IRET

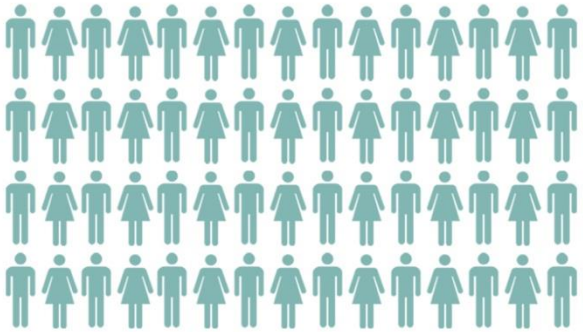
INVESTORS REAL ESTATE TRUST



Investor Presentation April 2015

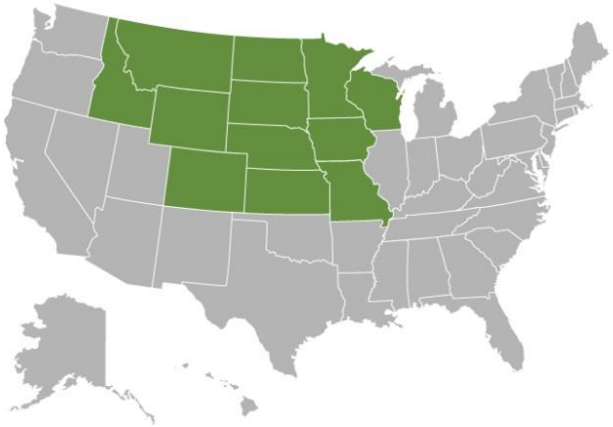
(all information in this presentation is as of 1/31/15, unless otherwise noted)

430+ employees



properties

259 properties in 12 states
11,765 apartment units
9.8 million commercial sq. ft.



$2.1 billion of property owned



Multi-Family | $933m



Office | $478m



Healthcare | $520m



Industrial | $51m

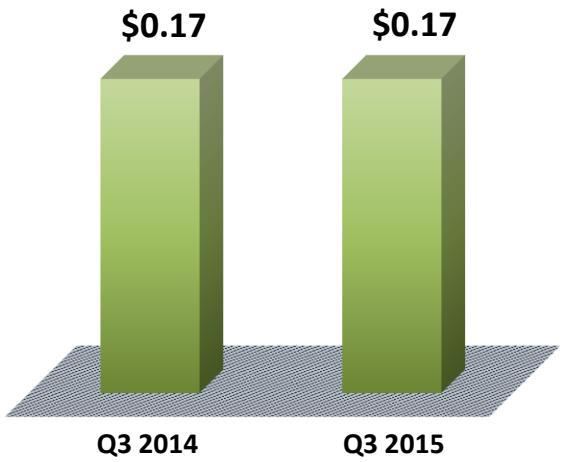


Retail | $111m

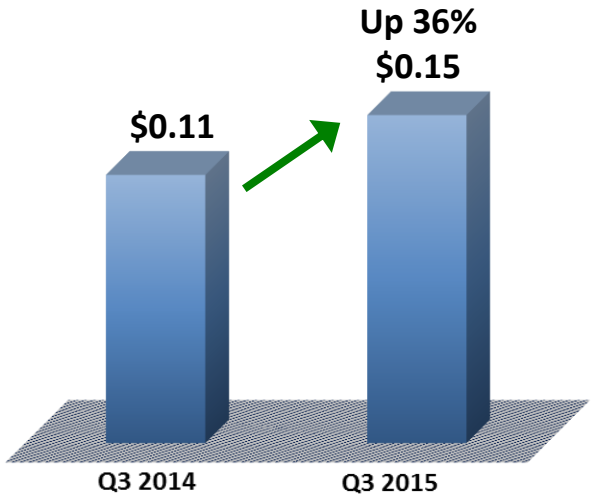
management objectives

- Provide our shareholders predictable earnings and cash flow
- Successfully close on the sale of our office and retail property segments
- Redeploy our sales proceeds in an appropriate combination of deleveraging, and acquisition and development alternatives to maximize shareholder value
- Bring to completion current development projects to grow earnings and cash flow
- Maintain our development pipeline and increase our acquisition activity

