IRISH RESIDENTIAL PROPERTIES REIT PLC

I·RES

INTERIM REPORT AND CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 1 JANUARY 2017 TO 30 JUNE 2017 (UNAUDITED)

Contents

IRISH RESIDENTIAL PROPERTIES REIT PLC RESULTS TO 30 JUNE 2017

9 August 2017

Irish Residential Properties REIT plc ("**I-RES**" or the "**Company**"), an Irish investment company focused on residential rental accommodations, today issues its Group[1] interim results for the period from 1 January 2017 to 30 June 2017.

Highlights

For the six months ended	30 June 2017	30 June 2016
Operating Performance		
Revenue from Investment Properties (€ millions)	21.7	17.9
Net Rental Income (€ millions)	17.1	14.0
Profit (€ millions)	31.0	24.7
Basic EPS (cents)	7.4	5.9
EPRA Earnings per share (cents)(2)	2.8	2.2
Portfolio Performance		
Overall Portfolio Occupancy Rate(2)	98.8%	98.3%
Overall Portfolio Average Monthly Rent (€)(2)	1,459	1,399
Gross Yield at Fair Value(1)(2)	6.6%	6.5%
Number of Apartments Acquired in the Period	-	674
Total Number of Apartments	2,381	2,288

As at	30 June 2017	31 December 2016
Liquidity and Leverage		
Net Asset Value (€ millions)	480.3	469.6
EPRA Net Asset Value (€ millions)	480.4	469.6
Basic NAV per share (cents)	115.1	112.5
EPRA NAV per share (cents)(2)	115.1	112.5
Group Total Gearing(3)	32.1%	31.3%
Other		
Market Capitalisation (€ millions)	567.5	488.2
Weighted Average Number of Shares - Basic	417,292,006	417,135,631

(1) Excluding fair value of development land and investment properties under development

(2) For definitions, method of calculation, and other details, refer to pages 17 to 19 of the Business Performance Measures section under Business Review

(3) For definitions, method of calculation, and other details, refer to pages 16 to 17 of the Liquidity and Financial Condition section under Business Review

[1] This report ("**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 2017 to 30 June 2017.

Strong operating results supported by strong market fundamentals

- Organic growth for revenue from investment properties and net rental income (**"NRI"**) was driven by strong occupancies and higher average monthly rents compared to the same period last year
- The Group has maintained high residential occupancy levels at 98.8% and continues to generate strong rental rate growth across the portfolio, recognising the impositions of restrictions on rental increases
- Solid rental rate growth during the period arising from renewals and turnovers of residential apartments
- NRI margin of 79.1% for the period ended 30 June 2017, an increase compared to 78.4% for the period ended 30 June 2016

Interest Rate Swap

- On 28 February 2017, the Company entered into interest rate swap agreements in the aggregate amount of €160 million, linked to the weighted average EURIBOR rate at minus c. 0.1% per annum, with an effective date of 23 March 2017 and maturity of January 2021. The agreement effectively converts borrowings on a EURIBOR-based floating rate credit facility to a fixed rate facility for a four year term, providing stability over the four year term.

Delivering shareholder value

- Basic EPS and EPRA EPS were 7.4 and 2.8 cents respectively for the period ended 30 June 2017, up approximately 25.4% and 27.3% respectively compared to Basic EPS of 5.9 cents and EPRA EPS of 2.2 cents for the period ended 30 June 2016
- Basic NAV per share and EPRA NAV per share of 115.1 cents, up 2.3% from 112.5 as of 31 December 2016, driven by strong fair value increases on investment properties and properties under development

Dividends

- Intention to declare an interim dividend of 2.5 cents per share for the period ended 30 June 2017 following the filing of the relevant financial statements for the Company with the Companies Registration Office in Dublin, Ireland on or about 9 August 2017
- Paid a dividend of 4.9 cents per share in March 2017 for the year ended 31 December 2016

Positive outlook

- Strong market demand and continued significant shortage of housing helps support the rental market
- Intensification opportunity, subject to planning approvals, to add approximately 600 apartments including the B2B development of 68 apartments at Beacon South Quarter, Sandyford, Dublin 18 ("**The Maple**"), with significant infrastructure (eg. garages) in place, in particular approximately 456 apartments at Rockbrook, subject to required planning and other necessary approvals
- Explore new development opportunities including duplex, townhouses and other types of accommodation for rental purposes
- Highly disciplined approach when considering new acquisitions, particularly with respect to anticipated yields
- Continued evaluation of new acquisition opportunities, although it is I-RES's belief that the multi-residential market is currently trading at unattractive prices for the Company
- Development and acquisition capacity of c. €140 million at 30 June 2017 based on a target gearing of 45%
- Subsequent to 30 June 2017, The Maple is complete and is fully leased on a basis which is highly accretive to EPRA EPS

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

"Multi-residential housing is required to provide stable and growing dividends over the long term, particularly considering the asset class on a low risk adjusted basis. Our record continues to support that growth, while we accelerate the Company's development plans which are at various stages of implementation. These opportunities, subject to planning approvals, include (1) existing development sites (such as the recently completed The Maple, which is highly accretive and was leased up essentially contemporaneously with completion); (2) intensification of and conversions to multi-residential uses of other owned sites; and (3) townhouse, semi-detached, and similar accommodation which are located in the nearby suburbs to Dublin City Centre. While taking longer than acquisitions, these prospects are expected to be significantly accretive to EPRA EPS. In this context, I-RES can make a not insignificant contribution to the housing crisis."

Chairman's Statement

The objectives of I-RES have been and remain twofold: to bring a highly professional landlord to Irish tenants to provide them with a new and positive experience, and to grow shareholder value in an attractive market. The Irish property market is experiencing a significant supply-demand imbalance at the moment, largely resulting from a lack of supply in and around Dublin, and I-RES is in a good position to make a very positive contribution in addressing this challenge by looking at development opportunities. I-RES is committed to bringing significant further investment to Ireland as it has done in recent years and to grow its presence through a combination of further development and, where accretive, selected acquisitions.

As at 30 June 2017, the Group had invested approximately €632 million (including VAT and other transaction costs) in 2,381 apartments across 18 locations in the Dublin area, funded through a combination of equity and debt.

Subsequent to 30 June 2017, the Company's first major development The Maple was completed on budget and on time and has been fully leased.

Furthermore, the Company has submitted an appeal in respect of its application for planning permission for the construction of 456 apartments and ground floor retail/commercial space above three floors of basement car parking at Rockbrook, Sandyford, Dublin 18. A response from the planning authority is expected on 28 August 2017.

Financial Results

The Group has generated strong rental growth and increased occupancy across the portfolio since 2016 year end. Approximately 24% of the apartments renewed and/or turned during the period ended 30 June 2017.

Basic EPS and EPRA EPS increased to 7.4 cents and 2.8 cents, respectively, for the period ended 30 June 2017, compared to 5.9 cents and 2.2 cents for the year ended 30 June 2016.

NAV and EPRA NAV was c. €480 million, with Basic NAV per share and EPRA NAV per share of 115.1 cents as at 30 June 2017. Basic NAV per share and EPRA NAV per share increased by 2.3% for the period ended 30 June 2017 compared to 30 June 2016, driven by increases in property valuation of investment properties and properties under development and NRI, partially offset by dividends paid in March 2017, which reduced Basic NAV and EPRA NAV per share by 4.9 cents.

Dividends

The Company paid dividends of 4.9 cents per share for the year ended 31 December 2016 on 24 March 2017.

The Company's Board of Directors ("**the Board**") intends to declare an interim dividend of approximately €10,432,300 million (dividends per share of 2.5 cents) for the period ended 30 June 2017 following the filing of the relevant financial statements for the Company with the Companies Registration Office in Dublin, Ireland on or about 9 August 2017.

Investment Manager

The Board continues to be very satisfied with the significant contribution that IRES Fund Management Limited, the Company's alternative investment fund manager ("**IRES Fund Management"** or the "**Investment Manager**"), and senior management (as well as the other staff) of CAPREIT Limited Partnership ("**CAPREIT LP**") have made. The Investment Manager is supported by CAPREIT LP (for details, please refer to the Investment Manager's Statement). As of 30 June 2017, there were 46 staff located in Dublin providing dedicated and experienced support to the I-RES portfolio. Through the services agreement among I-RES, CAPREIT LP and IRES Fund Management, CAPREIT LP provides significant support, including senior and other personnel, an advanced SAP systems platform and other important contributions supporting the Investment Manager and therefore I-RES.

Auditors

The new EU audit reform measures introduce prohibitions on the provision of certain non-audit services by a statutory auditor. As a result of these measures and to ensure the Group will not have any prohibitions on our professional service requirements, it is the current intention of the Group to conduct an audit tender in 2017. This tender will be led by the audit committee and it will be in respect of the appointment to the role of Group Auditor for the year ended 31 December 2018.

Outlook

In summary, the Board is pleased with the Group's performance. The Board believes the positive economic outlook for Ireland and the property market will lead to increased demand in the residential rental sector, along with increases in development and intensification opportunities. All of which the Board believes should result in continued growth in the performance of the Group on a sustainable and long-term basis.

Declan Moylan
Chairman

Chief Executive Officer's Statement

I am very pleased to announce the completion of our first development at The Maple, Beacon South Quarter, Sandyford on 12 July 2017. The building was completed on budget and on time. The 68 apartments are fully leased and will be fully occupied by end of August. The fair value of The Maple as per the Group's independent valuer is c. €27.5 million. This favourable fair value along with historically low interest rates is expected to result in significant returns.

As at 30 June 2017, the portfolio consisted of 2,381 extremely high-quality, well-located apartments, at a total investment of €632 million (including VAT and other acquisition costs). All of the apartments are in the Dublin area near important transportation links and employment centres. Operationally, we generated solid increases in our key operational performance benchmarks, driven by strong organic growth resulting from high occupancies and solid increases in monthly rents on renewals and turnovers.

Below is a table summarising the Group's financial position as at 30 June 2017 and profit or loss results for the period ended 30 June 2017:

Statement of Financial Position:	**As at 30 June 2017**	**As at 31 December 2016**
Total Property Value (€ millions)	716.2	685.1
Net Asset Value (€ millions)	480.3	469.6
EPRA Net Asset Value (€ millions)	480.4	469.6
Basic NAV per Share (cents)	115.1	112.5
EPRA NAV per Share (cents)	115.1	112.5
Bank Indebtedness (€ millions)	228.4	212.2
Group Total Gearing	32.1%	31.3%
Statement of Profit or Loss and Other Comprehensive Income:	**For the period ended 30 June 2017**	**For the period ended 30 June 2016**
Revenue from Investment Properties (€ millions)	21.7	17.9
Net Rental Income (€ millions)	17.1	14.0
Profit (€ millions)	31.0	24.7
Basic EPS (cents)	7.4	5.9
Diluted EPS (cents)	7.3	5.9
EPRA EPS (cents)	2.8	2.2

We continue to maintain a strong financial position.

