgate, located in Tallaght, Dublin 24, in September 2013. The development was constructed in 2007 and is a residential development on a 2.6 acre site located approximately 10 km southwest of Dublin City Centre. The development consists of 198 residential apartments dispersed over three blocks, of which 102 are owned by the Company. The Company also owns eight adjacent commercial units with a total of 2,538 sq. m. (27,316 sq. ft.). The entire development is constructed over a common basement with a single car park space per residential apartments. Included with the property is an adjoining detached building on a site of 0.18 hectare (0.44 acre) known as Bruce House Site. The Company's 102 residential apartments, which are dispersed over the three blocks, consist of 49 one-bedroom, 47 two-bedroom, five three-bedroom and one four-bedroom residential apartments. The purchase price was c. €9.0 million (including VAT, but excluding other transaction costs), compared to the value of c. €17.5 million at 31 December 2015. The annualised rent roll at 31 December 2015 for both residential and commercial was c. €1.4 million, giving a gross yield of about 8.2% (approximate gross yield of 16.0% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy for residential apartments was at approximately 98%.

Camac Crescent (90 residential apartments, Inchicore, Dublin 8)

The Company acquired Camac Crescent, located in Inchicore, Dublin 8, in September 2013. The development was constructed in 2008 and is a residential development on a 0.56-hectare site located in Inchicore, Dublin 8, approximately 3 km west of Dublin City Centre. The development consists of 110 residential apartments dispersed over six blocks, of which 90 are owned by the Company. The entire development is constructed over a common basement with a single car park space per residential apartment. The Company's 90 residential apartments consist of 21 one-bedroom, 49 two-bedroom and 20 three-bedroom residential apartments. The purchase price was c. €9.9 million (including VAT, but excluding other transaction costs), compared to the value of c. €17.9 million as at 31 December 2015. The annualised rent roll at 31 December 2015 was c. €1.3 million, giving a gross yield of about 7.4% (approximate gross yield of 13.3% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy was at approximately 98.9%.

The Laurels (19 residential apartments, Tallaght, Dublin 24)

The Company acquired the Laurels, located in Tallaght, Dublin 24, in June 2014. The development was constructed in 2007 and consists of 19 residential apartments, all of which are owned by the Company. The Company also owns 190 sq. m. (2,045 sq. ft.) of commercial space in the form of one large unit which could be split into two units. The Laurels consists of four one-bedroom, 13 two-bedroom and two three-bedroom residential apartments. The purchase price was c. €2.1 million (including VAT, but excluding other transaction costs), compared to the value of c. €2.8 million as at 31 December 2015. The annualised rent roll at 31 December 2015 for both residential and commercial was around c. €0.3 million, giving a gross yield of about 9.0% (approximate gross yield of 11.8% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy for the residential apartments was at approximately 94.7%.

The Marker Residences (84 residential apartments, Grand Canal Dock, Dublin)

The Company acquired the Marker Residences, located in the Grand Canal Dock area of Dublin 2, in July 2014. The development was constructed in 2012 and consists of 105 luxury residential apartments, of which 84 were acquired by the Company, and approximately 1,218 sq. m. (13,111 sq. ft.) of commercial space, all of which was acquired by the Company. The Company's 84 residential apartments are all two-bedroom residential apartments. The purchase price was c. €50.1 million (including VAT, but excluding other transaction costs), compared to the value of c. €55.9 million at 31 December 2015. The annualised rent roll at 31 December 2015 for both residential and commercial was around c. €2.7 million, giving a gross yield of about 4.8% (approximate gross yield of 5.4% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy for the residential apartments was at approximately 96.4%.

Beacon South Quarter (225 residential apartments Sandyford, Dublin 18)

The Company acquired Beacon South Quarter, located in Sandyford, Dublin 18, in October 2014. The development was constructed in 2007/2008 and is a landmark mixed-use development on 13 acres. A number of major employers are located in the immediate neighbourhood, including Vodafone, Merrill Lynch and Microsoft, and the development is adjacent to the LUAS light rail line to the city centre. The Beacon South Quarter development includes many high-end occupiers including private medical care, leisure and a selection of food and lifestyle shops. The development consists of 850 luxury residential apartments, of which 225 are owned by the Company. The Company's 225 residential apartments consist of 26 one-bedroom, 173 two-bedroom and 26 three-bedroom residential apartments. The Company also owns approximately 2,395 sq. m. (25,777 sq. ft.) of ancillary commercial space within the development. In addition, the Company owns three adjacent development sites and 6,847 sq. m. (73,701 sq. ft.) of commercial space. The Company initially acquired 217 apartments on 7 October 2014 for a purchase price of c. €82.5 million (including VAT, but excluding other transaction costs) and on 6 November 2015, the Company acquired an additional 8 apartments and 8 car parking spaces for a purchase price of €2.24 million (including VAT, but excluding other transaction costs).

At 31 December 2015 the property was valued at c. €82.6 million. The annualised rent roll at that time for both residential and commercial was c. €4.8 million, giving a gross yield of about 5.8% (approximate gross yield of 5.7% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy for the residential apartments was at approximately 93.3%.

Charlestown (235 residential apartments Finglas, Dublin 11)

The Company acquired Charlestown in October 2014, a mixed-use development set on 40 acres in Finglas, Dublin 11. The development was constructed in 2007 and consists of 285 residential apartments, of which 235 are owned by the Company. The overall development comprises facilities for tenants including a shopping centre, a medical centre and a variety of leisure and restaurant operators. The property is located approximately 9.5 km from Dublin City Centre and 8 km from Dublin airport and is adjacent to the main M50 and M2 transportation corridors. The Company's 235 residential apartments consist of 36 one-bedroom, 164 two-bedroom and 35 three-bedroom residential apartments. The purchase price was c. €51.1 million (including VAT, but excluding other transaction costs), compared to the value of c. €54.8 million as at 31 December 2015. The annualised rent roll at 31 December 2015 was c. €3.3 million, giving a gross yield of about 6.0% (approximate gross yield of 6.4% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy was at approximately 94.5%.

Bakers Yard (85 residential apartments Portland Street North, Dublin 1)

The Company acquired Bakers Yard in October 2014, an apartment development on 1.4 acres adjacent to Dublin City Centre in Dublin 1. The development was constructed in 2007/2008 and is within walking distance of many large government and private sector employers, as well as local and national public transport infrastructure. The development consists of 132 residential apartments, of which 85 are owned by the Company. The Company also owns approximately 792 sq. m. (8,525 sq. ft.) of ancillary commercial space within the development. In addition, the Company owns an adjoining 0.45-acre site with planning consent for a further 55 residential apartments and three ground floor commercial units. The Company's 85 residential apartments consist of 13 one-bedroom, 60 two-bedroom and 12 three-bedroom residential apartments. The purchase price was c. €17.3 million (including VAT, but excluding other transaction costs), compared to the value of c. €19.6 million as at 31 December 2015. The annualised rent roll at 31 December 2015 for both residential and commercial was c. €1.4 million, giving a gross yield of about 7.2% (approximate gross yield of 8.1% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy for the residential apartments was at approximately 98.8%.

Lansdowne Gate (224 residential apartments Drimnagh, Dublin 12)

The Company acquired Lansdowne Gate in October 2014, a superior quality development on 5.5 acres in Drimnagh, Dublin 12. The development was constructed in 2005 and is located adjacent to the LUAS light rail system, 5 km from the city centre and within walking distance of numerous larger employers, as well as shopping and leisure facilities. The development consists of 280 residential apartments, of which 224 are owned by the Company, set in 11 blocks over semi-basement car parking, with the benefit of a centralised district heating system, landscaped gardens and a children's playground. The Company's 224 residential apartments consist of 23 one-bedroom, 146 two-bedroom and 55 three-bedroom residential apartments. The purchase price was c. €60.4 million (including VAT, but excluding other transaction costs), compared to the value of c. €60.3 million as at 31 December 2015. The annualised rent roll at 31 December 2015 was c. €3.6 million, giving a gross yield of about 5.9% (approximate gross yield of 5.9% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy was at approximately 97.3%.

