IRET

INVESTORS REAL ESTATE TRUST

Investor Presentation August 2015

(all information in this presentation is as of 4/30/15, unless otherwise noted)

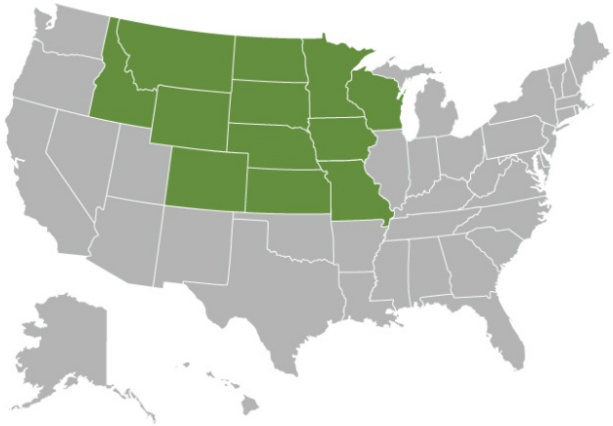
$2.1 Billion of Property Owned*

Properties

249 properties in 12 states

11,844 apartment units

9.6 million commercial sq. ft.



430+ Employees



Multi-family | $947m



Healthcare | $498m



Industrial | $61m



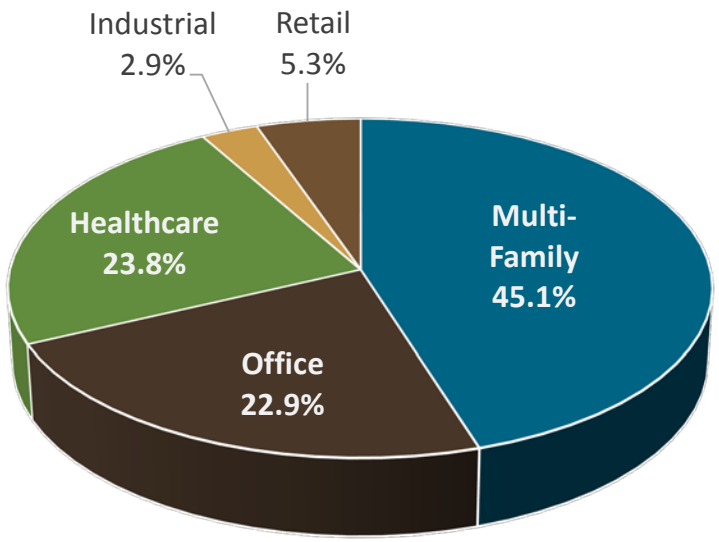
Office | $481m



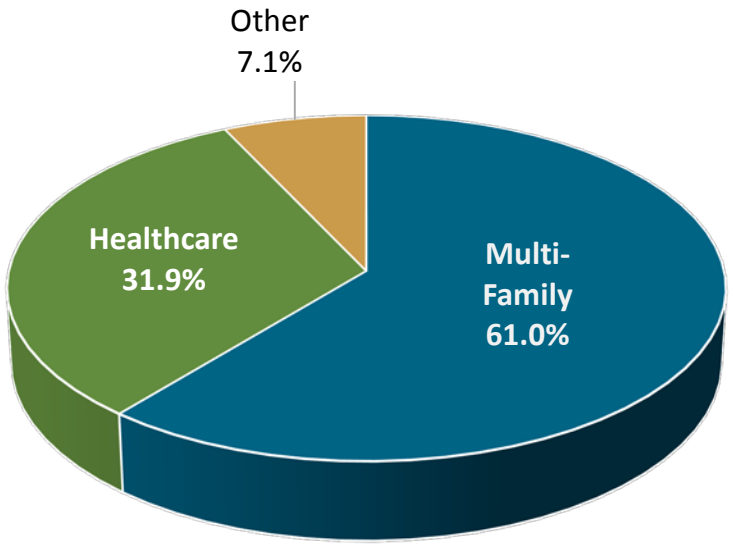
Retail | $112m

*Property data as of fiscal year end, April 30, 2015

Portfolio breakdown as of 4/30/2015



Estimated Breakdown after Dispositions



Management Objectives

- *Placed into service by the end of our fiscal third quarter ~ $205 million in new development*
- *Successfully close on the sale of our Retail portfolio*
- *Redeploy sales proceeds in an appropriate combination of:*
  - *Acquisition* – Recently announced 276 units in Rochester, MN
  - *New Development* – 202 units in Monticello, MN
  - *Share Repurchase Program* – Board authorized $50 million
  - *Deleveraging* - $66 million paid down on line of credit
- *Resultant goal:*
  - Execute consistently higher portfolio performance
  - Drive continued earnings and cash flow growth

Recent Announcements

Signing of a purchase agreement for a 276-unit multifamily community in Rochester, MN for $56 million. This Class A townhome-style property will add to the Company's growing portfolio in this robust market.





Construction to commence on our new 202-unit Class A apartment community in Monticello, MN.