Q3 FFO

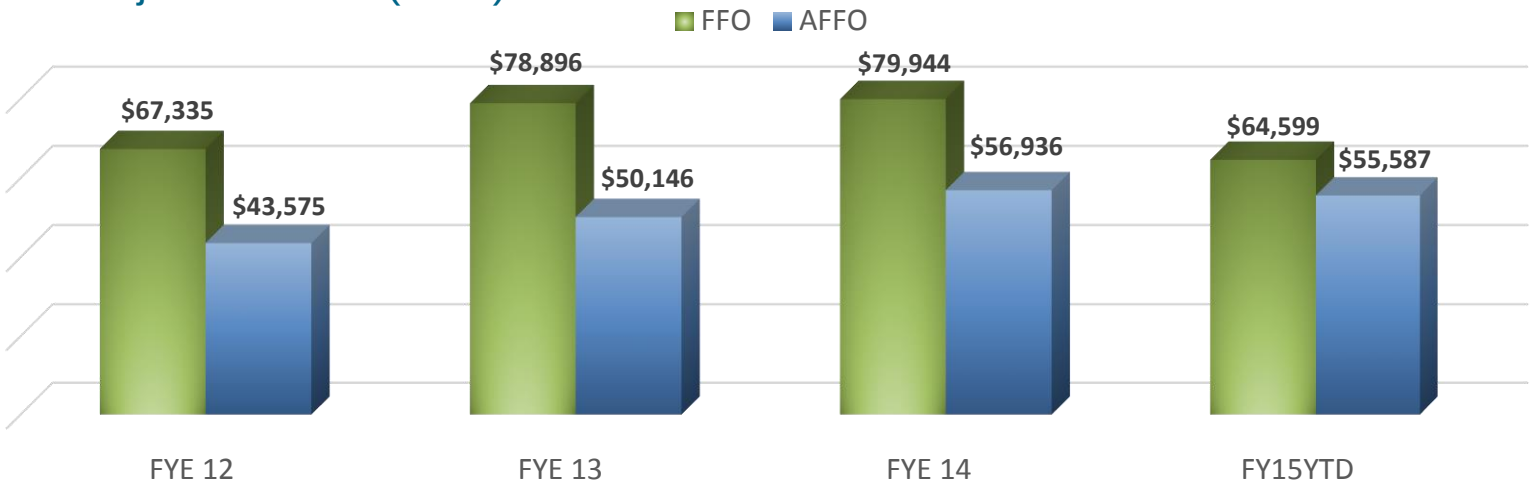


Q3 AFFO

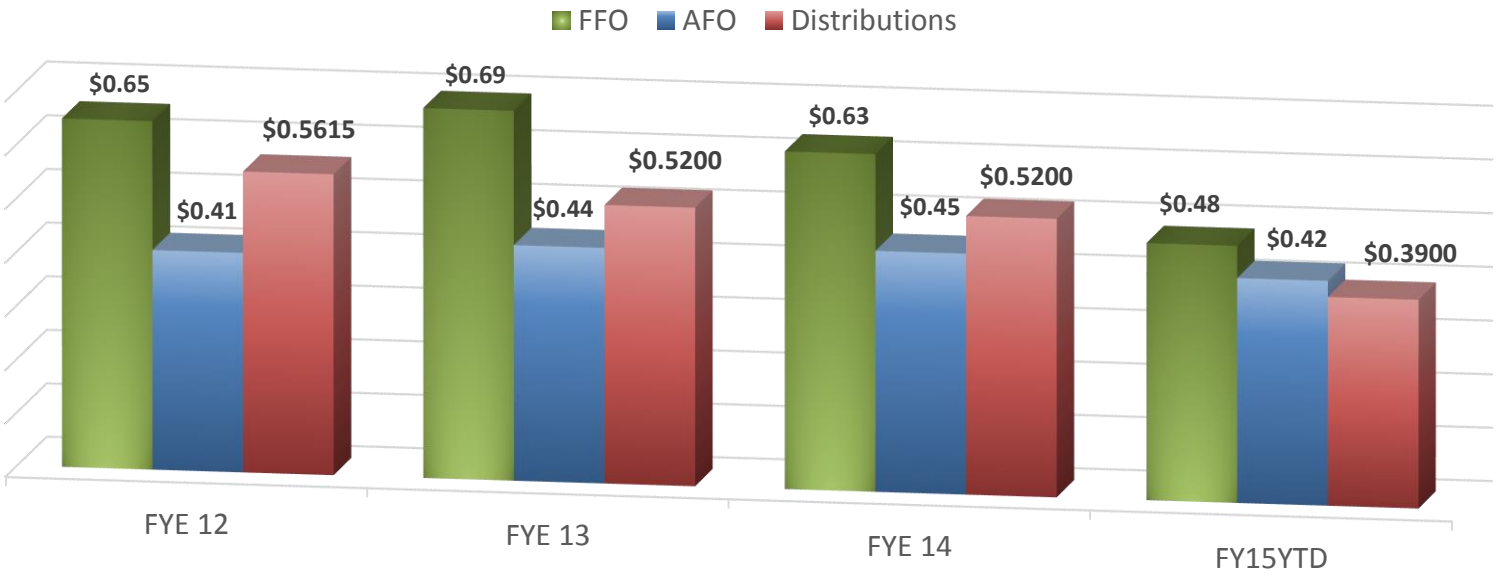


- Solid quarter with FFO of $0.17 cents per share for the third quarter ending January 31, 2015 which repeated the strong performance from the third quarter a year ago
- Reported AFFO at $0.15 per share for 3Q15 vs $0.11 cents per share for the comparative period a year ago

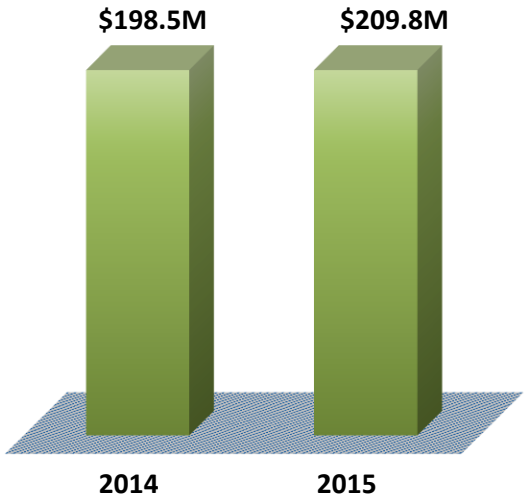
total FFO and adjusted AFFO (000s)



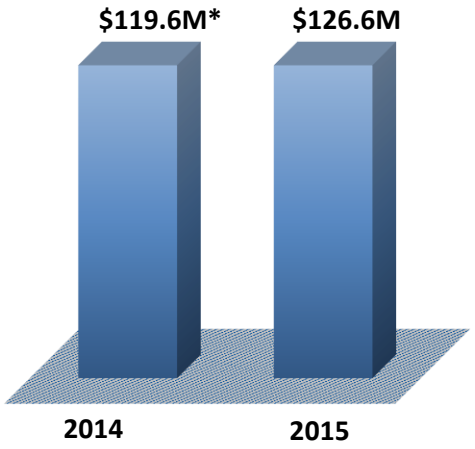
FFO and AFFO



Fiscal YTD Ending 1/31 Revenue



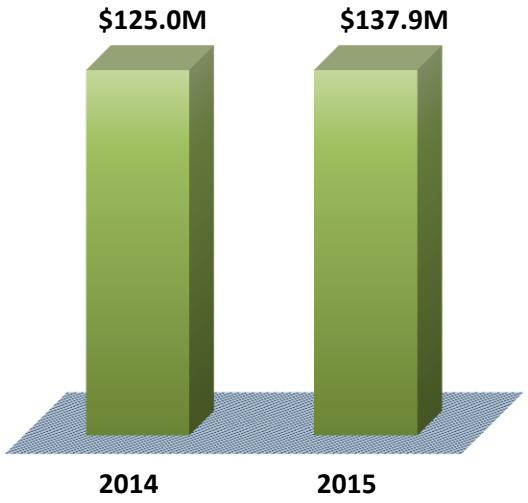
Fiscal YTD Ending 1/31 Net Operating Income