Rockbrook South Central & Rockbrook Grande Central ("Rockbrook Portfolio") (270 apartments, Sandyford, Dublin 18)

The Company acquired the Rockbrook Portfolio, located in Sandyford, Dublin 18, in March 2015 via the acquisition of IRES Residential Properties Limited. The development consists of 270 residential apartments and mixed-use commercial space of approximately 4,665 sq. m. (50,214 sq. ft.). The portfolio also includes a development site of approximately 1.13 hectares (2.8 acres) and associated basement car parking. The property is located close to the Stillorgan LUAS rail system stop, in an area serviced by numerous bus routes. Located nearby are the UPMC Beacon Hospital and large employers such as Microsoft, Vodafone, Volkswagen and Bewleys. The Company's 270 residential apartments consist of 46 one-bedroom, 203 two-bedroom and 21 three-bedroom residential apartments. The purchase price was c. €87.3 million (including VAT, but excluding other transaction costs), compared to the value of c. €92.1 million as at 31 December 2015. The annualised rent roll at 31 December 2015 was c. €4.9 million, giving a gross yield of about 5.3% (approximate gross yield of 5.6% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy was at approximately 95.9%.

Tyrone Court (92 residential apartments, Inchicore, Dublin 8)

The Company acquired Tyrone Court, located in Inchicore, Dublin 8, in June 2015. The development was constructed in 2014 and consists of 128 apartments across four residential apartment blocks, of which 92 are owned by the Company. The Company also owns a three story detached crèche building extending to approximately 310 sq. m. (3,336 sq. ft.). The Company's 92 residential apartments consist of four three-bedroom duplex units, three three-bedroom, 62 two-bedroom, and 23 one-bedroom apartments. The property is located in an established residential area, close to the Drimnagh Station which is fifteen minute commute to City Centre. Located nearby are St. James's Hospital, Inchicore College, the Central Criminal Court and the Heuston Station, all of which provide a strong employment centre and tenant market. The purchase price was c. €19.5 million (including VAT, but excluding other transaction costs), compared to the value of c. €20.0 million as at 31 December 2015. The annualised rent roll at 31 December 2015 was c. €1.4 million, giving a gross yield of about 7.2% (approximate gross yield of 7.4% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy was at approximately 92.4%.

Bessboro (40 residential apartments, Terenure, Dublin 6)

The Company acquired Bessboro, located in Terenure, Dublin 6, in December 2015. The development was constructed in 2008 and consists of 40 residential apartments, all of which are owned by the Company. The Company's 40 residential apartments consist of six one-bedroom, 32 two-bedroom and two three-bedroom apartments. Bessboro provides a strong suburban location located only 7 kilometers from Dublin's City Centre and 4.6 kilometers from the M50 motorway. The location provides a range of amenities including shops, schools, bars and restaurants all within walking distance of Bessboro. The scheme is also in close proximity to Bushy Park, golf and rugby clubs. The purchase price was c. €12.2 million (including VAT, but excluding other transaction costs), compared to the value of €12.2 million as at 31 December 2015. The annualised rent roll at 31 December 2015 was c. €0.6 million, giving a gross yield of about 4.7% (approximate gross yield of 4.7% based on the original purchase price including VAT but excluding other acquisition costs) and occupancy was at approximately 90%. The yield profile is anticipated to improve as approximately 82% of the existing leases, which are currently well below market rents, will be renewed within the next 12 months.

Properties acquired since 31 December 2015

Tallaght Cross West (442 residential apartments, Tallaght, Dublin 24)

The Company acquired Tallaght Cross West, located in Tallaght, Dublin 24, in January 2016. The development was constructed in 2008 and consists of 507 residential apartments, of which 442 residential apartments are owned by the Company. The Company also owns 18,344 sq. m. (197,460 sq. ft.) of commercial space and associated underground car parking.

Tallaght Cross West has recently undergone significant capital expenditures to complete the fit out of the apartments. The vendor commenced a residential leasing programme for all 442 units in September 2015 and 15% of the apartments remain unleased at closing on 15 January 2016. The Company's 442 residential apartments consist of 161 one-bedroom, 237 two-bedroom and 44 three-bedroom residential apartments.

The purchase price was c. €83 million (including VAT, but excluding other transaction costs).

On closing, the 442 apartments had annualised passing residential rents of €5.3 million at 88% occupancy, generating a gross yield of 7.4% based on the original purchase price, appointed to the apartments, including VAT but excluding other transaction costs. The current commercial annualised passing rent is c. €0.63 million at 10% occupancy. Based on current annualised passing residential rents on closing and lease up of the remaining 12% unleased apartments at market rents, it will generate a gross yield of 8.5%.

Consolidated Statement of Financial Position (Unaudited)

as at 31 December 2015

	Note	2015 €'000	2014 €'000
Assets			
Non-Current Assets			
Investment properties	5	**472,230**	323,580
Other non-current assets	6	**322**	618
		472,552	324,198
Current Assets			
Other current assets	6	**9,494**	2,004
Cash and cash equivalents		**3,563**	6,146
		13,057	8,150
Total Assets		**485,609**	332,348
Liabilities			
Non-Current Liabilities			
Non-Current portion of bank indebtedness	9	**–**	125,000
		–	125,000
Current Liabilities			
Current portion of bank indebtedness	9	**41,529**	–
Accounts payable and accrued liabilities	7	**6,960**	4,911
Security deposits		**2,100**	1,519
		50,589	6,430
Total Liabilities		**50,589**	131,430
Shareholders' Equity			
Share capital	10	**41,700**	20,200
Share premium	10	**354,978**	172,374
Other reserve		**1,553**	574
Retained earnings		**36,789**	7,770
Total Shareholders' Equity		**435,020**	200,918
Total Shareholders' Equity and Liabilities		**485,609**	332,348

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Profit and Loss and Other Comprehensive Income (Unaudited)

for the year ended 31 December 2015

	Note	1 January 2015 to 31 December 2015 €'000	2 July 2013 (date of incorporation) to 31 December 2014 €'000
Operating Revenues			
Revenue from investment properties		**24,721**	9,675
Operating Expenses			
Property taxes		**(364)**	(199)
Property operating costs		**(4,389)**	(1,850)
		(4,753)	(2,049)
Net Rental Income ("NRI")		**19,968**	7,626
General and administrative expenses		**(2,990)**	(2,218)
Asset management fee		**(1,938)**	(723)
Share-based compensation expense		**(979)**	(574)
Net movement on fair value of investment properties	5	**18,639**	7,364
Depreciation of property, plant and equipment		**(13)**	(11)
Operating Profit		**32,687**	11,464
Financing costs on credit facility	9	**(1,865)**	(1,147)
Interest on intercompany loan	8	**–**	(1,464)
Investment income		**–**	23
Profit Before Taxes		**30,822**	8,876
Current income tax expense	12	**–**	(946)
Profit for the Period		**30,822**	7,930
Total Comprehensive Income for the Period			
Attributable to Shareholders		**30,822**	7,930
Basic Earnings Per Share (cents)	17	**8.4**	8.3
Diluted Earnings Per Share (cents)	17	**8.3**	8.3