For the period ended 30 June 2017, there was a 4.5% increase in values for the properties held as at 31 December 2016 (including The Maple development). The main driver of the valuation movement in the period was primarily continued rental growth, partially offset by slight yield expansion, as determined by the Group's independent valuer.

Basic NAV per share and EPRA NAV per share were 115.1 cents as at 30 June 2017, up 2.3% from 112.5 cents as at 30 June 2016. The main drivers of the net value increase in the period were primarily continued property valuation and NRI increases, partially offset by the dividends paid in March 2017.

As at 30 June 2017, the Group Total Gearing was 32.1%, and the Company had an acquisition (including development) capacity of approximately €140 million based on a target gearing of 45%.

Average monthly rent for the total portfolio increased to €1,459 per apartment as at 30 June 2017, up from €1,399 as at 30 June 2016, up by 4.3% compared to the same date last year. The average monthly rent increased due to rental growth on renewals and turnovers.

As a result of strong property management programs and strong market fundamentals in the Irish residential rental sector, the residential occupancy level slightly increased to 98.8% as at 30 June 2017 compared to 98.3% as at 30 June 2016.

For the period ended 30 June 2017, NRI for the total portfolio increased by 22.1% compared to the same period last year, and the NRI margin also increased to 79.1% compared to the NRI margin of approximately 78.4% for the same period last year, mainly due to higher rental organic growth.

EPRA EPS grew strongly to 2.8 cents for the period ended 30 June 2017 compared to 2.2 cents for the same period last year, up by 27.3% resulting in strong accretive growth.

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. A dividend of 4.9 cents per share was paid in March 2017 for the year ended 31 December 2016.

The Board intends to declare an interim dividend of 2.5 cents per share for the period 30 June 2017 following the filing of the relevant financial statements for the Company with the Companies Registration Office in Dublin, Ireland on or about 9 August 2017.

Positive Outlook

I-RES is in Ireland for the very long term and is actively expanding its development activities in response to the significant supply and demand imbalance in the Dublin area. We are initiating and continuing planning processes with respect to a number of our existing development sites, including a number of intensification opportunities. Additionally, I-RES continues its plans for new development opportunities, including duplex, townhouses and other types of accommodation for rental purposes.

On the demand side, the Irish economy remains one of the fastest-growing in the developed world with 65,000 new jobs created in 2016, which continues to support the residential demand. We continue to monitor the impact and potential opportunities for the Group from market events such as Brexit and US policy on Foreign Direct Investment in Ireland. We believe however that it is too early to definitely gauge the likely impact from these significant events for Ireland and potentially for Irish residential real estate market.

We have a high quality property portfolio with stable, growing rental income, historically low interest rates environment, a strong balance sheet and further lands for future development all of which is expected to continue to generate strong shareholder returns.

David Ehrlich
Chief Executive Officer

Investment Manager's Statement

We bring a dedicated professionalism to the Irish residential rental sector with proven property and asset management programmes. Through professional property management, a rigorous focus on property maintenance, building and maintaining good relations with tenants and responding quickly and efficiently to their needs, and attracting, retaining and training the best operating team in Dublin, we plan to build I-RES into the residential landlord of choice in Ireland.

I-RES has the benefit of CAPREIT LP's team of senior executives. I-RES' fully-integrated management platform between the Dublin office of the Investment Manager and CAPREIT LP head office resources is driving solid increases in organic growth. Both IRES Fund Management and CAPREIT LP are subsidiaries of Canadian Apartment Properties Real Estate Investment Trust ("CAPREIT").

- CAPREIT is fully aligned with I-RES shareholders, with an indirect 15.7% (total invested €63.5 million) beneficial ownership interest
- Dedicated local team of 46 experienced staff in the Dublin office as of 30 June 2017, supported by the CAPREIT LP platform
- Experienced investment manager with a track record of growth and value creation in the residential sector
- Strong leadership team specialising in residential real estate
- Benefits from CAPREIT LP's infrastructure and resources available to I-RES, including management, due diligence, finance, training, risk management, internal audit, marketing, legal and information technology
- On 1 November 2015, IRES Fund Management became the alternative investment fund manager for I-RES

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

We are confident that through our proven property management programmes, we can continue to maintain high residential 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 development, and we will continue to build on this success going forward.

Scott Cryer
Director of IRES Fund Management

Property Valuation and Overview

The following tables provide the Group's property portfolio valuation as at 30 June 2017 compared to 31 December 2016.

	Property Location	Location	Year Built	Date Acquired	Commercial Space Owned (sq.m.)(1)	# of Apts. Owned(1)	Total # of Apts.(1)(3)	Purchase Price(5)(8)	Value as at 31 December 2016(8)	Value as at 30 June 2017(1)(8)
1	Kings Court	Smithfield	2006	10-Sep-13	566	83	83	12.5	19.9	20.2
2	Grande Central(2)	Sandyford	2007	10-Sep-13	-	65	195	11.4	20.9	21.9
3	Priorsgate	Tallaght	2007	10-Sep-13	2,538	103	199	9.0	19.2	20.2
4	Camac Crescent	Inchicore	2008	10-Sep-13	-	90	110	9.9	19.6	19.9
5	The Laurels	Tallaght	2007	27-Jun-14	190	19	19	2.1	3.2	3.4
6	The Marker	Docklands	2012	18-Jul-14	1,218	84	105	50.1	58.1	59.2
7	Beacon South Quarter(3)	Sandyford	2007 /2008	07-Oct-14	2,395	225	850	84.7	82.0	84.0
8	Charlestown	Finglas	2007	07-Oct-14	-	235	285	51.1	57.8	58.8
9	Bakers Yard	Portland Street North	2007 /2008	07-Oct-14	792	85	132	17.3	21.0	21.6
10	Lansdowne Gate	Drimnagh	2005	07-Oct-14	-	224	280	60.4	64.1	64.9
11	Rockbrook Grande Central(2)(6)	Sandyford	2007	31-Mar-15	3,529	81	195	24.8	28.0	29.0
12	Rockbrook South Central(6)	Sandyford	2007	31-Mar-15	1,136	189	224	62.5	71.1	73.1
13	Tyrone Court	Inchicore	2014	05-Jun-15	-	95	131	19.5	23.5	24.0
14	Bessboro	Terenure	2008	11-Dec-15	-	40	40	12.2	12.4	12.6
15	Tallaght Cross West	Tallaght	2008	15-Jan-16	18,344	442	507	83.0	85.8	86.4
16	The Forum	Sandyford	2007	17-Feb-16	-	8	127	2.3	2.3	2.4
17	City Square	Gloucester Street	2006	07-Apr-16	57	23	27	5.9	5.7	6.0
18	Elmpark Green	Merrion	2006	25-May-16	-	201	332	59.0	59.7	61.3
19	Coldcut Park	Clondalkin	2012	31-Aug-16	-	89	93	18.3	19.4	19.8
Total owned portfolio as at 30 June 2017					**30,765**	**2,381**		**596.0**	**673.7**	**688.7**
20	The Maple(4)	Sandyford	N/A	N/A	-	N/A	N/A	19.2(9)	11.4	27.5
Total investment properties owned as at 30 June 2017					**30,765**	**2,381**		**615.2**	**685.1**	**716.2**

(1) As at 30 June 2017.

(2) Total number of owned apartments at Grande Central as of 30 June 2017 is 146.

(3) Total number of apartments in the development.

(4) Commenced first phase development of 68 apartments in February 2016 and completed 12 July 2017.

(5) Purchase price includes VAT but excludes transaction costs.

(6) Purchase price for Rockbrook properties allocated based on number of apartments and commercial space square metres.

(7) Total owned portfolio as at 31 December 2016 is 2,378. In 2017, a creche was converted to three additional residential apartments at Tyrone Court.

(8) In millions of euros.

(9) Total construction cost incurred as of 30 June 2017.

Property Overview

	Property Location	Location	# of Apts. Owned(1)	Annualised Passing Rent(1)(4)(5)	Average Monthly Rent Per Apt.(1)(2)(3)	Occupancy(1) (2)	Gross Yield at Fair Value
1	Kings Court	Smithfield	83	1,439	€ 1,359	98.8%	7.1%
2	Grande Central	Sandyford	65	1,254	€ 1,608	98.5%	5.7%
3	Priorsgate	Tallaght	103	1,548	€ 1,111	98.1%	7.6%
4	Camac Crescent	Inchicore	90	1,397	€ 1,293	98.9%	7.0%
5	The Laurels	Tallaght	19	316	€ 1,208	100.0%	9.4%
6	The Marker	Docklands	84	2,974	€ 2,600	95.2%	5.0%
7	Beacon South Quarter	Sandyford	225	5,409	€ 1,708	96.9%	6.8%
8	Charlestown	Finglas	235	3,698	€ 1,311	100.0%	6.3%
9	Bakers Yard	Portland Street North	85	1,514	€ 1,393	100.0%	7.5%
10	Lansdowne Gate	Drimnagh	224	4,107	€ 1,528	99.6%	6.3%
11	Rockbrook Grande Central	Sandyford	81	1,791	€ 1,570	100.0%	6.2%
12	Rockbrook South Central	Sandyford	189	3,624	€ 1,582	99.5%	5.9%
13	Tyrone Court	Inchicore	95	1,602	€ 1,405	94.7%	6.7%
14	Bessboro	Terenure	40	730	€ 1,522	95.0%	5.8%
15	Tallaght Cross West	Tallaght	442	7,094	€ 1,217	99.5%	8.2%
16	The Forum	Sandyford	8	164	€ 1,709	100.0%	6.9%
17	City Square	Gloucester Street	23	434	€ 1,573	100.0%	7.3%
18	Elmpark Green	Merrion	201	3,618	€ 1,500	99.5%	5.9%
19	Coldcut Park	Clondalkin	89	1,472	€ 1,378	100.0%	7.5%
Total owned portfolio as at 30 June 2017			**2,381**	**44,184**	**€ 1,459**	**98.8%**	**6.6%**

(1) As at 30 June 2017.

(2) Based on residential apartments.

(3) Average monthly rent (AMR) is defined as actual monthly residential rents, net of vacancies, as at the stated date, divided by the total number of apartments owned in the property.

(4) Annualised Passing Rent is the annualised cash rental income being received as at the stated date, which is then used to calculate the Gross Yield.

(5) In thousands of euros.

ACCRETIVE DEVELOPMENT

I-RES is heavily focussed on development opportunities in response to the significant supply and demand imbalance in the Dublin area.

The current planning guidelines and the high cost of new construction will make it difficult for the severe shortage of accommodation to be rectified for quite some time. The Group will benefit in two ways: firstly, it will continue to build on its strong operational performance, and secondly, the Group has capacity at its existing properties to build approximately 600 additional apartments.

The Maple: I-RES commenced its first development of 68 apartments in February 2016, known as The Maple at Block B2B, Beacon South Quarter, Sandyford, Dublin 18 on a fixed price basis contract. It was completed on 12 July 2017 for a total construction cost of completion of c. €19.6 million (including VAT and allocated fair value of land). It was completed on time and on budget. By apartment type, The Maple comprises four one bedroom, 55 two bedroom and nine three bedroom apartments.