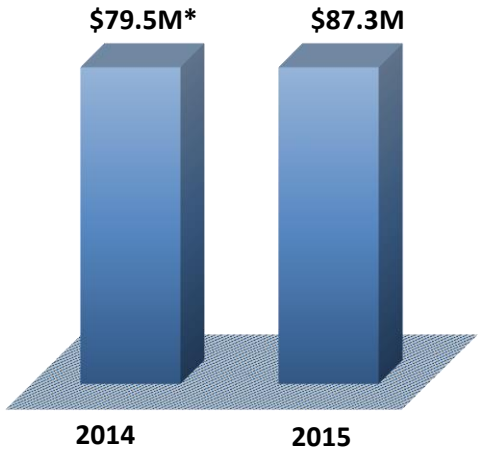
- Revenue in our reporting segments for the nine month period ending January 31, 2015 was $209.8 million, an increase of 5.7% from the prior comparative period
- Net Operating Income in our reporting segments for the nine month period ending January 31, 2015 was $126.6 million, an increase of 5.9% from the prior comparative period

*Excludes income from gain on involuntary conversion

Fiscal YTD Ending 1/31 MF and HC Revenue



Fiscal YTD Ending 1/31 MF and HC Net Operating Income



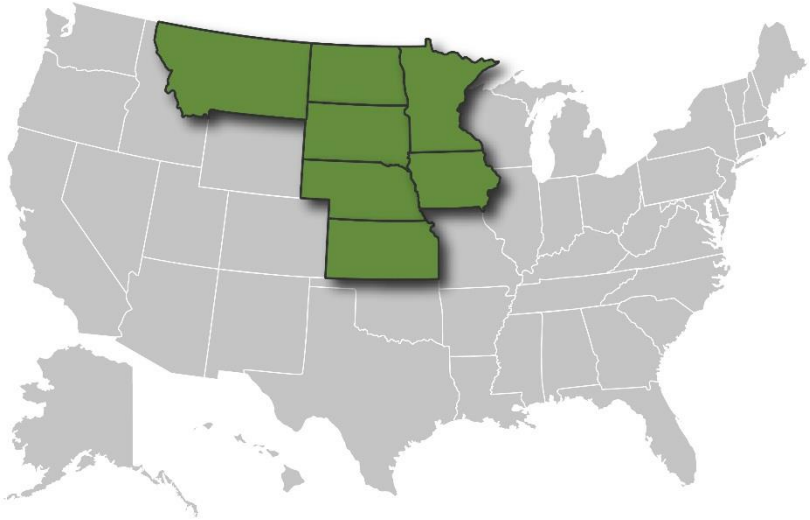
- Revenue in our multifamily and healthcare segments for the nine month period ending January 31, 2015 was $137.9 million, an increase of 10.3% from the prior comparative period
- Net Operating Income in our multifamily and healthcare segments for the nine month period ending January 31, 2015 was $87.3 million, an increase of 9.9% from the prior comparative period.

*Excludes income from gain on involuntary conversion

	1/31/2014	1/31/2015
Gross Real Estate Assets	$ 2,152,874	$ 2,234,828
Total Mortgage Debt	$ 1,031,024	$ 1,056,679
Net Debt	$ 977,530	$ 1,004,531
Market Equity Capitalization	$ 1,118,720	$ 1,126,389
Preferred	$ 143,750	$ 143,750
Total Enterprise Value	$ 2,240,000	$ 2,274,670
Adjusted EBITDA(1)	$ 155,156(2)	161,804(3)
Mortgage Interest Expense	$ 60,520(2)	58,380(3)
Net Debt / Gross Real Estate Assets	45.41%	44.95%
Net Debt / Enterprise Value	43.64%	44.16%
Net Debt / Adjusted EBITDA(1)	6.30	6.21
EBIDTA / Mortgage Interest Expense	2.56	2.77
Liquidity	$102,994	91,648
Weighted Avg. Interest Rate	5.48%	5.17%
FFO Payout Ratio	76.5%	76.5%
AFFO Payout Ratio	118.2%	86.7%

(1) EBITDA includes an add back for impairment
(2) 3QFY14 Data Annualized
(3) 3QFY15 Data Annualized

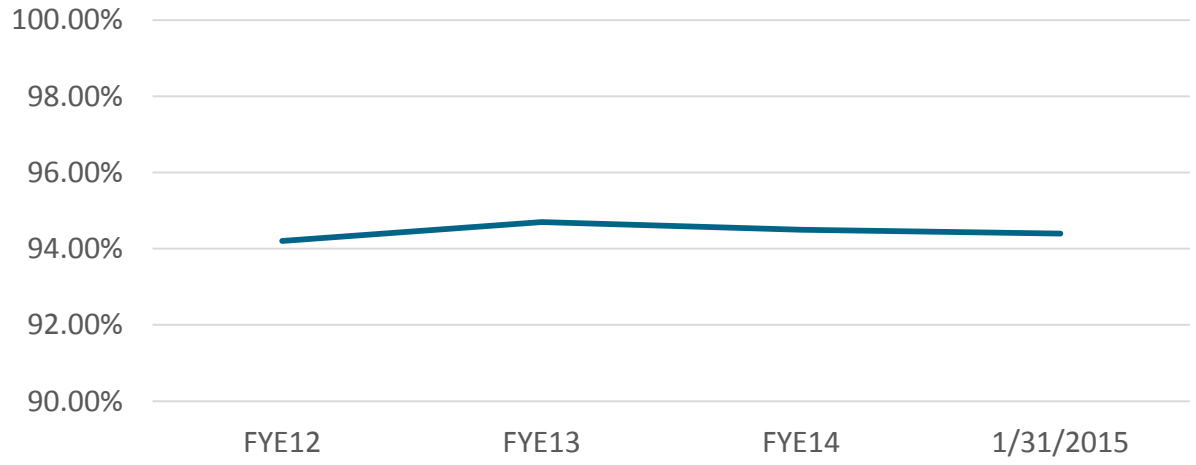
multi-family footprint



44.6% of portfolio

99 properties | 11,765 units

same-store occupancy



94.0%

same-store occupancy

Same-store Multi-Family occupancy has consistently remained above 93.0% over the past fourteen quarters