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity (Unaudited)

for the year ended 31 December 2015

	Note	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Other Reserve €'000	Total €'000
Shareholders' Equity at 1 January 2015		**20,200**	**172,374**	**7,770**	**574**	**200,918**
Total comprehensive income for the period						
Profit for the period		–	–	30,822	–	30,822
Total comprehensive income for the period		–	–	30,822	–	30,822
Transactions with owners, recognised directly in equity						
Issue of ordinary shares for cash	10	21,500	193,500	–	–	215,000
Share issue costs	10	–	(10,896)	–	–	(10,896)
Long-term incentive plan		–	–	–	979	979
Transactions with owners, recognised directly in equity		21,500	182,604	–	979	205,083
Dividends						
Dividends paid	13	–	–	(1,803)	–	(1,803)
Dividends of Ordinary Shares		–	–	(1,803)	–	(1,803)
Shareholders' Equity at 31 December 2015		**41,700**	**354,978**	**36,789**	**1,553**	**435,020**

	Note	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Other Reserve €'000	Total €'000
Shareholders' Equity at 2 July 2013		-	-	-	-	-
Total comprehensive income for the period						
Profit for the period		–	–	7,930	–	7,930
Total comprehensive income for the period		–	–	7,930	–	7,930
Transactions with owners, recognised directly in equity						
Issue of ordinary shares for cash	10	20,040	180,000	–	–	200,040
Share issue costs	10	–	(7,626)	–	–	(7,626)
Capitalisation of bonus shares (1)	10	160	–	(160)	–	–
Long-term incentive plan		–	–	–	574	574
Transactions with owners, recognised directly in equity		20,200	172,374	(160)	574	192,988
Shareholders' Equity at 31 December 2014		**20,200**	**172,374**	**7,770**	**574**	**200,918**

(1) €1.6 million of the retained earnings as at 30 June 2014 arose prior to the Company registering as an Irish REIT with effect from 31 March 2014. €160,000 was transferred to ordinary share capital, being the total par value of the bonus issue of 1,600,000 Ordinary Shares on 11 April 2014 (see note 10). The €1.6 million has been designated as an undistributable reserve within the meaning of the Companies Act 2014.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows (Unaudited)

for the year ended 31 December 2015

	Note	1 January 2015 to 31 December 2015 €'000	2 July 2013 (date of incorporation) to 31 December 2014 €'000
Cash Flows from Operating Activities:			
Operating Activities			
Profit before taxes		**30,822**	8,876
Items related to operating activities not affecting cash:			
Fair value adjustment - investment properties		**(18,639)**	(7,364)
Depreciation of property, plant and equipment		**13**	11
Amortisation of other financing costs	9	**370**	173
Share-based compensation expense		**979**	574
Straight-line rent adjustment		**(196)**	(73)
		13,349	2,197
Taxes paid		**-**	(946)
Profit items related to financing and investing activities	14	**1,495**	2,415
Changes in operating assets and liabilities	14	**(4,860)**	4,426
Net Cash Generated from Operating Activities		**9,984**	8,092
Cash Flows from Investing Activities			
Acquisition of investment properties		**(125,480)**	(315,684)
Investment property enhancement expenditure		**(4,326)**	(459)
Purchase of property, plant and equipment		**-**	(58)
Direct leasing cost		**(9)**	–
Investment income		**-**	23
Net Cash Used in Investing Activities		**(129,815)**	(316,178)
Cash Flows from Financing Activities			
Intercompany loan advanced	8	**-**	45,000
Intercompany loan repaid on maturity	8	**-**	(45,000)
Arrangement fee on credit facility	9	**(87)**	(744)
Bank indebtedness	9	**(83,471)**	125,000
Interest paid on bank indebtedness		**(1,495)**	(974)
Interest paid on intercompany loan	8	**-**	(1,464)
Net proceeds on issuance of shares	14	**204,104**	192,414
Dividends paid to shareholders	13	**(1,803)**	–
Net Cash Generated from Financing Activities		**117,248**	314,232
Changes in Cash and Cash Equivalents during the Period		**(2,583)**	6,146
Cash and Cash Equivalents, Beginning of the Period		**6,146**	–
Cash and Cash Equivalents, End of the Period		**3,563**	6,146

The accompanying notes form an integral part of these financial statements.

Notes to Financial Statements

1. General Information

Irish Residential Properties REIT plc ("I•RES") was incorporated in Ireland on 2 July 2013 as Shoreglade Limited (formerly known as CAPREIT Ireland Limited, Irish Residential Apartments REIT Limited and Irish Residential Properties REIT Limited). On 16 April 2014, I•RES obtained admission of its ordinary shares to the primary listing segment of the Official List of the Irish Stock Exchange for trading on the regulated market for listed securities of the Irish Stock Exchange. Its registered office is Lazer Lane, Unit 4B, Grand Canal Square, Dublin 2, Ireland. Ordinary shares of I•RES are listed on the Irish Stock Exchange under the symbol "IRES".

I•RES was previously a wholly-owned subsidiary of CAPREIT Limited Partnership ("CAPREIT LP"), prior to the Initial Offering (as defined in Note 10) on 16 April 2014. As a result of the Initial Offering, CAPREIT LP's interest in I•RES was diluted to 20.792%. As of 26 March 2015, as a result of the Capital Raise (as defined in Note 10), CAPREIT LP's interest in I•RES was diluted to 15.707%.

IRES Residential Properties Limited is a wholly-owned consolidated subsidiary of I•RES, acquired on 31 March 2015, and owns directly the beneficial interest of its properties. I•RES and IRES Residential Properties Limited together are referred to as "the Group" in these consolidated financial statements. The Group owns interests in multi-unit residential rental apartment properties located in and near major urban centres in Dublin, Ireland. Specifically, IRES Residential Properties Limited owns an interest in the "Rockbrook Portfolio," which consists of 81 apartments at Rockbrook Grande Central and 189 apartments at Rockbrook South Central, mixed-use commercial space of approximately 4,665 sq. m., a development site of approximately 1.13 hectares and associated basement car parking.

2. Basis of Preparation

This financial information has been derived from the information to be used to prepare the Group's consolidated financial statements for the year ended 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRS Interpretations Committee ("IFRS IC") interpretations and those parts of the Companies Act 2014 applicable to companies reporting under IFRS. The financial information for the years ended 31 December 2015 and 31 December 2014 has been prepared under the historical cost convention, as modified by the revaluation of investment properties at fair value through the consolidated statement of profit and loss and other comprehensive income. The financial information has been prepared in accordance with the accounting policies disclosed in the prior year annual report.

The financial information presented herein does not amount to statutory financial statements that are required by Section 347 of the Companies Act 2014 to be annexed to the annual return of the Group. The financial information does not include all the information and disclosures required in the annual financial statements. The purpose of these financial statements is for the provision of information to shareholders. The statutory financial statements for the year ended 31 December 2014 have been attached to the annual return of the Company and filed with the Registrar of Companies. The audit report on those statutory financial statements was unqualified and did not contain any matters to which attention was drawn by way of emphasis. The statutory financial statements for the year ended 31 December 2015 will be annexed to the next annual return of the Group and filed with the Registrar of Companies.

This announcement has been prepared on the basis of the results and financial position that the directors expect will be reflected in the audited statutory accounts when these are completed. The preliminary announcement has been approved by the Board of Directors. It is expected that the annual report and statutory consolidated financial statements for the year ended 31 December 2015 will be approved by the Directors and reported on by the auditors in March 2016.

3. Critical Accounting Estimates, Assumptions and Judgements

The preparation of the financial statements in accordance with IFRS requires the use of estimates, assumptions and judgements that in some cases relate to matters that are inherently uncertain, and which affect the amounts reported in the financial statements and accompanying notes. Areas of such estimation include, but are not limited to: valuation of investment properties, and remeasurement at fair value of financial instruments. Changes to estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates under different assumptions and conditions.

The valuation estimate of investment properties is deemed to be more significant. See note 5 for a detailed discussion of valuation methods and the significant assumptions and estimates used.