The Maple is located in the highly successful and established residential and commercial environment of the Sandyford Estate. This is one of Dublin's prime suburban locations, situated approximately 10 km south of Dublin City Centre. The location is served by the LUAS tram line, providing direct access to Dublin City Centre within approximately 25 minutes. Sandyford is home to many high-profile employers, including Microsoft, Vodafone, Merrill Lynch, Airtricity, Salesforce, Dun & Bradstreet and Allied Irish Bank. These new apartments were constructed above an existing commercial space owned by I-RES with significant infrastructure already in place, including a nearly completed three-storey underground car park.

The 68 apartments are fully leased with commencement dates at the end of July and August. As of 25 August 2017, all apartments at The Maple will be occupied, and the annualised passing rents will be c. €1.64 million generating a gross yield at fair value of c. 6.0% based on the fair value of The Maple as per the Group's independent valuer of c. €27.5 million. This favourable fair value along with historically low interest rates is expected to result in significant returns.

Rockbrook Development: Following a refusal to grant planning permission by the local planning authority, the Company has submitted an appeal to An Bord Plenala (the National planning appeals Board) in respect of the proposed construction of 456 apartments and ground floor retail/commercial space above three floors of basement car parking at Rockbrook, Sandyford, Dublin 18. The Company expects the decision by 28 August 2017. The development site is approximately 1.13 hectares (2.8 acres) and the three level basement car park was largely completed by the original developer.

Bakers Yard: The Company owns a 0.45-acre development site at the Bakers Yard scheme which has a live planning consent for an additional 55 apartments and three ground-floor commercial units as an extension to the existing completed apartments. The Company is preparing a new planning application for the site which will likely include 58 apartments, above ground floor commercial space and limited surface level car parking, all subject to a satisfactory grant of planning permission. Given the site's location, which is within walking distance of the International Financial Services Centre, Trinity College and the Mater Hospital there is limited requirement for basement car parking which was included in the original planning consent.

Beacon South Quarter: The Company controls an additional two development sites at Beacon South Quarter, known as sites B4 and B3.

Site B4

Site B4 is strategically located at the entrance to the Sandyford Business District between the Beacon Private Hospital and the newly completed Maple apartments. The site has a valid planning permission for the development of 64 apartments and above ground floor retail/car show rooms. The three level underground basement was largely constructed by the original developer. The Company has appointed a design team to prepare a new planning application for the B4 site which will likely include an increased number of apartments above ground floor retail/car showroom accommodation, all subject to a satisfactory grant of planning permission.

Site B3

Site B3 fronts Blackthorn Drive next to the I-RES owned Gates Block of apartments at Beacon South Quarter. The site currently provides planning permission for five floors of office accommodation (circa 35,000 sq ft) above retail space. The Company is currently exploring options to bring forward the development of this site which may include uses such as car showroom, student accommodation or senior living, all subject to a satisfactory grant of planning permission.

Intensification of Existing Buildings

I-RES is currently exploring options to create additional residential accommodation at existing owned developments. This will include applications for planning permission to convert zoned commercial spaces to residential use where the space lends itself to such conversion and where commercial use is not considered viable.

OPERATIONAL AND FINANCIAL RESULTS

Net Rental Income and Profit for Six Months Ended

		30 June 2017	30 June 2016
		€'000	€'000
Operating Revenues			
Revenue from investment properties	(1)	**21,666**	17,890
Operating Expenses			
Property taxes		**(245)**	(288)
Property operating costs		**(4,287)**	(3,572)
		(4,532)	(3,860)
Net Rental Income ("NRI")		**17,134**	14,030
General and administrative expenses		**(1,472)**	(1,325)
Asset management fee		**(1,412)**	(1,324)
Share-based compensation expense		**(119)**	(327)
Net movement in fair value of investment properties		**19,329**	15,634
(Loss) on derivative financial instruments		**(141)**	-
Depreciation of property, plant and equipment		**(5)**	(6)
Operating Profit		**33,314**	26,682
Financing costs on credit facility		**(2,290)**	(1,982)
Profit for the Period		**31,024**	24,700

(1) Revenue is net of vacancy costs of €888,563 (H1 2016: €1,344,281) and net of bad debt expense of €174,017 (H1 2016: €182,425)

Operating Revenues
For the period ended 30 June 2017, total operating revenues increased by 21% compared to the period ended 30 June 2016, due to the contributions from acquisitions, increased average monthly rents, and continuing high stable occupancy levels.

Net Rental Income
I-RES remains focused on continuing to improve the NRI and NRI margin through a combination of accretive and value-enhancing acquisitions, successful sales and marketing strategies to improve revenues, and investments in capital programs to enhance the quality and value of its portfolio. The NRI margin has been presented as the Company believes this measure is indicative of the Group's operating performance. For the period ended 30 June 2017, NRI increased by 22% primarily due to acquisitions completed in the prior six months and organic rental growth. The NRI margin for the current period increased to 79.1% compared to 78.4% for the same period last year, mainly due to higher revenue from investment properties, as well as lower property tax expenses. Property taxes are exempt for certain buildings, as a result, the property taxes expense has not remained constant as a percentage of operating revenues compared to the same period last year.

General and Administrative ("G&A") Expenses
G&A expenses include costs directly attributable to head office, such as CEO salary, directors' fees, professional fees for audit, legal and advisory services, depository, and other general and administrative expenses.

Asset Management Fee Expenses

Pursuant to the investment management agreement between IRES Fund Management and I-RES, effective on 1 November 2015, as amended or may be amended from time to time (the "**Investment Management 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 to the Investment Manager. The Investment Management Agreement governs the provision of portfolio management, risk management and other related services to the Company by the Investment Manager. It has an initial term of five years, unless it is duly terminated pursuant to a provision of the Investment Management Agreement, and thereafter shall continue in force for consecutive five-year periods. Asset management fee expenses increased for the period ended 30 June 2017 to €1.4 million from €1.3 million for period ended 30 June 2016, mainly due to higher net asset value as compared to the period ended 30 June 2016.

Share-based Compensation Expenses

Options are issuable pursuant to I-RES' share-based compensation plan, namely, the long-term incentive plan ("**LTIP**"). Options were granted on 26 March 2015 and 16 April 2014 by I-RES to certain trustees and employees of CAPREIT and its affiliates and to David Ehrlich, Chief Executive Officer of I-RES. The options will have a maximum life of seven years less a day and will vest over three years from the date of grant on the basis of one third per year the recipient of the option completes in respect of the relevant service which has qualified him or her for an option grant. The LTIP limit cannot exceed 10% of I-RES' issued ordinary share capital (adjusted for share issuance and cancellation) during the 10-year period prior to that date. The fair value of options has been determined as at the grant date using the Black-Scholes model. The share compensation amortisation is the highest in the first year of the grant and decreases over the vesting term. Therefore, the amortisation expense for the period ended 30 June 2017 is lower compared to the period ended 30 June 2016.

Unrealised Gain on Remeasurement of Investment Properties

I-RES recognises its investment properties at fair value at each reporting period, with any unrealised gain or loss on remeasurement recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income for the period ended 30 June 2017.

Financing Costs on Credit Facility

Financing costs, which include the amortisation of certain financing expenses, interest and commitment costs, increased for the period ended 30 June 2017 to €2.3 million from €2.0 million for the period ended 30 June 2016 due to development.

PROPERTY CAPITAL INVESTMENTS

The Group capitalises all capital investments related to the improvement of its properties. For the period ended 30 June 2017, the Group made property capital investments of €2.9 million, compared to €2.9 million for the period ended 30 June 2016, including building and in-suite improvements.

At Beacon South Quarter, in addition to the capital expenditure work that has already been completed, water ingress and fire remediation works were identified in 2016 and I-RES is working with Beacon South Quarter's owners' management company to resolve these matters. In March 2017 in relation to these water ingress and fire remedial works, levies were approved by the members of the Beacon South Quarter's owners' management company. I-RES's portion of these levies is c. €2.6 million. There is also an active insurance claim with respect to the water ingress and the related damage.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity and Capital Resources

The Company ensures there is adequate overall liquidity by maintaining an available credit facility sufficient to fund maintenance and property capital investment commitments and distributions to shareholders and to provide for future growth in the business. The Group's business continues to be stable and is expected to generate sufficient cash flow from operating activities to fund the current level of distributions.

I-RES takes a proactive approach to ensure the Group's overall leverage ratios and interest and debt service coverage ratios are maintained at a sustainable level. In addition, the Group focuses on maintaining capital adequacy by complying with its investment and debt restrictions and financial covenants in its credit facility agreement.

The Group is in compliance with all of its investment and debt restrictions and financial covenants contained in the facility agreement dated 14 January 2016, as amended on 4 May 2016 and 28 February 2017, with Barclays Bank Ireland PLC and Ulster Bank Ireland DAC (the "**Credit Facility**") and the Irish REIT Regime.

Group Total Gearing

At 30 June 2017, capital consists of equity and debt, with Group Total Gearing of 32.1%, which is well below the Board's target of 45% and well below the 50% maximum allowed by the Irish REIT Regime. As a result, the Group has significant capacity of c. €140 million to acquire additional properties. I-RES seeks to use gearing to enhance shareholder returns over the long term.

I-RES' Credit Facility borrowing capacity is as follows:

As at 30 June	**2017** (€'000)
Facility(1)	250,000
Less: Euro LIBOR Borrowings	230,100
Available Borrowing Capacity	19,900
Weighted Average Floating Interest Rate	1.6%

(1) Subject to certain terms and conditions, the Credit Facility can be extended from €250 million to €350 million

BUSINESS PERFORMANCE MEASURES

The Group, in addition to the Operational and Financial results presented above, has defined business performance indicators to measure the success of its operating and financial strategies:

Average Monthly Rent

AMR is calculated as actual monthly residential rents, net of vacancies, as at the stated date, divided by the total number of apartments owned in the property. Through active property management strategies, the lease administration system and proactive capital investment programmes, I-RES strives to increase rents as market conditions permit and subject to applicable laws. It has been presented as the Company believes this measure is indicative of the Group's performance of its operations.

Occupancy

Occupancy rate is calculated as the total number of apartments occupied over the total number of apartments owned as at the reporting date. I-RES strives, through a focused, hands-on approach to the business, to achieve occupancies that are in line with, or higher than, market conditions in each of the locations in which it operates, while enhancing the overall qualitative profile of its tenant base. Occupancy rate is used in conjunction with AMR to measure the Group's performance of its operations.

Gross Yield at Fair Value

Gross Yield is calculated as the Annualised Passing Rents as at the stated date, divided by the fair market value of the investment properties as at the reporting date, excluding the fair value of development land and investment properties under development. Through generating higher revenues compared to the prior period, and maintaining high occupancies, I-RES' objective is to increase the gross yield for the total portfolio. It has been presented as the Company believes this measure is indicative of the rental income generating capacity of the total portfolio.