Montana

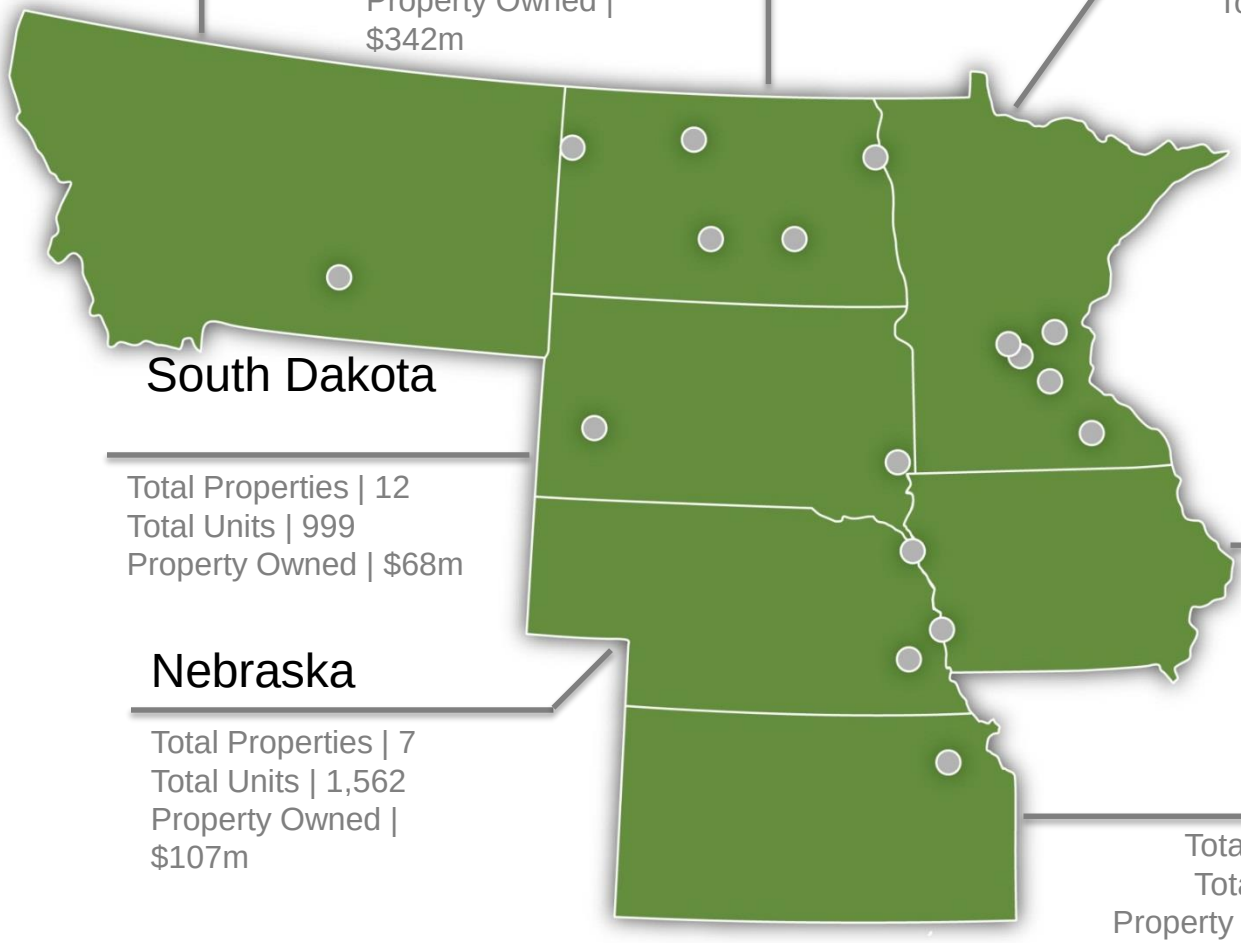
Total Properties | 6
Total Units | 770
Property Owned | $46m

North Dakota

Total Properties | 36*
Total Units | 3,580
Property Owned | $342m

Minnesota

Total Properties | 31*
Total Units | 3,560
Property Owned | $292m



South Dakota

Total Properties | 12
Total Units | 999
Property Owned | $68m

Iowa

Total Properties | 2
Total Units | 252
Property Owned | $13m

Nebraska

Total Properties | 7
Total Units | 1,562
Property Owned | $107m

Kansas

Total Properties | 5
Total Units | 1,042
Property Owned | $65m

*Includes Joint Venture properties



Renaissance Heights

IRET JV Participation | 70.0%
Williston, ND | 288 Units
Opened Spring 2014



Cypress Court II

IRET JV Participation | 86.1%
St. Cloud, MN | 64 Units
Opened Winter 2014-15



Northridge

Bismarck, ND | 68 Units
Opened Spring 2014
Purchased upon completion from developer



Dakota Commons

Williston, ND | 44 Units
Opened Summer 2014



Commons at Southgate

IRET JV Participation | 52.9%
Minot, ND | 233 Units
Opened Summer 2014



Deer Ridge

Jamestown, ND | 163 Units
Opening Summer 2015



Cardinal Point

Grand Forks, ND | 251 Units
Opening Summer 2015



Legacy Heights

Bismarck, ND | 119 Units
Opening Spring 2015



Chateau II

Minot, ND | 72 Units
Opening Spring 2015



The Gardens

Grand Forks, ND | 74 Units
Opening Spring 2015
Under contract to purchase upon completion



71 France

IRET JV Participation | 52.6%
Edina, MN | 109 Units
Opening Summer 2015



Red 20

IRET JV Participation | 58.6 %
Minneapolis, MN | 130 Units
Opened Winter 2014-15



71 France | Phases II & III

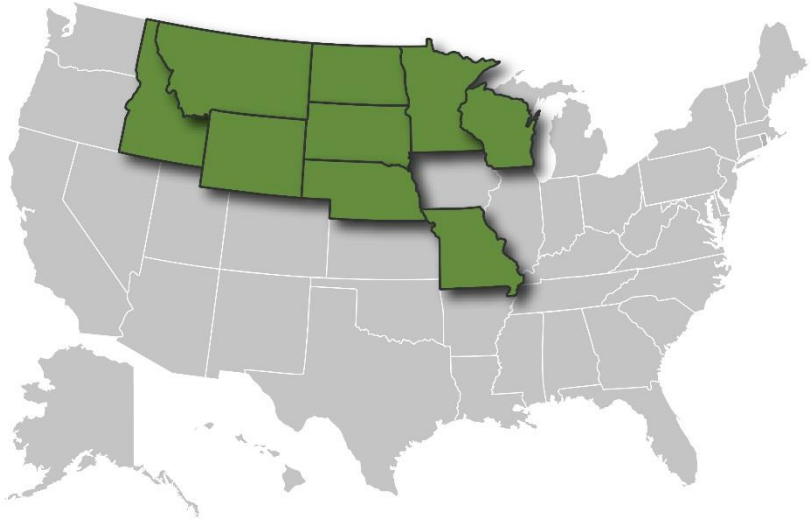
IRET JV Participation | 52.6%
Edina, MN | 132 Units
P II – Opening Fall 2015
P III – Opening Summer 2016