4. Recent Investment Property Acquisitions

The Group has completed the following investment property acquisitions since 1 January 2015, which have contributed to the operating results effective from the acquisition date:

For the period 1 January 2015 to 31 December 2015

	Apartment Count	Region	Total Acquisition Costs €'000	Funding €'000	Interest Rate	Term to Maturity (Years)
31 March 2015	270	Dublin, Ireland	90,603	–(1)	–(1)	– (1)
5 June 2015	92	Dublin, Ireland	19,968	–(2)	–(2)	– (2)
6 November 2015	8	Dublin, Ireland	2,283	–(3)	–(3)	–(3)
11 December 2015	40	Dublin, Ireland	12,626	–(2)	–(2)	–(2)
	410		125,480	–		

(1) The acquisition was funded from equity proceeds raised on 26 March 2015.
The acquisition of IRES Residential Properties Limited, which owns the Rockbrook Portfolio, is considered an asset acquisition. Upon acquisition, I•RES undertook the day-to-day property management services of IRES Residential Properties Limited. In addition, no processes or existing employees of IRES Residential Properties Limited were acquired as part of the transaction. The purchase price is based on the value of the investment property acquired.

(2) The acquisition was funded from I•RES' Credit Facility (as defined in Note 9).

(3) The acquisition was funded from the Group's cash reserves.

For the period 2 July 2013 to 31 December 2014

	Apartment Count	Region	Total Acquisition Costs €'000	Funding €'000	Interest Rate	Term to Maturity (Years)
10 September 2013	338	Dublin, Ireland	44,173	– (1)	– (1)	– (1)
27 June 2014	19	Dublin, Ireland	2,172	– (2)	– (2)	– (2)
18 July 2014	84	Dublin, Ireland	51,945	– (2)	–(2)	–(2)
7 October 2014(3)	763	Dublin, Ireland	217,394	– (4)	– (4)	– (4)
	1,204		315,684	–		

(1) The acquisition was funded from an intercompany loan payable to CAPREIT LP at a stated interest rate of 5.3% per annum. The loan was repayable on demand, but in any event, no later than 29 August 2014 with interest on such amount at the stated interest rate. The loan was repaid on 16 April 2014.

(2) The acquisition was funded from equity proceeds raised on 16 April 2014.

(3) Included are two residential apartments purchased in August and October 2014 relating to the initial portfolio aggregating to €424,000 which was funded from cash on hand.

(4) The 761 residential apartment acquisition was funded from the proceeds of the Initial Offering (as defined in Note 10) and from the Credit Facility (as defined in Note 9).

5. Investment Properties

Valuation basis

Investment properties are carried at fair value, which is the amount at which the individual properties could be sold in an orderly transaction between market participants, considering the highest and best use of the asset, with any gain or loss arising from a change in fair value recognised in the consolidated statement of profit and loss and other comprehensive income for the period.

The fair value of all of the Group's investment properties are determined by a qualified external appraiser. The qualified external appraiser holds a recognised relevant professional qualification and has recent experience in the location and category of the respective property. Valuations are prepared on a bi-annual basis at the interim reporting date and the annual reporting date.

For investment property, the income approach / yield methodology involves applying market-derived capitalisation rates to current and market-derived future income streams. These capitalisation rates and future income streams are derived from comparable property transactions and are considered to be the key inputs in the valuation. Other factors that are taken into account include the tenure of the property, tenancy details, planning, building and environmental factors that might affect the property.

The Group tests reasonableness for all significant unobservable inputs, capitalisation rates and stabilised net rental income ("Stabilised NRI"), to the valuation, and reviews the results with the external appraiser for all independent valuations. The Stabilised NRI represents property revenue less property operating expenses, adjusted for market based assumptions such as long term vacancy rates, management fees, repairs and maintenance.

Generally, an increase in Stabilised NRI will result in an increase to the fair value of an investment property. An increase in the capitalisation rate will result in a decrease to the fair value of an investment property. The capitalisation rate magnifies the effect of a change in Stabilised NRI, with a lower capitalisation rate resulting in a greater effect on the fair value of investment properties than a higher capitalisation rate.

Across the entire portfolio of investment properties, a 1% increase in the Equivalent Capitalisation Rate would have an impact of a €81.8 million reduction in fair value whilst a 1% decrease in the Equivalent Capitalisation Rate would result in a fair value increase of €126.5 million.

At 31 December 2015, the Group considers that all of its investment properties fall within Level 3 fair value as defined by IFRS 13. As outlined in IFRS 13, a Level 3 fair value recognises that not all of the inputs and considerations made in determining the fair value of property investments can be derived from publicly available data, as the valuation methodology in respect of a property has also to rely on a number of unobservable inputs including technical reports, legal data, build costs, rental analysis, professional opinion on profile, lot size, layout and presentation of accommodation. In addition, the valuers also utilise proprietary databases maintained in respect of similar properties to the assets being valued.

The direct operating expenses recognised in the consolidated statement of profit and loss and other comprehensive income for the Group is €4.8 million for the year ended 31 December 2015, arising from investment property that generated rental income during the period. The direct operating expenses are comprised of the following significant categories: property taxes, utilities, repairs and maintenance, wages, insurance, service charges and property management fees.

The direct operating expenses recognised in the consolidated statement of profit and loss and other comprehensive income for the Group is €nil for the year ended 31 December 2015, arising from investment property that did not generate rental income during the period. There were no investment properties for the reporting period that did not generate rental income.

An investment property is comprised of various components including undeveloped land and vacant units for residential and commercial; no direct operating costs are specifically allocated to these components noted above.

A summary of the Equivalent Capitalisation Rates and ranges along with the fair value of the total portfolio of the Group as at 31 December 2015 is presented below:

As at 31 December 2015

Type of Interest		**Fair Value €'000**	**WA NRI[1] €'000**	**Rate Type[3]**	**Max.**	**Min.**	**Weighted Average**
Investment properties		456,180	2,315	Equivalent Capitalisation Rate	7.14%	3.52%	5.02%
Development land[2]		16,050					
Total Investment Properties	€	472,230					

(1) Weighted average ("WA") net rental income ("NRI")

(2) Development land is fair valued based on the value of the undeveloped site per acre

(3) The Equivalent Capitalisation Rate disclosed above is based on the Stabilised NRI divided by the fair value of the investment property.

As at 31 December 2014

Type of Interest		**Fair Value €'000**	**WA NRI[1] €'000**	**Rate Type[3]**	**Max.**	**Min.**	**Weighted Average**
Investment properties		316,580	2,361	Equivalent Capitalisation Rate	6.95%	4.56%	5.22%
Development land[2]		7,000					
Total fair value	€	323,580					

(1) Weighted average ("WA") net rental income ("NRI")

(2) Development land is fair valued based on the value of the undeveloped site per acre

(3) The Equivalent Capitalisation Rate disclosed above is based on the Stabilised NRI divided by the fair value of the investment property.

The following table summarises the changes in the investment properties portfolio during the periods:

Reconciliation of carrying amounts of investment properties

For the Period	**1 January 2015 to 31 December 2015 €'000**	**2 July 2013 (date of incorporation) to 31 December 2014 €'000**
Balance at the beginning of the period	**323,580**	**–**
Additions:		
Acquisitions	**125,480**	**315,684**
Property capital investments	**4,326**	**459**
Capitalised leasing costs (1)	**196**	**73**
Direct leasing costs	**9**	**–**
Unrealised fair value movements	**18,639**	**7,364**
Balance at the end of the period	**472,230**	**323,580**

(1) Comprised of straight-line rent.