*European Public Real Estate Association ("**EPRA**") Earnings per Share*

EPRA Earnings represents the earnings from the core operational activities (recurring items for the Group). 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 EPS is 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. It has been presented as the Company believes this measure is indicative of the Group's performance of its operations.

EPRA NAV per Share

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 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. The EPRA NAV is then divided by the basic weighted average number of ordinary shares outstanding during the reporting period. To optimise this measure, I-RES focuses on growing asset value and maximising shareholder value through active and efficient asset and property management. It has been presented as the Company believes this measure is indicative of the Group's operating performance and value growth.

Average Monthly Rents and Occupancy

	Total Portfolio				**Properties Owned Prior to 30 June 2016**				**Properties Acquired After 30 June 2016**	
As at 30 June	**2017**		**2016**		**2017**		**2016**			
	AMR	**Occ. %**	**AMR**	**Occ. %**	**AMR**	**Occ. %**	**AMR**	**Occ. %**	**AMR**	**Occ. %**
Residential	**1,459**	**98.8%**	1,399	98.3%	**1,463**	**98.8%**	1,399	98.3%	**1,378**	**100%**

The Group has generated strong rental growth and maintained a high level of residential occupancy across the portfolio during the period, indicative of the strong market fundamentals in the Irish residential rental sector. Stabilised AMR increased to €1,463 per apartment as at 30 June 2017, up 4.6% from €1,399 at 30 June 2016, largely due to strong increases in monthly rental rates on renewals and turnovers during the period and higher occupancy rates. Stabilised AMR is used as a measure for sustainable year over year changes in revenues. Occupancy levels remained strong for the most part of the year, mirroring the strong market fundamentals in the Irish residential rental sector.

Gross Yield at Fair Value

As at	**30 June 2017**	**30 June 2016**
	(€'000)	(€'000)
Annualised Passing Rent	**44,184**	40,777
Aggregate fair market value as at reporting date	**671,280**	625,395
Gross Yield	**6.6%**	6.5%

The portfolio Gross Yield at fair value was 6.6% as at 30 June 2017 compared to 6.5% as at 30 June 2016, excluding the fair value of development land and investment properties under development. The NRI margin was approximately 79.1% for the six months ended 30 June 2017.

EPRA Earnings per Share

For the six months ended	30 June 2017	30 June 2016
Earnings per IFRS statement of condensed consolidated interim statement of profit or loss and other comprehensive income (€'000)	**31,024**	24,700
Adjustments to calculate EPRA Earnings exclude:		
Changes in fair value on investment properties (€'000)	**(19,329)**	(15,634)
Changes in fair value of financial instruments (€'000)	**141**	-
EPRA Earnings (€'000)	**11,836**	9,066
Basic weighted average number of shares	**417,292,006**	417,000,000
Diluted weighted average number of shares	**422,133,448**	419,093,400
EPRA Earnings per share (cents)	**2.8**	2.2
EPRA Diluted Earnings per share (cents)	**2.8**	2.2

EPRA NAV per Share

As at	30 June 2017	31 December 2016
Net assets (€'000)	**480,291**	469,595
Adjustments to calculate EPRA net assets exclude:		
Fair value of financial instruments (€'000)	**151**	-
EPRA net assets (€'000)	**480,442**	469,595
Number of shares outstanding	**417,292,006**	417,292,006
Diluted number of shares outstanding	**423,691,896**	420,512,220
Basic Net Asset Value per share (cents)	**115.1**	112.5
EPRA Net Asset Value per share (cents)	**115.1**	112.5
Diluted Net Asset Value per share (cents)	**113.4**	111.7

EPRA EPS for the period was 2.8 cents for the period ended 30 June 2017.

EPRA NAV was c. €480 million, with EPRA NAV per share of 115.1 cents as at 30 June 2017. EPRA NAV per share increased by 2.3% for the period ended 30 June 2017 compared to 31 December 2016, driven by property valuation increases and rental profit in the period.

Market Update

Despite a recent uptick in completions, the most striking feature of the Irish housing market remains a significant mismatch between supply and demand, which continues to place upward pressure on both prices and rents. This situation looks set to continue to the end of the decade at least.

Department of Housing data show that 16,340 units were completed across Ireland in the 12 months to end-May 2017, which represents growth of 19% y/y. In Dublin, where all of IRES' portfolio is located, 4,633 units were completed in the 12 months to end-May 2017, +33% y/y. Despite this progress, completions are still well behind The Economic and Social Research Institute's ("**ESRI**") estimate for medium-term new national household formation of 25,000-30,000 per annum of which about a third is in Dublin, while another estimate from Daft.ie puts the national housing need at 40,000-50,000 units per annum. Annual national housing output has been sub-25,000 since 2009, while the government's Action Plan for Housing and Homelessness does not see annual completions reaching that level until 2020.

Indeed, leading indicators support the view that it will be a number of years before housing output rises to meet the flow of new household formation. Planning permissions data from the Central Statistics Office ("**CSO**") show that permission was granted for 17,934 units across Ireland in the 12 months to end-Q1 17. Elsewhere, the latest Ulster Bank Construction Purchasing Manager's Index ("**PMI**") shows that while housing activity expanded for a 48th successive month in June, the pace of growth has moderated to a five month low.

On the demand side, the Irish economy remains one of the fastest-growing in the developed world. Gross Domestic Product ("**GDP**") expanded by 5.1% in 2016 and the latest (Q1 17) quarterly national accounts show growth of 6.1% y/y. While the data can be distorted by the multinational sector, a host of other indicators confirm strong underlying momentum. Headline retail sales were +3.2% y/y in volume terms in Q2, despite a dip in new car sales (-10% y/y in H117), as these have struggled against competition from sterling retailers (imports of used cars were +46% y/y in H117). Excluding car sales, retail sales volumes grew by an impressive 6.9% y/y in Q217. Total employment grew by 3.5% y/y in Q117, while in June the unemployment rate stood at a nine year low of 6.3%. The tightening labour market conditions have begun to exert upward pressure on gross earnings, which were +1.4% y/y in Q117. Tax receipts were +4.0% y/y in H117.

In terms of credit, data compiled by Banking & Payments Federation Ireland show that there were €2.7bn of mortgage drawdowns for house purchase (there were also €0.3bn of drawdowns for other purposes) in H117, +33% y/y, but still well below Investec's estimate of what a normal level of mortgage lending activity looks like (€10-12bn per annum). The latest approvals data show growth of 38% y/y in the value of mortgages for house purchase in June 2017. However, not all of these approvals will translate into drawdowns due to a relative lack of liquidity in the residential property market (although they will have an effect on prices). Data from PropertyPriceRegister.ie show that there were only 50,958 transactions in 2016 – at that level of activity it would take 40 years to turn over the entire Irish housing stock.

Two other points of note are the government's Help to Buy scheme and the Central Bank of Ireland's macro-prudential rules for mortgage lending. Help to Buy is essentially a tax rebate worth up to €20,000 for first time buyers, while the Central Bank recently modestly relaxed the Loan-to-Value **("LTV")** limits contained within its macro-prudential rules. These initiatives have served to add impetus to house prices, a factor which has motivated the government to commence a review of Help to Buy, with media reports suggesting that it may be withdrawn in October's Budget.

Staying with prices, the latest Residential Property Price Index ("**RPPI**") release from the CSO shows that national residential property prices were +11.9% y/y in May 2017, while in Dublin prices were +11.2% y/y in the same month. The cumulative recovery in national prices from the March 2013 trough now stands at 54.8% (+72.5% in Dublin), although despite this growth national prices are still 29.5% below the April 2007 peak (Dublin prices are also 29.5% below peak). The latest (Q2 17) housing market report from Daft.ie shows that asking prices in Dublin were +12.3% y/y , while outside of the capital asking prices were +11.3% y/y.

In the rental market, Consumer Price Index ("**CPI**") data shows that rent on properties owned by private landlords ("**Private Rents**") have increased by 54.7% from the December 2010 trough. They currently stand 15% above the previous peak. In response to sharp increases in rents, the government introduced a Rent Predictability Measure in December 2016, which caps the maximum permissible rent increase at 4% per annum for a period of three years in designated rent pressure zones, which includes all of Dublin. There are a number of exemptions to this rule, such as properties that have not been let at any time in the previous two years and/or have been substantially refurbished, however, the rent set for a property must be in line with the market rent for similar properties in the area.

The introduction of the Rent Predictability Measure has had a moderating effect on rental inflation, which stood at 7.9% y/y in June, down from 9.6% y/y in December (when the measures were implemented). Data compiled by Daft.ie shows the extent of the supply shortages in the rental market, as only 1,074 apartments were available to rent across Dublin in May 2017, which is 69% below the average for the series (which began in January 2007). Across the State only 3,084 apartments were available to rent in May, 76% below the average for the series.

In all, with lead indicators suggesting that a resolution of the housing shortages is a number of years away and the economic outlook remaining positive, the path of least resistance for prices and rents still remains to the upside.

Principal risks and uncertainties

The directors of the Company consider that the principal risks and uncertainties that the Group is exposed to and that may impact performance in the coming 6 months have not changed since the publication of the Annual Report 2016. The Group proactively monitors and manages these risks using the services of its Investment Manager and the combined expertise of its Board.

Statement of Directors' Responsibilities

The directors of the Company confirm to the best of their knowledge that the unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 (**"Interim Financial Reporting"**) as adopted by the European Union. The unaudited condensed consolidated interim financial statements give a true and fair view of the profit for the period ended 30 June 2017, as well as the assets, liabilities, and financial position of the Group as at 30 June 2017. The interim management report herein includes a fair review of the information required by Disclosure and Transparency Rules of the Central Bank of Ireland, namely:

- Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007, being an indication of important events that have occurred during the period 1 January 2017 to 30 June 2017 and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007, being related party transactions that have taken place during the period from 1 January 2017 to 30 June 2017 and that have materially affected the financial position or performance of the entity during the period.

Signed on behalf of the Board

Declan Moylan
Chairman

David Ehrlich
Executive Director

Independent Review Report to Irish Residential Properties REIT plc

Report on the Condensed Consolidated Interim Financial Statements

Our conclusion

We have reviewed Irish Residential Properties REIT plc's Condensed Consolidated Interim Financial Statements (the "Interim Financial Statements") in the Interim Report and Condensed Consolidated Financial Statements (the "Interim Report") for the financial period 1 January 2017 to 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland.

What we have reviewed

The Interim Financial Statements, comprise:

- the Condensed Consolidated Interim Statement of Financial Position as at 30 June 2017;
- the Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for the period then ended;
- the Condensed Consolidated Interim Statement of Changes in Equity for the period then ended;
- the Condensed Consolidated Interim Statement of Cash Flows for the period then ended; and
- the explanatory notes to the Interim Financial Statements.

The Interim Financial Statements included in the Interim Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland.

As disclosed in note 2 to the Interim Financial Statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the Interim Financial Statements and the review

Our responsibilities and those of the directors

The Interim Report, including the Interim Financial Statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland.

Our responsibility is to express a conclusion on the Interim Financial Statements in the Interim Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of Interim Financial Statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom and Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Interim Financial Statements.