Arcata

Golden Valley, MN | 165 Units
Opened Winter 2014-15

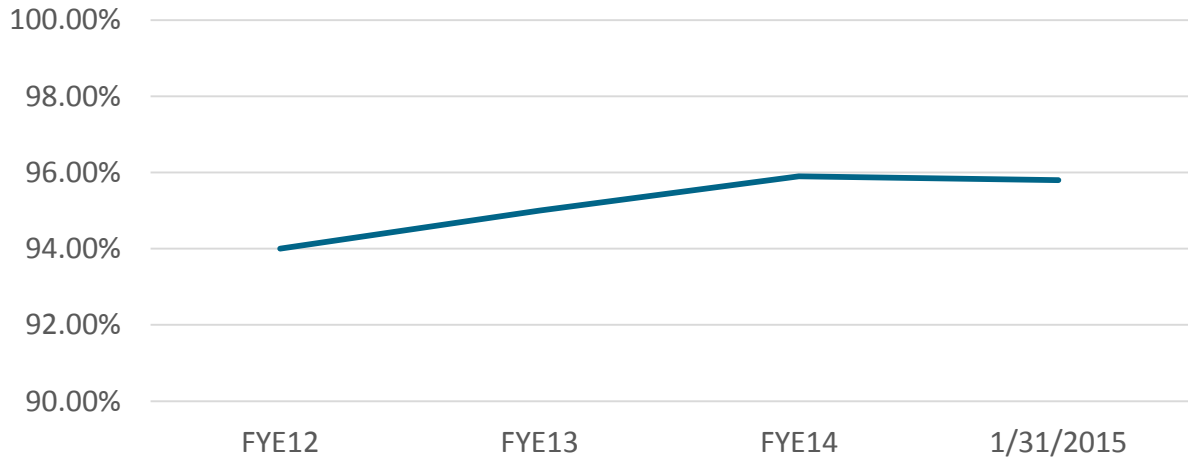
healthcare footprint



24.8% of portfolio

67 properties | 3.0 million Sq. Ft.

same-store occupancy



95.8%

same-store occupancy

Same-store Healthcare occupancy has consistently remained above 94.0% over the past twelve quarters

Montana

Total Properties | 6
Total Sq. Ft. | 66,782
Property Owned | $9m

North Dakota

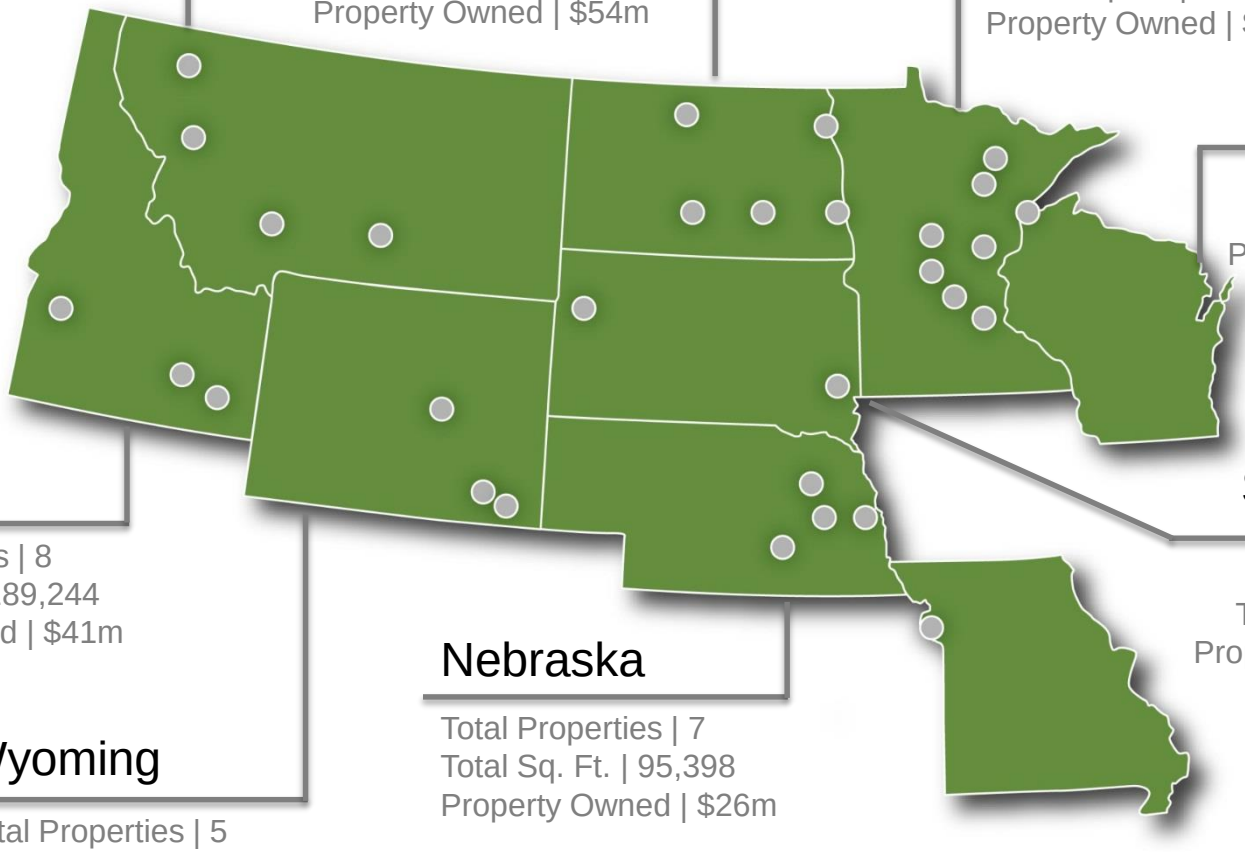
Total Properties | 5
Total Sq. Ft. | 420,023
Property Owned | $54m