The carrying value for the Group of €472.2 million for the investment properties at 31 December 2015 (and €323.6 million at 31 December 2014) was based on an external valuation carried out as at that date. The valuations were prepared in accordance with the RICS Valuation – Professional Standards January 2014 (Red Book).

6. Other Assets

As at 31 December	2015	2014
	€'000	**€'000**
Other Non-Current Assets		
Property, plant and equipment: (1)		
At cost	**58**	**58**
Accumulated amortisation	**(24)**	**(11)**
Net property, plant and equipment	**34**	**47**
Deferred loan costs, net (2)	**288**	**571**
Total	**322**	**618**
Other Current Assets		
Prepaid expenses	**303**	**288**
Other receivables	**1,089**	**654**
Deposits(3)	**8,102**	**1,062**
Total	**9,494**	**2,004**

(1) Consists of head office fixtures and fittings and information technology hardware.

(2) Includes deferred loan costs related to the Credit Facility (as defined in Note 9), net of accumulated amortisation of €543,000 as at 31 December 2015 and €173,000 as at 31 December 2014.

(3) Consists of €7.4 million paid as a deposit on an acquisition that closed subsequent to the 2015 year end.

The carrying value of all other receivables approximates their fair value.

7. Accounts Payable and Accrued Liabilities

As at 31 December	2015	2014
	€'000	**€'000**
Accounts Payable and Accrued Liabilities		
Rent deposits and early payments	**1,010**	**787**
Trade creditors	**414**	**32**
Accruals	**5,254**	**3,750**
Value added tax	**282**	**342**
Total	**6,960**	**4,911**

The carrying value of all other payables approximates their fair value.

8. Intercompany Loan

On 16 April 2014, I•RES repaid an intercompany loan payable to CAPREIT LP, a related party, aggregating to €45.0 million with a stated interest rate of 5.3% per annum. The intercompany loan was repayable on demand, but in any event, no later than 29 August 2014, with interest on such amount at the stated interest rate.

9. Credit Facility

I•RES entered into a facility agreement on 15 August 2014 (as amended on 16 February 2015) with Barclays Bank Ireland PLC and TD Bank, which provides for a credit facility of up to €130.0 million comprising a revolving facility of €60.0 million and a bridge facility of €70.0 million (the "Credit Facility"). The revolving facility has a two-year term from the date of the agreement, and the bridge facility of €70.0 million is repayable at the earlier of: (i) an issue of shares by I•RES; and (ii) the termination date of the bridge facility, which was 15 May 2015. The Credit Facility is subject to compliance with various provisions of the facility agreement (including certain financial covenants and commitments and limitations on indebtedness). The interest on the Credit Facility is at an annual rate of 2.5%, plus the one-month or three-month EURIBOR rate (at the option of I•RES). The debt is secured over the properties of I•RES and there was a one-time arrangement fee of €740,000 relating to the Credit Facility. Pursuant to the terms of the Credit Facility, on 27 March 2015 I•RES repaid the entire €70.0 million of borrowings under the bridge facility out of the net proceeds from the completion of the I•RES Capital Raise (as defined in note 10) on 26 March 2015 and partly repaid the borrowings under the €60 million revolving facility. The €60 million revolving facility will remain available for borrowing to the extent any amounts are undrawn or repaid under the facility agreement with a termination date of 15 August 2016.

Refer to Note 19 "Subsequent Events" for details of a new facility agreement signed since 31 December 2015.

10. Shareholders' Equity

On 13 March 2014, I•RES had an authorised share capital of €100.0 million divided into 1,000,000,000 ordinary shares of €0.10 each. On 20 March 2014, I•RES was converted to a public limited company.

On 11 April 2014, prior to the Initial Offering (as defined below), I•RES issued 1,600,000 ordinary shares to CAPREIT LP by way of a capitalised issue.

On 16 April 2014, I•RES raised gross proceeds of €200.0 million through the issuance of an aggregate of 200,000,000 ordinary shares at an issue price of €1.00 per share, nominal value €0.10 per share (the "Initial Offering"). CAPREIT LP's initial investment in I•RES' share capital (prior to the dilution of its beneficial interest) was €40,000 at a par value of €0.10 per share, resulting in 400,000 ordinary shares.

On 26 March 2015, I•RES raised gross proceeds of €215.0 million through the issuance of an aggregate of 215,000,000 new ordinary shares at an issue price of €1.00 per share, nominal value €0.10 per share (the "Capital Raise").

The funds raised from all the ordinary shares issued during the period were used for the purchase of investment properties and to pay down the Credit Facility.

All equity shares outstanding are fully paid and are voting shares. Equity shares represent a shareholder's proportionate undivided beneficial interest in I•RES. No equity share has any preference or priority over another. No shareholder has or is deemed to have any right of ownership in any of the assets of I•RES. Each share confers the right to cast one vote at any meeting of shareholders and to participate pro rata in any distributions by I•RES and, in the event of termination of I•RES, in the net assets of I•RES remaining after satisfaction of all liabilities. Shares will be issued in registered form and are transferable.

The number of issued and outstanding ordinary shares is as follows:

For the Period	**1 January 2015 to 31 December 2015**	**2 July 2013 to 31 December 2014**
Ordinary shares outstanding, beginning of the period	**202,000,000**	**–**
CAPREIT LP's initial ownership	**–**	**400,000**
Shares issued to CAPREIT LP prior to Initial Offering	**–**	**1,600,000**
New units issued	**215,000,000**	**200,000,000**
Ordinary shares outstanding, end of period	**417,000,000**	**202,000,000**

The shares issued to CAPREIT LP prior to the Initial Offering were issued at par.

a) New shares issued on Capital Raise

	Shares Issued (number)	**Price Per Share**	**Gross Proceeds €'000**	**Transaction Costs €'000**	**Net Proceeds €'000**
26 March 2015	215,000,000	€ 1.00	215,000	10,896	204,104
Total	215,000,000		215,000	10,896	204,104

b) New shares issued on Initial Offering

	Shares Issued (number)	**Price Per Share**	**Gross Proceeds €'000**	**Transaction Costs €'000**	**Net Proceeds €'000**
16 April 2014	200,000,000	€ 1.00	200,000	7,626	192,374
Total	200,000,000		200,000	7,626	192,374

11. Financial Instruments, Investment Properties and Risk Management

a) *Fair value of financial instruments and investment properties*

The Group classifies and discloses the fair value for each class of financial instrument based on the fair value hierarchy in accordance with IFRS 13. The fair value hierarchy distinguishes between market value data obtained from independent sources and the Group's own assumptions about market value. The hierarchy levels are defined below:

Level 1 - Inputs based on quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs based on factors other than quoted prices included in Level 1 and may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates and yield curves that are observable at commonly quoted intervals; and

Level 3 - Inputs which are unobservable for the asset or liability, and are typically based on the Group's own assumptions, as there is little, if any, related market activity.

The Group's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and considers factors specific to the asset or liability.

The following table presents the Group's estimates of the fair value on a recurring basis based on information available as at 31 December 2015, and aggregated by the level in the fair value hierarchy within which those measurements fall. These estimates are not necessarily indicative of the amounts the Group could ultimately realise.

	Level 1 Quoted prices in active markets for identical assets and liabilities **€'000**	**Level 2** Significant other observable inputs **€'000**	**Level 3** Significant unobservable inputs **€'000**	**Total** **€'000**
Recurring Measurements				
Assets				
Investment Properties	€ –	€ –	€ 472,230[(1)]	€ 472,230

(1) Fair value for investment properties are calculated using the income approach/yield methodology method, which results in these measurements being classified as Level 3 in the fair value hierarchy. See note 5 for detailed information on the valuation methodologies and fair value reconciliation.

b) *Risk management*

The main risks arising from the Group's financial instruments are market risk, interest rate risk, liquidity and credit risks. The Group's approach to managing these risks is summarised as follows:

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks.