PricewaterhouseCoopers
Chartered Accountants
8 August 2017
Dublin

(a) The maintenance and integrity of the Irish Residential Properties REIT plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	(Unaudited) **30 June 2017** €'000	(Audited) **31 December 2016** €'000
Assets			
Non-Current Assets			
Investment properties	5	**716,235**	685,080
Other non-current assets	6	**17**	22
		716,252	685,102
Current Assets			
Other current assets	6	**7,440**	3,479
Cash and cash equivalents		**7,412**	5,877
		14,852	9,356
Total Assets		**731,104**	694,458
Liabilities			
Non-Current Liabilities			
Bank indebtedness	8	**228,404**	212,222
Other liabilities	11	**151**	-
		228,555	212,222
Current Liabilities			
Accounts payable and accrued liabilities	7	**18,692**	9,358
Security deposits	7	**3,566**	3,283
		22,258	12,641
Total Liabilities		**250,813**	224,863
Shareholders' Equity			
Share capital	10	**42,027**	42,027
Share premium	10	**354,978**	354,978
Other reserve	10	**2,064**	1,945
Retained earnings		**81,222**	70,645
Total Shareholders' Equity		**480,291**	469,595
Total Shareholders' Equity and Liabilities		**731,104**	694,458

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Note	(Unaudited) **30 June 2017** €'000	(Unaudited) **30 June 2016** €'000
Operating Revenues			
Revenue from investment properties		**21,666**	17,890
Operating Expenses			
Property taxes		**(245)**	(288)
Property operating costs		**(4,287)**	(3,572)
		(4,532)	(3,860)
Net Rental Income ("NRI")		**17,134**	14,030
General and administrative expenses		**(1,472)**	(1,325)
Asset management fee	16	**(1,412)**	(1,324)
Share-based compensation expense	9	**(119)**	(327)
Net movement in fair value of investment properties	5	**19,329**	15,634
(Loss) on derivative financial instruments	11	**(141)**	-
Depreciation of property, plant and equipment		**(5)**	(6)
Operating Profit		**33,314**	26,682
Financing costs on credit facility	8	**(2,290)**	(1,982)
Profit for the Period		**31,024**	24,700
Total Comprehensive Income for the Period			
Attributable to Shareholders		**31,024**	24,700
Basic Earnings per Share (cents)	19	**7.4**	5.9
Diluted Earnings per Share (cents)	19	**7.3**	5.9

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(Unaudited)	Note	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Other Reserve €'000	Total €'000
Shareholders' Equity at 1 January 2017		**42,027**	**354,978**	**70,645**	**1,945**	**469,595**
Total comprehensive income for the period						
Profit for the period		-	-	31,024	-	31,024
Total comprehensive income for the period		-	-	31,024	-	31,024
Transactions with owners, recognised directly in equity						
Long-term incentive plan	9	-	-	-	119	119
Dividends paid	14	-	-	(20,447)	-	(20,447)
Transactions with owners, recognised directly in equity		-	-	(20,447)	119	(20,328)
Shareholders' Equity at 30 June 2017		**42,027**	**354,978**	**81,222**	**2,064**	**480,291**

(Unaudited)	**Note**	**Share Capital** €'000	**Share Premium** €'000	**Retained Earnings** €'000	**Other Reserve** €'000	**Total** €'000
Shareholders' Equity at 1 January 2016		**41,700**	**354,978**	**36,789**	**1,553**	**435,020**
Total comprehensive income for the period						
Profit for the period		-	-	24,700	-	24,700
Total comprehensive income for the period		-	-	24,700	-	24,700
Transactions with owners, recognised directly in equity						
Long-term incentive plan	9	-	-	-	327	327
Dividends paid	14	-	-	(13,135)	-	(13,135)
Transactions with owners, recognised directly in equity		-	-	(13,135)	327	(12,808)
Shareholders' Equity at 30 June 2016		**41,700**	**354,978**	**48,354**	**1,880**	**446,912**

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017	Note	(Unaudited) 30 June 2017 €'000	(Unaudited) 30 June 2016 €'000
Cash Flows from Operating Activities:			
Operating Activities			
Profit before taxes		**31,024**	24,700
Adjustments for non-cash items:			
Fair value adjustment - investment properties		**(19,329)**	(15,634)
Depreciation of property, plant and equipment		**5**	6
Amortisation of other financing costs		**261**	413
Share-based compensation expense	9	**119**	327
Loss on derivative financial instruments	11	**141**	-
Straight-line rent adjustment		**-**	(12)
		12,221	9,800
Interest cost on credit facility		**2,029**	1,569
Changes in operating assets and liabilities	15	**5,666**	1,006
Net Cash Generated from Operating Activities		**19,916**	12,375
Cash Flows from Investing Activities			
Acquisition of investment properties	5	**-**	(146,286)
Development of investment properties	5	**(8,886)**	(1,547)
Investment property enhancement expenditure	5	**(2,929)**	(1,380)
Direct leasing cost	5	**(11)**	-
Net Cash Used in Investing Activities		**(11,826)**	(149,213)
Cash Flows from Financing Activities			
Financing fees on credit facility	8	**(79)**	(2,227)
Interest paid on loan drawn down	15	**(2,029)**	(1,569)
Credit Facility drawdown	8	**16,000**	155,771
Dividends paid to shareholders	14	**(20,447)**	(13,135)
Net Cash (Used)/Generated from Financing Activities		**(6,555)**	138,840
Changes in Cash and Cash Equivalents during the Period		**1,535**	2,002
Cash and Cash Equivalents, Beginning of the Period		**5,877**	3,563
Cash and Cash Equivalents, End of the Period		**7,412**	5,565

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

Notes to Condensed Consolidated Interim Financial Statements

1. General Information

Irish Residential Properties REIT plc (**"I-RES"** or the **"Company"**) 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 Unit 4B Lazer Lane, Grand Canal Square, Dublin 2, Ireland. Ordinary shares of I-RES are listed on the Main Securities Market of the Irish Stock Exchange under the symbol "IRES".

I-RES was previously a wholly-owned subsidiary of CAPREIT Limited Partnership (**"CAPREIT LP"**). On 16 April 2014, I-RES raised gross proceeds of €200.0 million through the issue of an aggregate of 200,000,000 ordinary shares at an issue price of €1.00 per share, nominal value of €0.10 per share (the "**Initial Offering**"). As a result of the Initial Offering, CAPREIT LP's interest in I-RES was diluted to 20.8%. 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 of €0.10 per share (the **"Capital Raise"**). As a result of the Capital Raise, CAPREIT LP's interest in I-RES was diluted to 15.7%.

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 condensed consolidated interim financial statements. The Group owns interests in residential rental accommodations, as well as commercial and development sites, 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. Significant Accounting Policies

a) Basis of preparation

These condensed consolidated interim financial statements of the Group have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 and in accordance with International Accounting Standards 34 (**"Interim Financial Reporting"**) as adopted by the European Union (**"EU"**). This interim report (**"Report"**) should be read in conjunction with the annual financial statements for the period 1 January 2016 to 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (**"IFRS"**) and IFRS Interpretations Committee (**"IFRIC"**) interpretations as adopted by the EU and with those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

These condensed consolidated interim financial statements of the Group do not comprise statutory accounts within the meaning of the Companies Act 2014. The statutory accounts were prepared for the year ended 31 December 2016, approved by the board of directors (**"the Board"**) on 29 March 2017, contained an unqualified audit report and delivered to the Registrar of Companies on 26 May 2017.

The condensed consolidated interim financial statements of the Group are prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of investment properties and derivatives at fair value through profit or loss. The condensed consolidated interim financial statements of the Group have been presented in euros which is the Company's functional currency.

The condensed consolidated interim financial statements of the Group cover the six months period 1 January 2017 to 30 June 2017.

The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period.

New and amended standards adopted by the group

A number of new and amended standards became applicable for the current reporting period. However, the group did not have to change its accounting policies or make retrospective adjustments as a result of these amendments. The potential impact of any future changes have not changed from the assessment listed in the annual report for the year ended 31 December 2016.

Going concern

The Group meets its day-to-day working capital requirements through its cash and deposit balances. The Group's plans indicate that it should have adequate resources to continue operating for the foreseeable future. Accordingly, the directors of the Company ("**Directors**") consider it appropriate that the Group adopts the going concern basis of accounting in the preparation of the condensed consolidated interim financial statements.

b) Basis of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of I-RES and its subsidiary, IRES Residential Properties Limited. I-RES controls IRES Residential Properties Limited by virtue of its 100% shareholding in that company. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries

Subsidiaries are entities controlled by I-RES. I-RES controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial information of subsidiaries (except owners' management companies) is included in the condensed consolidated interim financial statements from the date on which control commences until the date on which control ceases. I-RES does not consolidate owners' management companies in which it holds majority voting rights. For further details, please refer to note 16.

c) Derivatives

The Group utilises derivative financial instruments to hedge interest rate exposures. Derivatives are not designated as hedges for accounting purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The fair value change in the derivative is recognised before the operating profit in the condensed consolidated interim statement of profit or loss and other comprehensive income. The full fair value of the derivative is classified as a non-current asset or liability when the derivative is more than 12 months, and as a current asset or liability when the remaining maturity of the derivative is less than 12 months. Trading derivatives are classified as a current asset or liability.

3. Critical Accounting Estimates, Assumptions and Judgements

The preparation of the condensed consolidated interim 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 condensed consolidated interim financial statements and accompanying notes. Areas of such estimation include, but are not limited to, valuation of investment properties. 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 condensed consolidated interim financial statements, as well as 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

There were no investment property acquisitions during the six months ended 30 June 2017.

For the period 1 January 2016 to 31 December 2016

Property	Acquisition Date	Apartment Count	Region	Total Acquisition Costs €'000
Tallaght Cross West[1]	15 January 2016	442	Dublin, Ireland	84,883
The Forum[2]	17 February 2016	8	Dublin, Ireland	2,349
City Square[3]	7 April 2016	23	Dublin, Ireland	6,063
Elmpark Green[1]	25 May 2016	201	Dublin, Ireland	60,321
Coldcut Park[3]	31 August 2016	89	Dublin, Ireland	18,773
		763		172,389

(1) The acquisition was funded from I-RES' Credit Facility (as defined in note 8).
(2) The acquisition was funded from the Group's cash reserves.
(3) The acquisition was funded from the Group's cash reserves and I-RES' Credit Facility.

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 at the measurement date, considering the highest and best use of the asset, with any gain or loss arising from a change in fair value recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income for the period.

The fair values of all of the Group's investment properties are determined by a qualified independent valuer. The valuer employs qualified valuation professionals 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.

The information provided to the valuer, and the assumptions and valuation methodologies and models used by the valuer, are reviewed by management. The valuer meets with the external auditors and discusses the valuation results as at 31 December and 30 June directly. The Board determines the Group's valuation policies and procedures for property valuations. The Board decides which independent valuer to appoint for the external valuation of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Investment property producing income

For investment property, the income approach / yield methodology involves applying market-derived Capitalisation Rates to current and projected 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.