Minnesota

Total Properties | 32
Total Sq. Ft. | 1.8 million
Property Owned | $325m

Wisconsin

Total Properties | 1
Total Sq. Ft. | 28,928
Property Owned | $4m



Idaho

Total Properties | 8
Total Sq. Ft. | 189,244
Property Owned | $41m

South Dakota

Total Properties | 2
Total Sq. Ft. | 95,926
Property Owned | $10m

Nebraska

Total Properties | 7
Total Sq. Ft. | 95,398
Property Owned | $26m

Wyoming

Total Properties | 5
Total Sq. Ft. | 286,854
Property Owned | $48m

Missouri

Total Properties | 1
Total Sq. Ft. | 18,502
Property Owned | $3m



PrairieCare Medical

Brooklyn Park, MN
72,895 Sq. Ft.
Opening Fall 2015



Spring Creek Fruitland

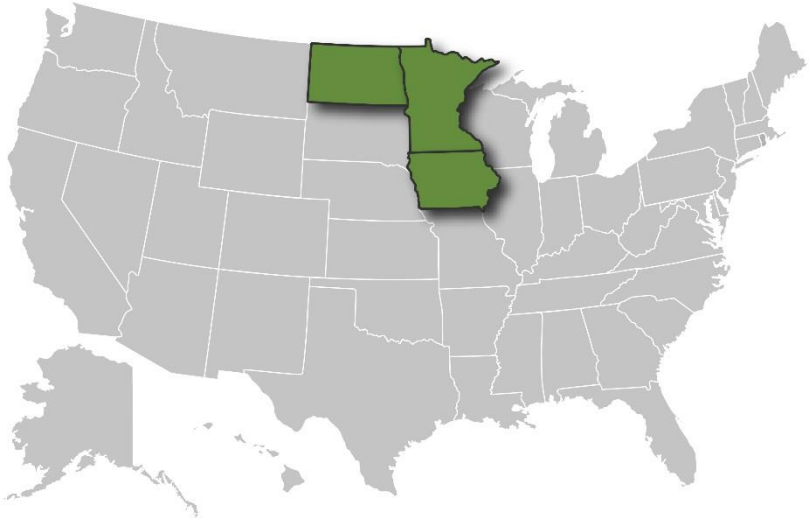
Fruitland, ID
39,222 Sq. Ft.
Opened Early 2014



Edina SMC III

Edina, MN
57,479 Sq. Ft.
Opening Fall 2015

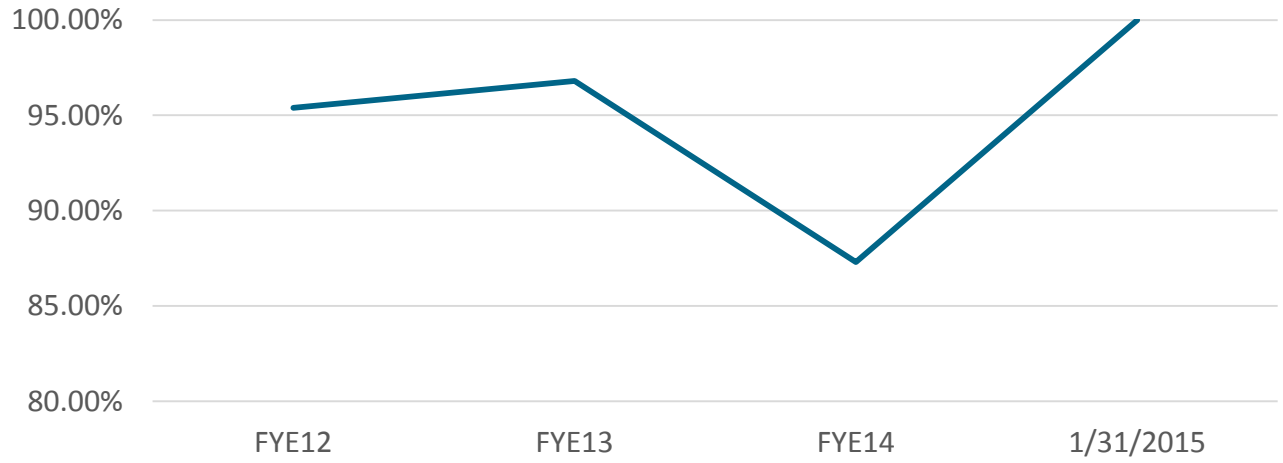
industrial footprint



2.4% of portfolio

7 properties | 1.0 million Sq. Ft.

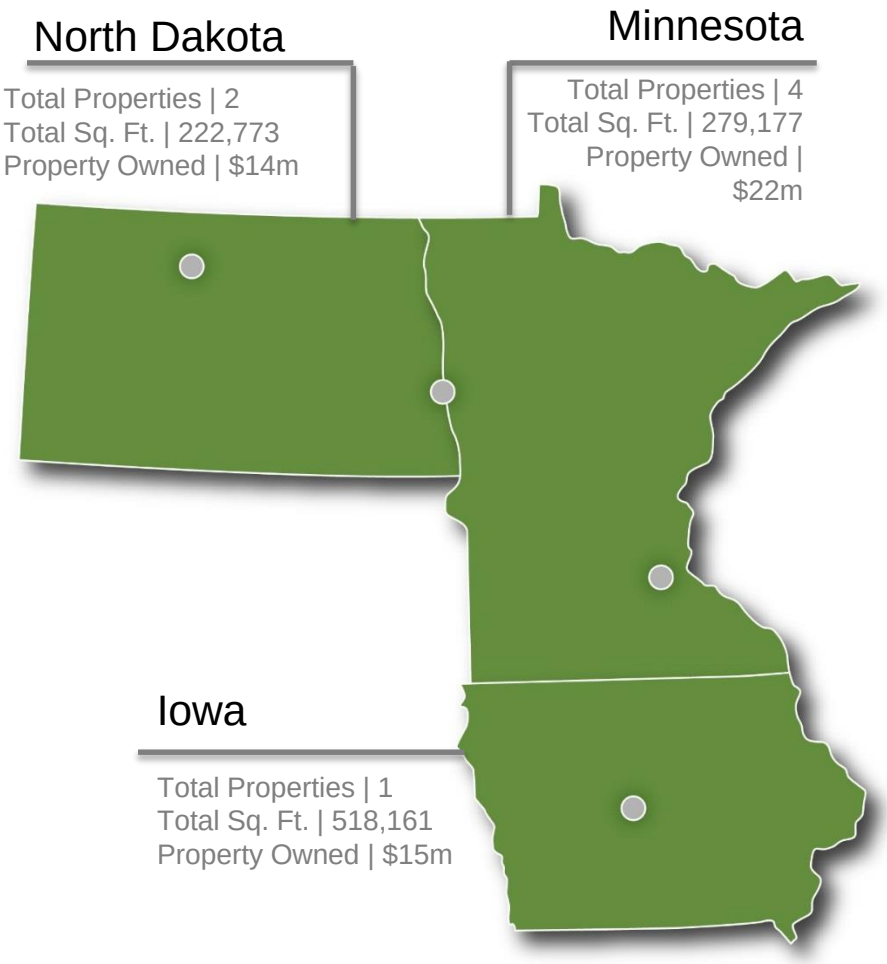
same-store occupancy



100.0%

same-store occupancy

Same-store Industrial occupancy has remained at 100.0% over the past three quarters



developments in progress



Roseville 3075*

Roseville, MN
202,807 Sq. Ft.
Opened Spring of 2015

*Not included in totals calculated 1/31/15. Roseville 3075 opened February 2015

leadership	slide 20
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consolidated statement of operations	slide 23
condensed consolidated balance sheets	slide 24
Q&A	slide 25
forward-looking statement	slide 26