The Group's financial assets currently comprise short-term bank deposits and trade receivables.

The short-term bank deposits are used to invest cash while awaiting suitable investment properties for investment. These are denominated in euros. Therefore, exposure to market risk in relation to these is limited to interest rate risk. The Group's exposure to interest rates is limited to the exposure of €3.6 million as at 31 December 2015 of earnings from uninvested funds at the period end.

Interest rate risk

As at 31 December 2015, I•RES' Credit Facility was drawn for €41.5 million. Interest on this Credit Facility was paid at a rate of 2.5% per annum plus the one-month or three-month EURIBOR rate (at the option of I•RES). For the year ended 31 December 2015, a 100 basis point change in interest rates would have the following effect:

	Change in interest rates (basis points)	Increase (decrease) in net income 2015 €'000
EURIBOR rate debt[1]	+100	**415**
EURIBOR rate debt[2]	–100	**87**

(1) Based on the fixed margin of 2.5% plus the 1-month EURIBOR rate as at 4 January 2016 of -0.210%

(2) Based on the floor rate of 0% plus the fixed margin of 2.5%

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in accessing capital markets and refinancing its financial obligations as they come due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables and capital commitments.

As at 31 December 2015	6 months or less €'000	6 to 12 months €'000	1 to 2 years €'000	2 to 5 years €'000	More than 5 years €'000
Bank indebtedness	–	41,529	–	–	–
Bank indebtedness interest (1)	481	122	–	–	–
Other liabilities	6,960	–	–	–	–
Security deposits	2,100		–	–	–
	9,541	41,651	–	–	–

(1) Based on current in-place interest rate for the remaining term to maturity.

The carrying value of bank indebtedness and trade and other payables (other liabilities) is approximate to their fair value.

Credit risk

Credit risk is the risk that: (i) counterparties to contractual financial obligations will default; and (ii) the possibility that the Group's tenants may experience financial difficulty and be unable to meet their rental obligations.

The Group monitors its risk exposure regarding obligations with counterparties through the regular assessment of counterparties' credit positions and will not be exposed to the creditworthiness or solvency of any one counterparty.

The Group mitigates the risk of credit loss with respect to tenants by evaluating the creditworthiness of new tenants, obtaining security deposits wherever permitted by legislation, and geographically diversifying its portfolio.

The Group monitors its collection experience on a monthly basis and ensures that a stringent policy is adopted to provide for all past due amounts. All residential accounts receivable balances exceeding 30 days are written off to bad debt expense and recognised in the consolidated statement of profit and loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of profit and loss and other comprehensive income.

Cash and cash equivalents are held with major Irish and European institutions. The Board has established a cash management policy for these funds, which it monitors regularly. This policy has investment thresholds, with a maximum limit of 20% of the overall gross assets, with individual institutions to avoid concentration of risk with any one counterparty. The Group has also engaged the services of a depository to ensure the security of the cash assets.

Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, I•RES may issue new shares or consider the sale of assets to reduce debt. I•RES, through the Irish REIT regime, is restricted in its use of capital to making investments in real property in Ireland. I•RES intends to make distributions if results of operations and cash flows permit in the future.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. At 31 December 2015, capital consists of equity and debt, with the loan to value of 8.6%. I•RES seeks to use gearing to enhance shareholder returns over the long term. The level of gearing is monitored carefully by the Board in light of the cost of borrowing and I•RES may seek to use hedging where considered appropriate to mitigate interest rate risk. Given the stability of the multi-unit residential sector, 45% gearing is currently considered prudent by the Board.

The Board monitors the return on capital as well as the level of dividends to ordinary shareholders. Subject to distributable reserves, it is the policy of I•RES to distribute at least 85% of the property income of its property rental business for each accounting period.

12. Taxation

I•RES was incorporated on 2 July 2013 and was liable for corporate taxes up to 31 March 2014, following which it elected for REIT status. I•RES paid corporate taxes of €946,000 relating to the period 2 July 2013 to 31 December 2014.

I•RES elected for REIT status on 31 March 2014. As a result, from this date the Group is exempt from paying Irish corporation tax on the profits and gains from qualifying rental business in Ireland provided it meets certain conditions.

Instead, dividends to shareholders in respect of the property rental business are treated for Irish tax purposes as income in the hands of shareholders. Corporation tax is still payable in the normal way in respect of income and gains from any residual business (generally including any property trading business) not included in the property rental business. I•RES is also liable to pay other taxes such as VAT, stamp duty land tax, stamp duty, local property tax and payroll taxes in the normal way.

Within the Irish REIT regime, for corporation tax purposes the property rental business is treated as a separate business from the residual business. A loss incurred by the property rental business cannot be set off against profits of the residual business.

An Irish REIT is required, subject to having sufficient distributable reserve, to distribute to its shareholders (by way of dividend), on or before the filing date for its tax return for the accounting period in question, at least 85% of the property income of the property rental business arising in each accounting period. Failure to meet this requirement will result in a tax charge calculated by reference to the extent of the shortfall in the dividend paid. A dividend paid by an Irish REIT from its property rental business is referred to as a property income distribution. Any normal dividend paid from the residual business by the Irish REIT is referred to as a non-property income distribution dividend.

The Directors confirm that the Group has remained in compliance with the Irish REIT regime up to and including the date of this Report.

13. Dividends

Under the Irish REIT regime, subject to having sufficient distributable reserves, I•RES is required to distribute to shareholders at least 85% of the property income of its property rental business for each accounting period, provided it has sufficient distributable reserves. The directors paid a maiden dividend of €969,600 (0.48 cents per share) in the form of interim dividend on 31 March 2015 to shareholders on record as at 20 February 2015 and paid a second interim dividend of €833,609 (0.2 cents per share) on 4 September 2015 to shareholders on record as at 21 August 2015, relating to the I•RES accounting period from 31 March 2014 to 31 December 2014. See note 19 for dividends declared after 31 December 2015.

14. Supplemental Cash Flow Information

Breakdown of operating income items related to financing and investing activities

For the Period	1 January 2015 to 31 December 2015 €'000	2 July 2013 (date of incorporation) to 31 December 2014 €'000
Financing costs on credit facility[1]	1,495	974
Interest on intercompany loan	-	1,464
Investment income received	-	(23)
	1,495	2,415

(1) For the Period	1 January 2015 to 31 December 2015 €'000	2 July 2013 (date of incorporation) to 31 December 2014 €'000
Financing costs on credit facility as per the consolidated statement of profit and loss and other comprehensive income	1,865	1,147
Less: Amortisation of arrangement fee	(370)	(173)
	1,495	974

Changes in operating assets and liabilities

For the Period	1 January 2015 to 31 December 2015 €'000	2 July 2013 to 31 December 2014 €'000
Prepaid expenses	(15)	(288)
Other receivables	(435)	(654)
Deposits and other assets	(7,040)	(1,062)
Accounts payable and other liabilities	2,049	4,911
Security deposits	581	1,519
Changes in operating assets and liabilities	(4,860)	4,426

Issuance of Shares

For the Period	1 January 2015 to 31 December 2015 €'000	1 April 2014 to 31 December 2014 €'000
Issuance of shares	215,000	200,040
Issuance costs	(10,896)	(7,626)
Net proceeds	204,104	192,414

15. Related Party Transactions

CAPREIT LP has an indirect 15.7% beneficial interest in I•RES and has determined that it has significant influence over I•RES. The beneficial interest is held through a qualifying investor alternative investment fund, Irish Residential Properties Fund, CAPREIT LP's wholly-owned subsidiary. In addition, effective 11 April 2014, CAPREIT LP's wholly-owned subsidiary, IRES Fund Management Limited ("IRES Fund Management"), entered into an agreement to perform certain property and asset management services for the Group. As per the agreement, I•RES pays 3.0% per annum of its gross rental income as property management fees and 0.5% per annum of its net asset value as asset management fees net of fixed fees paid to the third-party regulated fund manager for I•RES.