Investment property under development

In the case of investment property under development, the approach applied is the "residual method" of valuation, which is the investment method as described above with a deduction for the costs necessary to complete the development together with an allowance for the remaining risk.

As at the reporting date, the Company has capitalised a total of €19.2 million of costs, which includes allocation of development land related to residential developments. Included in this amount is €65,000 (€39,000 as at 31 December 2016) of capitalised borrowing costs. The weighted average capitalisation rate used to capitalise the borrowing costs is 1.6% (2016: 1.7%) .

Development land

In the case of development land, the approach applied is the comparable sales approach, which considers recent sales activity for similar land parcels in the same or similar markets. Land values are estimated using either a per acre or per buildable square foot basis based on highest and best use. Such values are applied to the Group's properties after adjusting for factors specific to the site, including its location, intended use, zoning, servicing and configuration.

Information about fair value measurements using unobservable inputs (Level 3)

The Group tests the reasonableness of all significant unobservable inputs, Capitalisation Rates and stabilised net rental income (**"Stabilised NRI"**) used in the valuation, and reviews the results with the independent valuer 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.

At 30 June 2017, 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 the significant inputs and considerations made in determining the fair value of property investments cannot be derived from publicly available data, as the valuation methodology in respect of a property also has to rely on a number of unobservable inputs including technical reports, legal data, building costs, rental analysis, professional opinion on profile, lot size, layout and presentation of accommodation. In addition, the valuers utilise proprietary databases maintained in respect of properties similar to the assets being valued.

The Group's independent valuation experts have noted that "following the EU referendum held on 23 June 2016 (Brexit) concerning the UK's membership of the EU, a decision was taken to exit. We are now in a period of uncertainty in relation to many factors that impact the property investment and letting markets. Therefore as of the valuation date, no Brexit impact whether positive or negative has been included for the property values", which is consistent with current market practices.

Sensitivity analysis

Estimated Stabilised NRI and market-observed Capitalisation Rates are key inputs in the valuation model used. For example, completed properties are valued mainly using a term and reversion model: i.e., the present values of future cash flows from expected rental receipts are calculated. For the existing rental contract or "term" this is the expected net rents from tenants over the period to the next lease break option or expiry. After this period, the "reversion", estimated Stabilised NRI is used to calculate cash flows based on expectations from current market conditions. Thus a decrease in the estimated Stabilised NRI will decrease the fair value, and an increase in the estimated Stabilised NRI will increase the fair value.

The Capitalisation Rates magnify 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, an increase of 1% in the Equivalent Capitalisation Rate would have the impact of a €108.2 million reduction in fair value while a decrease of 1% in the Equivalent Capitalisation Rate would result in a fair value increase of €160.7 million.

The direct operating expenses recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income for the Group is €4.5 million for the period ended 30 June 2017, 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 condensed consolidated interim statement of profit or loss and other comprehensive income for the Group is €nil for the period ended 30 June 2017, 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 residential and commercial units; no direct operating costs were specifically allocated to these components noted above.

Quantitative information

A summary of the Equivalent Capitalisation Rates and ranges along with the fair value of the total portfolio of the Group as at 30 June 2017 is presented below:

As at 30 June 2017

Type of Interest	Fair Value €'000	WA NRI[1] €'000	Rate Type[2]	Max. %	Min. %	Weighted Average %
Investment properties	671,280	2,897	Equivalent Capitalisation Rate	6.70%	4.53%	5.28%
Properties Under Development	27,480					
Development land[3]	17,475					
Total investment properties	716,235					

(1) Calculated as the Stabilised NRI of each property weighted by its fair value over the total fair value of the investment properties ("WA NRI").

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

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

As at 31 December 2016

Type of Interest	Fair Value €'000	WA NRI[1] €'000	Rate Type[2]	Max. %	Min. %	Weighted Average %
Investment properties	657,665	2,837	Equivalent Capitalisation Rate	7.07	4.27	5.25
Properties Under Development	11,365					
Development land[3]	16,050					
Total investment properties	685,080					

(1) Calculated as the Stabilised NRI of each property weighted by its fair value over the total fair value of the investment properties ("WA NRI").

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

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

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

Reconciliation of carrying amounts of investment properties

For the Period	30 June 2017			
	Income Properties	Properties Under Development	Development Land	Total
	€'000	€'000	€'000	€'000
Balance at the beginning of the period	**657,665**	**11,365**	**16,050**	**685,080**
Development expenditures	-	8,886	-	8,886
Property capital investments	2,929	-	-	2,929
Direct leasing costs	11	-	-	11
Unrealised fair value movements	10,675	7,229	1,425	19,329
Balance at the end of the period	**671,280**	**27,480**	**17,475**	**716,235**

For the Period	31 December 2016			
	Income Properties	Properties Under Development	Development Land	Total
	€'000	€'000	€'000	€'000
Balance at the beginning of the period	**456,180**	**-**	**16,050**	**472,230**
Acquisitions	172,389	-	-	172,389
Development expenditures	-	8,997	-	8,997
Reclassification (1)	-	1,300	(1,300)	-
Property capital investments	4,913	-	-	4,913
Capitalised leasing costs	58	-	-	58
Direct leasing costs	54	-	-	54
Unrealised fair value movements	24,071	1,068	1,300	26,439
Balance at the end of the period	**657,665**	**11,365**	**16,050**	**685,080**

(1) Reclassified from development land to properties under development.

Most of the residential leases are for one year or less.

The carrying value for the Group of €716.2 million for the investment properties at 30 June 2017 (€685.1 million at 31 December 2016) 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).

Notes to Condensed Consolidated Interim Financial Statements

6. Other Assets

As at	30 June 2017 €'000	31 December 2016 €'000
Other Non-Current Assets		
Property, plant and equipment[1]		
At cost	**58**	58
Accumulated amortisation	**(41)**	(36)
Net property, plant and equipment	**17**	22
Total	**17**	22

As at	30 June 2017 €'000	31 December 2016 €'000
Other Current Assets		
Prepayments[2]	**3,683**	783
Other receivables[3]	**2,656**	-
Trade Receivables	**1,101**	1,107
Deposits	**-**	1,589
Total	**7,440**	3,479

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

(2) Includes specific predevelopment costs amounting to €2.5 million.

(3) Includes levies incurred in respect of services to be received of €2.6 million.

7. Accounts Payable and Accrued Liabilities

As at	30 June 2017 €'000	31 December 2016 €'000
Accounts Payable and Accrued Liabilities		
Rent - early payments[1]	**1,492**	819
Trade creditors[1]	**453**	165
Accruals[1][2]	**16,620**	8,244
Value added tax	**127**	130
Total	**18,692**	9,358

(1) The carrying value of all accounts payable and accrued liabilities approximates their fair value.

(2) Includes property related accruals, development accruals, as well as property management fees and asset management fees accruals.

Security deposits

Security deposits are amounts received from tenants at the beginning of a tenancy. When a tenant is no longer in possession of the property, the Group will assess whether there were damages to the property above normal wear and tear for which deductions may be made to their deposit. Once the inspections and repairs are calculated, the remaining security deposit is returned to the tenant.

8. Credit Facility

As at	30 June 2017	31 December 2016
	€'000	€'000
Bank Indebtedness		
Loan drawn down	**230,100**	214,100
Deferred loan costs, net	**(1,696)**	(1,878)
Total	**228,404**	212,222

I-RES entered into a facility agreement on 14 January 2016 (as amended on 4 May 2016 and 28 February 2017) with Barclays Bank Ireland PLC and Ulster Bank Ireland DAC, which provides for a credit facility of up to €250 million, which can be extended to €350 million subject to certain terms and conditions (the "**Credit Facility**"). This revolving Credit Facility has a five-year term from 14 January 2016. 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%, plus the one-month or three-month EURIBOR rate (at the option of I-RES). On 28 February 2017, I-RES entered into interest rate swap agreements aggregating to €160 million, linked to the weighted average EURIBOR rate at minus 0.11% per annum, with an effective date of 23 March 2017 and maturity of January 2021. The agreement effectively converts borrowings on a EURIBOR-based floating rate credit facility to a fixed rate facility for a four-year term (see Note 11 for further details). The debt is secured over the assets of the Group and there was a one-time arrangement fee relating to the Credit Facility.

This Credit Facility replaces the €60 million revolving credit facility which was due to mature in August 2016.

9. Share-Based Compensation

Options are issuable pursuant to I-RES' share-based compensation plan, namely, the long-term incentive plan (**"LTIP"**). Options were granted on 26 March 2015 and 16 April 2014 by I-RES to certain trustees and employees of Canadian Apartment Properties Real Estate Investment Trust (**"CAPREIT"**) and its affiliates and to David Ehrlich, Chief Executive Officer of I-RES. The options have a maximum life of seven years less a day and will vest over three years from the date of grant on the basis of one third per completed year the recipient of the option completes in respect of the relevant service which has qualified him or her for an option grant. The LTIP limit cannot exceed 10% of I-RES' issued ordinary share capital (adjusted for share issuance and cancellation) during the 10-year period prior to that date. As at 30 June 2017, the maximum number of additional options issuable under the LTIP is 15,457,188 (30 June 2016 – 14,885,070).

The fair value of options has been determined as at the grant date using the Black-Scholes model.

The expected volatility is based on historic market volatility over the past five years and four years for the options issued on 26 March 2015 and 16 April 2014, respectively. The risk-free rate is based on Irish government bonds with a term consistent with the assumed option life.

The share-based compensation expense during the period ended 30 June 2017 was €119,000 (30 June 2016 - €327,000). The total number of LTIP options outstanding and exercisable as at 30 June 2017 was 25,980,000 (30 June 2016 - 26,814,930).

10. Shareholders' Equity

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 ended	**30 June 2017**	**30 June 2016**
	€'000	€'000
Ordinary shares outstanding, beginning of period	**417,292,006**	417,000,000
Ordinary shares outstanding, end of period	**417,292,006**	417,000,000

Other reserves of €2.1 million in Shareholders' Equity represent share-based compensation.

11. Realised and Unrealised Gains and Losses on Derivative Financial Instruments

On 28 February 2017, I-RES entered into interest rate swap agreements aggregating to €160 million, linked to the weighted average EURIBOR rate at minus 0.11% per annum, with an effective date of 23 March 2017 and maturity of January 2021.

The agreement effectively converts borrowings on a EURIBOR-based floating rate credit facility to a fixed rate facility for a four year term, for which hedge accounting is not being applied. The mark-to-market loss for the first half of 2017 of €141,000 has been recorded in the statement of profit or loss and the cumulative mark-to-market liability of €151,000 is in other liabilities as at 30 June 2017.

12. 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 fair value on a recurring basis based on information available as at 30 June 2017, 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	Level 2 Significant other observable inputs	Level 3 Significant unobservable inputs(1)	Total
	€'000	€'000	€'000	€'000
Recurring Measurements - Assets				
Investment properties	-	-	716,235	716,235
Derivative financial instruments - interest(2)	-	151	-	151
Total	-	151	716,235	716,386

(1) Fair values for investment properties are calculated using the income approach / yield methodology, 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.