Timothy P. Mihalick

President &
Chief Executive Officer



Diane K. Bryantt

Executive Vice President
& Chief Operating Officer



Ted E. Holmes

Executive Vice President
& Chief Financial Officer



Mark W. Reiling

Executive Vice President
& Chief Investment Officer

"We continue to execute on our growth strategy for our multifamily residential and healthcare segments, and on our disposition strategy in our commercial segments. We are pleased with the continued strength of our multifamily residential portfolio, in particular the new development projects that we have coming online in that segment, which are stabilizing with returns exceeding our projections. "

-- President and CEO Timothy Mihalick

stock information

(share data as of 3/31/15)

IRET LISTED NYSE

$ 7.50 stock price

137,674,000 shares and units outstanding

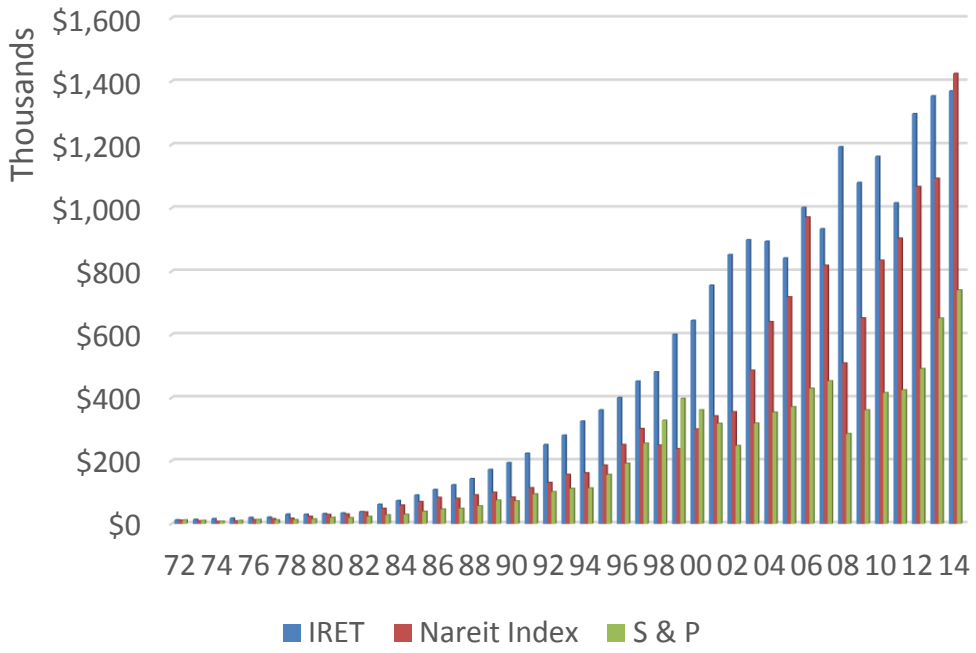
$1.03B market cap

6.9% dividend yield

$0.13 common share quarterly distribution

$0.52 annualized common share distribution

shareholder returns



Investors Real Estate Trust and Subsidiaries

(in thousands, except per share and unit data)	1/31/2015	10/31/2014	7/31/2014	4/30/2014	1/31/2014
		Three Months Ended			
Funds From Operations[1]					
Net income (loss) attributable to Investors Real Estate Trust	**$ 8,371**	$ 5,114	$ (151)	$ (28,542)	$ 3,503
Less dividends to preferred shareholders	**(2,879)**	(2,878)	(2,879)	(2,878)	(2,879)
Net (loss) income available to common shareholders	**5,492**	2,236	(3,030)	(31,420)	624
Adjustments:					
Noncontrolling interests – Operating Partnership	**657**	363	(402)	(6,082)	130
Depreciation and amortization	**17,706**	17,624	17,037	17,239	17,546
Impairment of real estate investments	**540**	3,245	2,320	37,768	4,798
Loss (Gain) on depreciable property sales	**(951)**	(1,231)	2,993	51	(358)
Funds from operations applicable to common shares and Units	**$ 23,444**	$ 22,237	$ 18,918	$ 17,556	$ 22,740
FFO per share and unit - basic and diluted	**0.17**	0.17	$0.14	0.14	0.17
Adjusted funds from operations[1]					
Funds from operations applicable to common shares and Units	**$ 23,444**	$ 22,237	$ 18,918	$ 17,556	$ 22,740
Adjustments:					
Tenant improvements at same-store properties [2]	**(1,984)**	(542)	(2,169)	(1,610)	(4,205)
Leasing costs at same-store properties [2]	**(358)**	(699)	(578)	(1,038)	(1,219)
Recurring capital expenditures[1] [2]	**(1,865)**	(1,567)	(1,386)	(1,118)	(1,093)
Straight-line rents	**184**	(103)	(268)	(70)	(818)
Non-real estate depreciation	**94**	96	99	102	99
Share-based compensation expense [3]	**260**	601	1,073	272	272
Gain on involuntary conversion	**0**	0	0	0	(1,514)
Adjusted funds from operations applicable to common shares and Units	**$ 19,775**	$ 20,023	$ 15,689	$ 14,094	$ 14,262
AFFO per share and unit - basic and diluted	**0.15**	0.15	0.12	0.11	0.11
Weighted average shares and units	**135,315**	133,295	131,332	129,244	128,027

(1) Please refer to the definitions page of our January 31, 2015 earnings release for the definitions of Funds From Operations, Adjusted Funds From Operations, Recurring Capital Expenditures and other terms referenced within this presentation
(2) Quarterly information is for properties in the same-store pool at that point in time; consequently, quarterly numbers may not total to year-to-date numbers
(3) Three months ended 7/31/14, 4/30/14, and 1/31/14,revised to include trustee share-based compensation expense