On 28 October 2015, IRES Fund Management became authorised by the Central Bank as an alternative investment fund manager under the European Union (Alternative Investment Fund Managers) Regulation, 2013 (the "AIFM Regulations"). On 1 November 2015, IRES Fund Management was appointed by the Company as its alternative investment fund manager in accordance with the AIFM Regulations and replaced the third-party regulated fund manager. Effective this date, the investment management agreement between IRES Fund Management and I•RES ("Investment Management Agreement") came into effect pursuant to which I•RES pays 3.0% per annum of its gross rental income as property management fees and 0.5% per annum of its net asset value as asset management fees to IRES Fund Management.

For the year ended 31 December 2015, I•RES incurred €1.9 million in asset management fees. In addition, €0.9 million in property management fees were incurred and recorded under operating expenses. For the period 2 July 2013 to 31 December 2014, €0.7 million in asset management fees and €0.3 million in property management fees were recorded.

The amount payable to CAPREIT LP (including I•RES Fund Management) totalling €3.5 million as at 31 December 2015 (€1.7 million as at 31 December 2014) related to asset management fees, property management fees, payroll related costs, and other miscellaneous expenses incurred by CAPREIT LP on behalf of the Group.

David Ehrlich is the CEO and a Director of I•RES' Board. He is also a trustee of CAPREIT. Thomas Schwartz is a Director (non-executive) of I•RES' Board. He is also a trustee of CAPREIT and a trustee or director of each of CAPREIT's subsidiaries, including IRES Fund Management. He is also the President and CEO of CAPREIT and each of its Canadian subsidiaries. Officers and key management of CAPREIT LP and its affiliates were granted options of I•RES at the Initial Offering and the Capital Raise.

In addition, Mr Ehrlich will be entitled to participate in the LTIP and under his employment contract, he is entitled to be granted options in respect of 3% of all equity raised by I•RES. On 26 March 2015, Mr Ehrlich and Mr Schwartz were granted a further 6,450,000 and 1,075,000 options respectively, pursuant to I•RES' Capital Raise. On 16 April 2014, Mr Ehrlich and Mr Schwartz were granted 6,060,000 and 2,020,000 options, respectively, pursuant to I•RES' Initial Offering.

The only executive member of the Board is David Ehrlich, CEO, who was appointed as the CEO of I•RES on 16 April 2014; all other members are non-executive directors. Mr Ehrlich's total remuneration for the period from 1 January 2015 to 31 December 2015 was €753,000. Mr. Ehrlich's total remuneration for the period from 2 July 2013 to 31 December 2014 was €642,000, of which C$233,000 was paid for professional services provided to I•RES in connection with the Initial Offering prior to his appointment as CEO and such costs have been included in the issuance costs.

Total expenses, which is comprised of remuneration of the Directors, is €200,000 for the year ended 2015, and €151,000 for the period 2 July 2013 to December 2014, excluding David Ehrlich, CEO and Director. The Directors were appointed to I•RES on 31 March 2014. No loans or quasi loans were made to the Directors in the period.

Owner management companies not consolidated

As a result of the acquisition by the Group of apartments in certain multi-unit residential properties, the Group holds voting rights in the relevant owner management companies associated with those developments. Where the Group holds the majority of those voting rights, this entitles it, inter alia, to control the composition of such owner management companies' boards of directors. However, as each of those owner management companies is incorporated as a company limited by guarantee not having a share capital solely for the purpose of owning the common areas in those multi-unit developments, they are not intended to trade for gain. For these reasons, I•RES does not consider these owner management companies to be material for consolidation, either individually or collectively. I•RES has also considered the latest available financial statements of these owner management companies in making this assessment.

Details of the owner management companies in which the Group had an interest during the year ended 31 December 2015, along with the relevant service fees paid by I•RES to them, are as follows:

Owner Management Entity	Registered official address	Development managed	Percentage of Voting Rights Held (% of total)	Service fees incurred in the period (€'000)	Payable by I•RES (€'000)
Majority voting rights held					
Priorsgate Estate Management Company Limited	Unit 4b Lazer Lane, Grand Canal Square, Dublin 2	Priorsgate	52.40%	141.52	11.79
GC Square (Residential) Management Company Limited	Unit 4b Lazer Lane, Grand Canal Square, Dublin 2	Marker Residences	80.00%	196.72	-
Lansdowne Valley Management Limited	Unit 4b Lazer Lane, Grand Canal Square, Dublin 2	Lansdowne	78.60%	439.60	-
Charlestown Apartments Management Company Limited	Unit 4b Lazer Lane, Grand Canal Square, Dublin 2	Charlestown	82.46%	410.01	34.17
Bakers Yard Management Company Limited	Ulysses House Foley Street Dublin 1	Bakers Yard	66.19%	124.89	10.41
Rockbrook Grande Central Management Company Limited	Unit 4b Lazer Lane, Grand Canal Square, Dublin 2	Grande Central	76.92%	290.64	-
Rockbrook South Central Management Company Limited	Unit 4b Lazer Lane, Grand Canal Square, Dublin 2	South Central	83.84%	328.52	-
Rockbrook Estate Management Company Limited	Unit 4b Lazer Lane, Grand Canal Square, Dublin 2	Rockbrook Commercial	64.29% (1)	45.00	-
Other					
BSQ Management Company Limited	5th Floor St Stephen's Green House Earlsfort Terrace St Stephens Green Dublin 2	Beacon South Quarter	11.28 %	516.59	37.93
GC Square Management Company Limited	39 Lower Leeson Street Dublin 2	The Marker Commercial	48.00% (1)	1.51	-

(1) Includes voting rights controlled directly and indirectly.

All of these owner management companies are incorporated in Ireland and are property management companies. As noted above, as at 31 December 2015, €94,300 is payable by the Group to the owner management companies. No amounts were owing to or from the Group to any of the owner management companies at 31 December 2014.

Pursuant to a management agreement between IRES Fund Management and GC Square (Residential) Management Company Limited commencing 11 March 2015, IRES Fund Management is the managing agent for the Marker Residences. For the year ended 31 December 2015, I•RES has incurred management agent expense for the Marker Residences in the amount of €19,000.

Pursuant to a management agreement between IRES Fund Management and GC Square Management Company Limited commencing 11 August 2015, IRES Fund Management is the managing agent for the Marker Commercial. For the year ended 31 December 2015, I•RES has incurred management agent expense for the Marker Commercial in the amount of €1,200.

Pipeline agreement

CAPREIT LP entered into an agreement (the "Pipeline Agreement") dated 21 November 2014 (as amended on 9 February 2015 with effect from 21 November 2014) with I•RES to make available up to €150.0 million for a period of up to one year to acquire properties in Ireland, and to subsequently permit I•RES to acquire such properties from CAPREIT LP, subject amongst other things, to shareholder approval, once I•RES has sourced additional funding to do so. CAPREIT LP's obligation to make available up to €150.0 million terminates on the earlier of: (i) the completion of a Capital Raise by I•RES and (ii) one year from the date of the Pipeline Agreement (or such later date as may be agreed in writing by the parties).

The Pipeline Agreement was amended on 9 February 2015, with effect from 21 November 2014, to remove the proposed 2.5-year extension to be made to the investment management agreement between I•RES and IRES Fund Management, and related services agreement among I•RES, CAPREIT LP and IRES Fund Management and to include an underwriting fee of 1% of the purchase price of each property investment acquired under the Pipeline Agreement as part of the purchase price payable by I•RES to CAPREIT LP for each such property investment under the Pipeline Agreement. The Pipeline Agreement was approved by shareholders on 25 March 2015.