(2) The valuation of the interest rate swap instrument is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivatives. The fair value is determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. If the total mark-to-market value is positive, I-RES will consider a current value adjustment to reflect the credit risk of the counterparty and if the total mark-to-market value is negative I-RES will consider a current value adjustment to reflect I-RES's own credit risk in the fair value measurement of the interest rate swap agreements.

b) Risk management

The main risks arising from the Group's financial instruments are market risk, interest rate risk, liquidity risk and credit risk. 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.

Short-term bank deposits are held 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.

Interest rate risk

With regard to the cost of borrowing, I-RES has used, and may continue to utilise hedging, where considered appropriate, to mitigate interest rate risk.

As at 30 June 2017, I-RES' Credit Facility was drawn for €230.1 million. Interest on this Credit Facility was paid at a rate of 2.0% per annum plus the one-month or three-month EURIBOR rate (at the option of I-RES). On 28 February 2017, I-RES entered into interest rate swap agreements aggregating to €160 million, linked to the weighted average EURIBOR rate at minus 0.11% per annum, with an effective date of 23 March 2017 and maturity of January 2021. The agreement effectively converts borrowings on a EURIBOR-based floating rate credit facility to a fixed rate facility for a four-year term. For the period ended 30 June 2017, a 100 basis point change in interest rates would have the following effect:

	Change in interest rates	Increase (decrease) in net income
		2017
	Basis Points	€'000
EURIBOR rate debt(1)	+100	(701)
EURIBOR rate debt	-100	701

(1) Based on the fixed margin of 2.0% plus the one-month EURIBOR rate as at 30 June 2017 of -0.379% on the unswapped portion of the Credit Facility.

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.

	6 months or less(1)	6 to 12 months(1)	1 to 2 years (1)	2 to 5 years(1)	More than 5 years(1)
As at 30 June 2017	€'000	€'000	€'000	€'000	€'000
Loan drawn down	-	-	-	230,100	-
Bank indebtedness interest (2)	1,888	1,858	3,746	5,788	-
Other liabilities	18,702	-	-	141	-
Security deposits	3,566	-	-	-	-
	24,156	1,858	3,746	236,029	-

(1) Based on carrying value at maturity dates.

(2) 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) approximates their fair value.

Credit risk

Credit risk is the risk that: (i) counterparties to contractual financial obligations will default; or (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.

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 condensed consolidated interim statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Cash and cash equivalents are held by major Irish and European institutions. The Company deposits cash 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 30 June 2017, capital consists of equity and debt, and Group Total Gearing was 32.1%. I-RES seeks to use gearing to enhance shareholder returns over the long term. The level of gearing is monitored carefully by the Board. Given the stability of the residential rental accommodation sector, 45% gearing is currently considered prudent by the Board.

The Board monitors the return on capital as well as the level of dividends paid 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.

13. Taxation

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 paid 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, 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 would 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 and that there has been no profit arising from residual business activities.

14. 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.

On 20 February 2017, the Directors declared an interim dividend of €20.4 million for the 2016 accounting period. The dividend of 4.9 cents per share was paid on 24 March 2017 to shareholders on record as at 3 March 2017.

On 9 February 2016, the Directors declared an interim dividend of €13.1 million for the 2015 accounting period. The dividend of 3.15 cents per share was paid on 21 March 2016 to the shareholders on record at 19 February 2016.

	30 June 2017	30 June 2016
	€'000	€'000
Profit for the period	**31,024**	24,700
Less: net movement in fair value of investment properties	**(19,329)**	(15,634)
Property income of the Property Rental Business	**11,695**	9,066
Add back:		
Share-based compensation expense	**119**	327
Unrealised change in fair value of financial instruments	**141**	-
Distributable reserves	**11,955**	9,393

15. Supplemental Cash Flow Information

For the Period ended	30 June 2017	30 June 2016
	€'000	€'000
Financing costs on credit facility as per the condensed consolidated interim statement of profit or loss and other comprehensive income	**2,290**	1,982
Less: amortisation of financing fees	**(261)**	(413)
Financing costs on credit facility	**2,029**	1,569

Changes in operating assets and liabilities

For the Period ended	30 June 2017	30 June 2016
	€'000	€'000
(Increase) Prepayments	**(2,900)**	(548)
Decrease / (Increase) Trade receivables	**6**	(220)
(Increase) Other receivables	**(2,656)**	-
Decrease Deposits	**1,589**	-
Increase Accounts payable and other liabilities	**9,344**	893
Increase Security deposits	**283**	907
Decrease in direct leasing costs	**-**	(26)
Changes in operating assets and liabilities	**5,666**	1,006

16. 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.

Effective 1 November 2015, CAPREIT LP's wholly-owned subsidiary, IRES Fund Management Limited (**"IRES Fund Management"**) entered into the investment management agreement with I-RES (the **"Investment Management Agreement"**), as amended or as may be amended from time to time, 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. The Investment Management Agreement governs the provision of portfolio management, risk management and other related services to the Company by IRES Fund Management. It has an initial term of five years, unless it is duly terminated pursuant to a provision of the Investment Management Agreement, and thereafter shall continue in force for consecutive five-year periods.

For the period ended 30 June 2017, I-RES incurred €1.4 million in asset management fees. In addition, €0.8 million in property management fees were incurred and recorded under operating expenses. For the period ended 30 June 2016, €1.3 million in asset management fees and €0.7 million in property management fees were recorded.

The amount payable to CAPREIT LP (including IRES Fund Management), totalled €8.5 million as at 30 June 2017 (€5.4 million as at 31 December 2016) related to asset management fees, property management fees, payroll-related costs and other miscellaneous expenses incurred by CAPREIT LP on behalf of the Group. All charges from CAPREIT LP are benchmarked at normal commercial terms and on an arm's length basis. The amount receivable from CAPREIT LP (including IRES Fund Management) totalled €20,000 as at 30 June 2017 (€87,000 as at 31 December 2016) related to the leasing of office space and other miscellaneous expenses incurred by I-RES on behalf of CAPREIT LP.

IRES Fund Management has multiple leases for office space with I-RES. The rental income for the office space for the period ended 30 June 2017 was €46,000 (€26,000 for the six months ended 30 June 2016.) The leases expire on 1 March 2020, 1 December 2020, and 1 December 2021. Minimum annual rental payments from IRES Fund Management for the next three years are as follows:

	2017	2018	2019
	€'000	€'000	€'000
Minimum annual rent payments from IRES Fund Management	110	116	116

David Ehrlich is the CEO and a director of I-RES. He is also a trustee of CAPREIT. Thomas Schwartz is a non-executive director of I-RES. He is also a trustee of CAPREIT and a trustee or director of each of CAPREIT's Canadian subsidiaries. He is also the President and CEO of CAPREIT and each of its Canadian subsidiaries.

In addition, Mr. Ehrlich is entitled to participate in the LTIP and, under his employment contract, he is entitled to be granted options in respect of 3% of the number of shares issued by the Company pursuant to an equity offering.

The only executive member of the Board is David Ehrlich, 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 ended 30 June 2017 was €346,000 (C$500,000). Mr. Ehrlich's total remuneration for the period from 1 January 2016 to 30 June 2016 was €338,000 (C$500,000).

In addition to David Ehrlich's employment with I-RES, pursuant to an employment contract entered into as of 13 December 2016 between CAPREIT LP and David Ehrlich, he also became an employee of CAPREIT LP effective 1 January 2017 and receives the following compensation under his employment agreement with CAPREIT LP (under which he carries out management services related to the Company under the Services Agreement and Investment Management Agreement). The Company has no liability for such costs or liabilities. On 28 February 2017 David Ehrlich received a one-time grant equal to C$500,000 in restricted unit rights ("**RURs**") in accordance with the terms of CAPREIT's Amended and Restated Restricted Unit Rights Plan dated 27 May 2014, as amended from time to time. He is also entitled to be granted C$150,000 in RURs on an annual basis. On an annual basis, David Ehrlich shall also be granted RURs equal to the amount of any discretionary bonus received by him from the Company pursuant to his employment contract with the Company, such RURs to be granted upon the approval of the board of trustees of CAPREIT.

Certain trustees and employees of CAPREIT and its affiliates have also been granted options of I-RES.

Total expenses are comprised of remuneration of the non-executive Directors of €154,000 for the period ended 30 June 2017, and €127,000 for the period ended 30 June 2016, excluding expenses related to David Ehrlich, CEO and director. One director retired on 31 March 2017 and one new director was appointed on 18 April 2017. No loans or quasi-loans were made to the Directors in either period.

Owners' management companies not consolidated

As a result of the acquisition by the Group of apartments or commercial space in certain residential rental properties, the Group holds voting rights in the relevant owners' 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 owners' management companies' boards of directors. However, as each of those owners' management companies is incorporated as a company limited by guarantee for the purpose of owning the common areas in residential or mixed-use developments, they are not intended to be traded for gains. For these reasons, I-RES does not consider these owners' management companies to be material for consolidation, either individually or collectively. I-RES has considered the latest available financial statements of these owners' management companies in making this assessment.

Details of the owners' management companies in which the Group had an interest during the period ended 30 June 2017, along with the relevant service fees paid by the Group to them, are as follows:

Owners' Management Entity	Registered Official Address	Development Managed	Percentage of Voting Rights Held % of total[1]	Service Fees Incurred in the Period €'000	Payable by I-RES €'000	Prepaid by I-RES €'000
Majority voting rights held						
Priorsgate Estate Owners' Management Company Company Limited by Guarantee	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	Priorsgate	52.4	78.8	0.0	0.0
GC Square (Residential) Owners' Management Company Limited by Guarantee	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	The Marker Residences	80.0	106.7	53.3	53.4
Landsdowne Valley Owners' Management Company Limited by Guarantee[5]	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	Lansdowne Gate	78.6	236.6	114.1	0.0
Charlestown Apartments Owners' Management Company Limited by Guarantee [3]	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	Charlestown	82.5	215.2	0.0	36.0
Bakers Yard Management Company Company Limited by Guarantee	Ulysses House Foley Street Dublin 1	Bakers Yard	66.2	64.8	0.0	0.0
Rockbrook Grande Central Owners' Management Company Limited by Guarantee	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	Grande Central	73.5	84.7	0.0	8.8
Rockbrook South Central Owners' Management Company Limited by Guarantee	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	South Central	80.0	179.5	1.9	0.0
Rockbrook Estate Management Company Limited by Guarantee	Unit 4B Lazer Lane, Grand Canal Square, Dublin 2	Rockbrook Commercial	92.9(2)	12.9	31.5	11.3
TC West Estate Management Company Company Limited by Guarantee	Charter House, 5 Pembroke Row, Dublin 2 D02 FW61	Tallaght Commercial	75.0	233.5	233.5	0.0
TC West Residential Owners' Management Company Limited by Guarantee [4]	Charter House, 5 Pembroke Row, Dublin 2 D02 FW62	Tallaght Residential	87.2	313.0	313.0	148.4
Gloucester Maple Management Company Company Limited by Guarantee	Ti Phuirseil Freeport, Barna, Galway H91 W90P	City Square	85.7	19.9	0.0	2.8
Elm Park Ballsbridge Enterprises Properties Company Limited by Guarantee	2 Lansdowne Shelbourne, Ballsbridge Dublin 4	Elmpark Green	60.5	186.8	186.8	93.7
Coldcut Management Company Company Limited By Guarantee	c/o Brehan Capital Partners Limited. 2nd Floor, Guild House, Guild Street Dublin 1	Coldcut Park	97.7	69.6	69.7	0.0
Minority voting rights held						
BSQ Owners' Management Company Limited by Guarantee[6]	5th Floor St Stephen's Green House Earlsfort Terrace St Stephens Green Dublin 2	Beacon South Quarter	11.3	277.1	0.0	57.7
GC Square Management Company Company Limited by Guarantee	2nd Floor, Guild House, Guild Street, Dublin 1	The Marker Commercial	48.0	0.0	0.0	0.0
Sandyford Forum Management Company Company Limited by Guarantee	28/30 Burlington Road Dublin 4	The Forum	6.3	7.7	11.1	12.8
Total				2,086.6	1,014.8	424.7