(in thousands, except per share data)	Three Months Ended January 31		Nine Months Ended January 31	
	2015	**2014**	**2015**	**2014**
REVENUE				
Real estate rentals	**$ 60,440**	56,156	**$ 176,401**	164,256
Tenant reimbursement	**11,513**	11,473	**33,431**	34,243
TRS senior housing revenue	**963**	804	**2,599**	804
TOTAL REVENUE	**72,916**	68,433	**212,431**	199,303
EXPENSES				
Depreciation/amortization related to real estate investments	**16,834**	16,733	**49,846**	51,156
Utilities	**5,367**	5,042	**15,141**	15,173
Maintenance	**7,799**	7,828	**23,391**	22,719
Real estate taxes	**8,816**	7,679	**25,583**	24,415
Insurance	**1,479**	1,190	**4,560**	3,904
Property management expenses	**4,746**	4,064	**13,731**	12,383
Other property expenses	**227**	124	**783**	304
TRS senior housing expenses	**825**	671	**2,243**	671
General and administrative	**3,242**	2,935	**10,986**	9,572
Amortization related to non-real estate investments	**916**	756	**2,628**	2,500
Impairment of real estate investments	**540**	4,798	**6,105**	4,798
TOTAL EXPENSES	**50,791**	51,820	**154,997**	147,595
Gain on involuntary conversion	**0**	1,514	**0**	2,480
Operating income	**22,125**	18,127	**57,434**	54,188
Interest expense	**(14,595)**	(15,130)	**(43,858)**	(44,525)
Interest income	**561**	573	**1,681**	1,346
Other income	**109**	34	**376**	123
Income before gain (loss) on sale of real estate and other investments and income from discontinued operations	**8,200**	3,604	**15,633**	11,132
Gain (loss) on sale of real estate and other investments	**951**	0	**(811)**	0
Income from continuing operations	**9,151**	3,604	**14,822**	11,132
Income from discontinued operations	**0**	465	**0**	6,450
NET INCOME	**9,151**	4,069	**14,822**	17,582
Net income attributable to noncontrolling interests – Operating Partnership	**(657)**	(130)	**(618)**	(1,406)
Net income attributable to noncontrolling interests – consolidated real estate entities	**(123)**	(436)	**(870)**	(808)
Net income attributable to Investors Real Estate Trust	**8,371**	3,503	**13,334**	15,368
Dividends to preferred shareholders	**(2,879)**	(2,879)	**(8,636)**	(8,636)
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	**$ 5,492**	624	**$ 4,698**	6,732
Earnings per common share from continuing operations – Investors Real Estate Trust – basic and diluted	**$ .05**	.00	**$ .04**	.01
Earnings per common share from discontinued operations – Investors Real Estate Trust – basic and diluted	**.00**	.00	**.00**	.05
NET INCOME PER COMMON SHARE – BASIC AND DILUTED	**$ .05**	.00	**$ .04**	.06
DIVIDENDS PER COMMON SHARE	**$ .1300**	**.1300**	**$ .3900**	.3900

(in thousands, except share data)	January 31, 2015	April 30, 2014
ASSETS		
Real estate investments		
Property owned	$ 2,093,148	1,996,031
Less accumulated depreciation	(439,153)	(424,288)
	1,653,995	1,571,743
Development in progress	114,005	104,609
Unimproved land	27,675	22,864
Total real estate investments	1,795,675	1,699,216
Real estate held for sale	44,259	2,951
Cash and cash equivalents	52,148	47,267
Other investments	329	329
Receivable arising from straight-lining of rents, *net of allowance of $714 and $796, respectively*	27,169	27,096
Accounts receivable, *net of allowance $445 and $248, respectively*	5,574	10,206
Real estate deposits	7,494	145
Prepaid and other assets	5,580	4,639
Intangible assets, *net of accumulated amortization of $25,423 and $24,071, respectively*	28,475	32,639
Tax, insurance, and other escrow	11,277	20,880
Property and equipment, *net of accumulated depreciation of $1,364 and $2,041, respectively*	1,619	1,681
Goodwill	1,940	1,100
Deferred charges and leasing costs, *net of accumulated amortization of $21,020 and $21,068, respectively*	19,803	21,072
TOTAL ASSETS	$ 2,001,342	1,869,221
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts payable and accrued expenses	$ 69,901	59,105
Revolving line of credit	50,500	22,500
Mortgages payable	1,006,179	997,689
Other	132,210	63,178
TOTAL LIABILITIES	1,258,790	1,142,472
COMMITMENTS AND CONTINGENCIES		
REDEEMABLE NONCONTROLLING INTERESTS – CONSOLIDATED REAL ESTATE ENTITIES	6,340	6,203
EQUITY		
Investors Real Estate Trust shareholders' equity		
Series A Preferred Shares of Beneficial Interest *(Cumulative redeemable preferred shares, no par value, 1,150,000 shares issued and outstanding at January 31, 2015 and April 30, 2014, aggregate liquidation preference of $28,750,000)*	27,317	27,317
Series B Preferred Shares of Beneficial Interest *(Cumulative redeemable preferred shares, no par value, 4,600,000 shares issued and outstanding at January 31, 2015 and April 30, 2014, aggregate liquidation preference of $115,000,000)*	111,357	111,357
Common Shares of Beneficial Interest *(Unlimited authorization, no par value, 122,134,143 shares issued and outstanding at January 31, 2015, and 109,019,341 shares issued and outstanding at April 30, 2014)*	935,287	843,268
Accumulated distributions in excess of net income	(430,282)	(389,758)
Total Investors Real Estate Trust shareholders' equity	643,679	592,184
Noncontrolling interests – Operating Partnership *(14,397,983 units at January 31, 2015 and 21,093,445 units at April 30, 2014)*	61,177	105,724
Noncontrolling interests – consolidated real estate entities	31,356	22,638
Total equity	736,212	720,546
TOTAL LIABILITIES AND EQUITY	$ 2,001,342	1,869,221

Q & A

Certain statements in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from expected results. Such risks, uncertainties and other factors include, but are not limited to changes in general and local economic and real estate market conditions, the timing and pricing of lease transactions, the availability and cost of capital, fluctuations in interest rates, tenants’ financial conditions, level of competition, the effect of government regulation, the impact of newly adopted accounting principles, and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2014 Form 10-K and subsequent Quarterly Reports on Form 10-Q. We assume no obligations to update or supplement forward-looking statements that become untrue because of subsequent events.

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