The €150.0 million facility commitment provided by CAPREIT LP to I•RES under the Pipeline Agreement terminated on 26 March 2015 on completion of I•RES' Capital Raise.

16. Contingencies

The Group is not aware of any contingent liabilities that should be disclosed in these financial statements.

17. Earnings per Share

Earnings per Share amounts are calculated by dividing profit for the reporting period attributable to ordinary shareholders of I•RES by the weighted average number of ordinary shares outstanding during the reporting period.

For the Period	1 January 2015 to 31 December 2015	2 July 2013 (date of incorporation) to 31 December 2014
Profit attributable to shareholders of I•RES (€'000)	**30,822**	**7,930**
Basic weighted average number of shares	**367,520,548**	**95,510,684**
Diluted weighted average number of shares	**370,548,189**	**95,590,610**
Basic Earnings per share (cents)	**8.4**	**8.3**
Diluted Earnings per share (cents)	**8.3**	**8.3**

EPRA issued Best Practices Recommendations most recently in August 2011 and additional guidance in December 2014, which gives guidelines for performance matters.

EPRA Earnings represents the earnings from the core operational activities (recurring items for I•RES). It is intended to provide an indicator of the underlying performance of the property portfolio and therefore excludes all components not relevant to the underlying and recurring performance of the portfolio, including any revaluation results and results from the sale of properties. EPRA Earnings per Share amounts are calculated by dividing EPRA Earnings for the reporting period attributable to shareholders of I•RES by the weighted average number of ordinary shares outstanding during the reporting period.

For the Period	1 January 2015 to 31 December 2015	2 July 2013 (date of incorporation) to 31 December 2014
Earnings per IFRS income statement (€'000)	**30,822**	**7,930**
Adjustments to calculate EPRA Earnings, exclude:		
Changes in fair value on investment properties (€'000)	**(18,639)**	**(7,364)**
Tax on profits or losses on disposals (€'000)	**-**	**946**
EPRA Earnings (€'000)	**12,183**	**1,512**
Basic weighted average number of shares	**367,520,548**	**95,510,684**
Diluted weighted average number of shares	**370,548,189**	**95,590,610**
EPRA Basic Earnings per share (cents)	**3.3**	**1.6**
EPRA Diluted Earnings per share (cents)	**3.3**	**1.6**

18. Net Asset Value per Share

EPRA issued Best Practices Recommendations most recently in August 2011 and additional guidance in December 2014, which gives guidelines for performance matters.

The EPRA NAV measures the fair value of net assets on an ongoing, long-term basis in accordance with guidelines issued by EPRA. The EPRA NAV excludes the net marked-to-market to the value of financial instruments used for hedging purposes and where a company has the intention to keep the hedge position until the end of the contractual duration, and deferred tax in respect of any difference between the fair value and the book value of the investment properties.

As at	**31 December 2015**	**31 December 2014**
Net assets (€'000)	**435,020**	**200,918**
EPRA net assets (€'000)	**435,020**	**200,918**
Number of shares outstanding	**417,000,000**	**202,000,000**
Diluted number of shares outstanding	**420,396,755**	**202,169,109**
Basic NAV		
Net Asset Value per share (cents)	**104.3**	**99.5**
EPRA Net Asset Value per share (cents)	**104.3**	**99.5**
Diluted NAV		
Net Asset Value per share (cents)	**103.5**	**99.4**
EPRA Net Asset Value per share (cents)	**103.5**	**99.4**

19. Subsequent Events

On 14 January 2016, the Company signed a new revolving and accordion credit facility of up to €250 million, which can be extended to €350 million subject to certain terms and conditions (the "New Revolving Credit Facility").

On 15 January 2016, the Company acquired 442 apartments, 18,344 sq. m. (197,460 sq. ft.) of commercial space and associated underground car parking at 'Tallaght Cross West' located in Tallaght, Dublin 24 for a total purchase price of €83 million (including VAT, but excluding other transaction costs) funded mainly by the New Revolving Credit Facility.

On 9 February 2016, the Directors declared an interim dividend of €13.1 million for the 2015 accounting period, to be paid on 21 March 2016 to shareholders (DPS of 3.15 cents).

GLOSSARY OF TERMS

The following explanations are not intended as technical definitions, but rather are intended to assist the reader in understanding terms used in this Report.

"Average Monthly Rent (AMR)"

Actual residential rents, net of vacancies, divided by the total number of apartments owned in the property.

"Basic Earnings per share (Basic EPS)"

Calculated by dividing the profit for the reporting period attributable to ordinary shareholders of the Company in accordance with IFRS by the weighted average number of ordinary shares outstanding during the reporting period.

"Basic EPRA EPS"

Calculated by dividing EPRA Earnings for the reporting period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period. EPRA Earnings represents the earnings from the core operational activities (recurring items for the Company). It is intended to provide an indicator of the underlying performance of the property portfolio and therefore excludes all components not relevant to the underlying and recurring performance of the portfolio, including any revaluation results and results from the sale of properties.

"Basic Net Asset Value" or "Basic NAV"
Calculated as the value of the Company's assets less the value of its liabilities measured in accordance with IFRS.

"Equivalent Capitalisation Rates"

The rate of return on the properties calculated based on the expected income the properties will generate. The Capitalisation Rate is calculated as the Stabilised NRI divided by the fair value of the investment property.

"Diluted Earnings per share (Diluted EPS)"

Calculated by dividing profit for the reporting period attributable to shareholders by the Diluted weighted average number of ordinary shares outstanding during the reporting period.

"Diluted EPRA NAV per share"

Calculated by dividing EPRA NAV by the diluted weighted average number of ordinary shares outstanding during the reporting period.

"Diluted weighted average number of shares"

Diluted weighted average number of shares includes the additional shares resulting from dilution of the long term incentive plan options as of the reporting period date.

"EPRA"

The European Public Real Estate Association.

"EPRA NAV"

Measures the fair value of net assets on an ongoing, long-term basis in accordance with guidelines issued by the EPRA. The EPRA NAV excludes the net marked-to-market to the value of financial instruments used for hedging purposes and where a company has the intention to keep the hedge position until the end of the contractual duration, and deferred tax in respect of any difference between the fair value and the book value of the investment properties.

"Group Total Gearing"

Calculated by dividing bank indebtedness by total assets.

"Pro-forma NAV per share"

Calculated as NAV excluding one-off acquisition expenses incurred in relation to all the property purchases subsequent to 31 December 2014. The Pro-forma NAV per share has been calculated based on the number of ordinary shares outstanding as at 31 December 2015.

"Gross Yield"

Calculated as the annualised residential and commercial rents passing as at the stated date, divided by the aggregate purchase price of the total portfolio (including VAT but excluding other acquisition costs) as at the date of acquisition or divided by the fair market value as at the reporting date.

"Irish Companies Acts"

The Companies Act 2014

"Sq. ft."

Square feet

"Sq. m."

Square meters

"Stabilised NRI"

Measured as property revenue less property operating expenses adjusted for market based assumptions such as long-term vacancy rates, management fees, repairs and maintenance.

FORWARD-LOOKING STATEMENTS

This Announcement may contain forward-looking statements, which are subject to risks and uncertainties because they relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of I•RES or the industry in which it operates to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements referred to in this paragraph speak only as at the date of this Report. I•RES does not undertake any obligation to release publicly any revision or updates to these forward-looking statements to reflect future events, circumstances, unanticipated events, new information or otherwise except as required by law or by any appropriate regulatory authority.

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STOCK EXCHANGE LISTING

Shares of I•RES are listed on the Irish Stock Exchange under the trading symbol "IRES."