(1) For residential apartments the voting rights are calculated based on one vote per apartment regardless of the size of that apartment. For commercial, it is based on square footage of the units or the memorandum and articles of the particular management company.
(2) Includes voting rights controlled directly and indirectly.
(3) Formerly known as Charlestown Apartments Management Company Company Limited By Guarantee
(4) Formerly known as TC West Residential Owners Management Company Company Limited by Guarantee
(5) Formerly known as Landsdowne Valley Management Company Company Limited by Guarantee
(6) Formerly known as BSQ Management Company Company Limited by Guarantee

All of the owners' management companies are incorporated in Ireland and are property management companies. As noted above, as at 30 June 2017, €1,014,750 is payable and €424,480 is prepaid by the Group to the owners' management companies. As at 31 December 2016, €298,750 was payable and €486,360 was prepaid by I-RES to the owners' management companies.

Details of managing agreements between IRES Fund Management and owners' management companies that have contracts with it are as below:

Owners' Management Company	**Property**	**Commencement Date**	**Managing Agent Charges 30 June 2017** €'000[(1)]	**Managing Agent Charges 30 June 2016** €'000[(1)]
GC Square (Residential) Management CLG	Marker Residences	11 March 2015	12.0	12.3
GC Square Management CLG	Marker Commercial	11 August 2015	1.6	1.6
Rockbrook South Central Management CLG	Rockbrook South Central Residences	1 January 2016	21.2	21.3
Rockbrook Grande Central Management CLG	Rockbrook Grande Central Residences	1 January 2016	22.8	22.8
Rockbrook Estate Management CLG	Rockbrook Commerical	1 January 2016	15.3	15.3
Elm Park Ballsbridge Enterprise Properties	Elm Park Residences	1 June 2016	23.3	3.3
Coldcut Management CLG	Coldcut Residences	1 September 2016	8.5	-
TC West Estate Management CLG	Tallaght Cross West Estate	1 March 2017	24.8	-
TC West Residential Owners Management CLG	Tallaght Cross West Residential	1 March 2017	20.5	-
Landsdowne Valley Owners Management CLG	Landsdowne Valley Residences	1 May 2017	7.5	-
Totals			157.6	76.6

(1) Management agent fees are consideration paid in exchange for property management services conducted by the agent on behalf of the owners' management company, examples of which include financial reporting, clerical, and administrative matters.

17. Contingencies

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

18. Commitments

Commitments related to capital investments in investment properties of approximately €1 million outstanding as at 30 June 2017.

19. 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 six months ended	30 June 2017	30 June 2016
Profit attributable to shareholders of I-RES (€'000)	**31,024**	**24,700**
Basic weighted average number of shares	**417,292,006**	**417,000,000**
Diluted weighted average number of shares(1)	**422,133,448**	**419,093,400**
Basic Earnings per share (cents)	**7.4**	**5.9**
Diluted Earnings per share (cents)	**7.3**	**5.9**

(1) 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 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.

EPRA Earnings per Share

For the six months ended	30 June 2017	30 June 2016
Earnings per IFRS statement of condensed consolidated interim statement of profit or loss and other comprehensive income (€'000)	**31,024**	24,700
Adjustments to calculate EPRA Earnings exclude:		
Changes in fair value on investment properties (€'000)	**(19,329)**	(15,634)
Changes in fair value of financial instruments (€'000)	**141**	-
EPRA Earnings (€'000)	**11,836**	9,066
Basic weighted average number of shares	**417,292,006**	417,000,000
Diluted weighted average number of shares	**422,133,448**	419,093,400
EPRA Earnings per share (cents)	**2.8**	2.2
EPRA Diluted Earnings per share (cents)	**2.8**	2.2

20. 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.

EPRA NAV measures the fair value of net assets on an ongoing, long-term basis in accordance with guidelines issued by EPRA. EPRA NAV excludes the net marked-to-market to the value of financial instruments used for hedging purposes 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.

EPRA NAV per Share

As at	30 June 2017	31 December 2016
Net assets (€'000)	**480,291**	469,595
Adjustments to calculate EPRA net assets exclude:		
Fair value of financial instruments (€'000)	**151**	-
EPRA net assets (€'000)	**480,442**	469,595
Number of shares outstanding	**417,292,006**	417,292,006
Diluted number of shares outstanding	**423,691,896**	420,512,220
Basic Net Asset Value per share (cents)	**115.1**	112.5
EPRA Net Asset Value per share (cents)	**115.1**	112.5
Diluted Net Asset Value per share (cents)	**113.4**	111.7

21. Directors' Remuneration, Employee Costs and Auditor Remuneration

For the Six Months Ended	30 June 2017	30 June 2016
	€'000	€'000
Directors' remuneration		
Short-term employee benefits	**500**	465
Post-employment benefits	**-**	-
Other long-term benefits(1)	**27**	31
Share-based payments	**75**	192
Termination benefits[1]	**-**	-
Total	**602**	688

(1) Included in this amount is pay-related social insurance paid for the Directors and Canadian pension plan, employment insurance, medical benefits, and employer health taxes paid for the CEO.

For the Six Months Ended	30 June 2017	30 June 2016
	€'000	€'000
Employment costs (1)		
Salaries and bonus	**346**	338
Social insurance costs	**10**	17
Pension costs[1]	**-**	-
Share-based payments	**62**	157
Termination benefits[1]	**-**	-
Total	**418**	512

(1) David Ehrlich is the only permanent employee of I-RES.

For the Six Months Ended	30 June 2017	30 June 2016
	€'000	€'000
Auditor remuneration (including expenses)		
Audit of the Group accounts	**50**	36
Other assurance services	**21**	18
Tax advisory services	**76**	42
Total	**147**	96

22. Approval of Condensed Consolidated Interim Financial Statements

These unaudited Condensed Consolidated Interim Financial Statements were approved by the Board on 8 August 2017

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.

"Annualised Passing Rent"	Defined as the annualised cash rental income being received as at the stated date;
"Average Monthly Rent (AMR)"	Actual monthly residential rents, net of vacancies, as at the stated date, 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;
"Net Asset Value per share"	Calculated by dividing NAV by the basic weighted average number of ordinary shares outstanding during the reporting period;
"Capitalisation Rate"	The rate of return on a property investment based on current and projected future revenue streams that such property investment will generate;
"Companies Act, 2014"	The Irish Companies Act, 2014;
"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 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 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 net income performance of the portfolio, such as the change in value of the underlying investments and any gains or losses from the sales of properties;
"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;

"EPRA NAV per share"	Calculated by dividing EPRA NAV by the basic weighted average number of ordinary shares outstanding during the reporting period;
"Equivalent Capitalisation Rate"	The Equivalent Capitalisation Rate is calculated as the Stabilised NRI divided by the fair value of the investment property;
"Group Total Gearing"	Calculated by dividing the loan drawn down by the market value of the Group's investment properties;
"Gross Yield"	Calculated as the Annualised Passing Rent as at the stated date, divided by the fair value of the investment properties, excluding fair value of development land and investment properties under development as at the reporting date;
"Irish REIT Regime"	Means the provisions of the Irish laws and regulations establishing and governing real estate investment trusts, in particular but without limitation section 705A of the Taxes Consolidation Act, 1997 (as inserted by section 41(c) of the Finance Act, 2013), as amended from time to time;
"Market Capitalisation"	Calculated as the closing share price multiplied by the number of shares outstanding;
"Net Asset Value" or "NAV"	Calculated as the value of the Group's or Company's assets less the value of its liabilities measured in accordance with IFRS;
"Net Rental Income (NRI)"	Measured as property revenue less property operating expenses;
"Net Rental Income Margin"	Calculated as the NRI over the revenue from investment properties;
"Occupancy Rate"	Calculated as the total number of apartments occupied over the total number of apartments owned as at the reporting date;
"Property Income"	As defined in section 705A of the Taxes Consolidation Act, 1997. It means, in relation to a company or group, the Property Profits of the company or group, as the case may be, calculated using accounting principles, as: (a) reduced by the Property Net Gains of the company or group, as the case may be, where Property Net Gains arise, or (b) increased by the Property Net Losses of the company or group, as the case may be, where Property Net Losses arise;

"Property Profits"	As defined in section 705A of the Taxes Consolidation Act, 1997;
"Property Net Gains"	As defined in section 705A of the Taxes Consolidation Act, 1997;
"Property Net Losses"	As defined in section 705A of the Taxes Consolidation Act, 1997;
"Property Rental Business"	As defined in section 705A of the Taxes Consolidation Act, 1997;
"Sq. ft."	Square feet;
"Sq. m."	Square metres;
"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;
"Vacancy Costs"	Defined as the value of the rent on unoccupied residential apartments and commercial units for the specified period.

Forward-Looking Statements

I-RES Disclaimer

This report includes statements that are, or may deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "estimates", "expects", "intends", "plans", "projects", “may” or "should", or, in each case, their negative or other comparable terminology, or by discussions of strategy, plans, objectives, trends, goals, projections, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Report and include, but are not limited to, statements regarding the intentions, beliefs or current expectations of I-RES concerning, amongst other things, its results of operations, financial position, liquidity, prospects, growth, strategies and expectations for its industry. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of I-RES and/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. As a result, you are cautioned not to place any reliance on such forward-looking statements and neither the Company nor any other person accepts responsibility for the accuracy of such statements.

Nothing in this Report should be construed as a profit forecast or a profit estimate.

The forward-looking statements referred to in this Report speak only as at the date hereof. I-RES expressly disclaims any obligation or undertaking to release publicly any revision or updates to these forward-looking statements to reflect any change in (or any future) events, circumstances, conditions, new information or any change in the Company’s expectations or otherwise except as required by law, regulation 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".