Regions	Apartment Units	FY2015 % of Actual NOI	FY2015 Average Rental Rate (1)	FY2015 Weighted Average Occupancy	Increase (Decrease) From Prior Fiscal Year				
					Revenues	Expenses	NOI	Average Rental Rate(1)	Economic Occupancy
Billings, MT	**770**	8.6%	**$875**	96.9%	**4.7%**	(2.0%)	**9.5%**	3.1%	**1.5%**
Bismarck, ND	**682**	8.6%	**$957**	95.9%	**1.9%**	9.1%	**(2.0%)**	5.3%	**(3.3%)**
Grand Forks, ND	**1,135**	12.0%	**$890**	96.8%	**4.5%**	7.8%	**2.1%**	4.5%	**0.0%**
Jamestown, ND	**81**	0.9%	**$937**	100.0%	**4.6%**	8.3%	**2.0%**	4.7%	**0.0%**
Minot, ND	**626**	8.7%	**$1,055**	97.6%	**2.6%**	14.7%	**(3.7%)**	5.3%	**(2.6%)**
Omaha, NE	**1,562**	14.0%	**$843**	91.5%	**2.6%**	0.4%	**4.6%**	1.2%	**1.3%**
Rapid City, SD	**270**	2.5%	**$812**	97.0%	**0.8%**	1.1%	**0.5%**	1.1%	**(0.4%)**
Rochester, MN	**1,104**	13.7%	**$1,023**	94.4%	**5.0%**	(0.5%)	**9.2%**	4.1%	**1.0%**
Sioux Falls, SD	**777**	6.0%	**$782**	97.0%	**3.4%**	4.9%	**1.7%**	4.0%	**(0.5%)**
St. Cloud, MN*	**1,701**	10.4%	**$707**	91.8%	**5.8%**	1.1%	**12.6%**	1.9%	**3.7%**
Topeka, KS	**1,042**	8.2%	**$741**	93.2%	**2.2%**	(2.1%)	**6.5%**	0.0%	**2.1%**
Williston, ND	**145**	6.4%	**$2,768**	95.2%	**(2.6%)**	10.4%	**(6.1%)**	0.3%	**(2.8%)**
Same-Store Property Totals	**9,895**	100.0%	**$883**	94.5%	**3.4%**	2.9%	**3.8%**	2.6%	**0.7%**

(1) Average rental rate is defined as total rental revenues divided by the weighted average occupied apartments units for the period.
**Minneapolis-St. Paul assets are contained in the St. Cloud region*

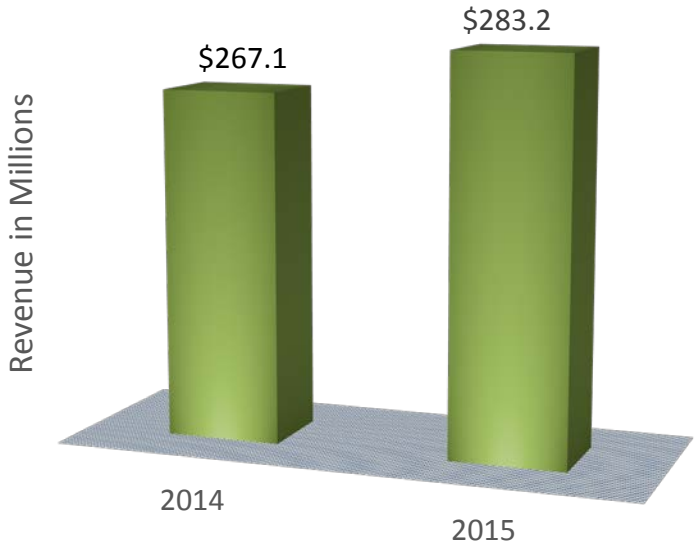
Regions	Apartment Units	FY15Q4 % of Actual NOI	FY15Q4 Average Rental Rate (1)	FY15Q4 Weighted Average Occupancy	Increase (Decrease) From Prior Quarter				
					Revenues	Expenses	NOI	Average Rental Rate(1)	Occupancy
Billings, MT	**770**	8.5%	**$879**	96.2%	**0.2%**	1.6%	**(0.6%)**	3.2%	**(2.9%)**
Bismarck, ND	**682**	8.1%	**$972**	92.4%	**(0.8%)**	(7.9%)	**4.3%**	5.4%	**(5.8%)**
Grand Forks, ND	**1,135**	11.3%	**$902**	94.5%	**(0.4%)**	(7.7%)	**6.9%**	4.0%	**(4.2%)**
Jamestown, ND	**81**	0.9%	**$960**	100.0%	**1.1%**	(10.7%)	**12.9%**	1.2%	**0.0%**
Minot, ND	**626**	8.5%	**$1,067**	96.8%	**0.6%**	(10.4%)	**9.2%**	3.0%	**(2.3%)**
Omaha, NE	**1,562**	14.3%	**$847**	92.2%	**1.6%**	(0.6%)	**3.5%**	6.8%	**(4.9%)**
Rapid City, SD	**270**	2.7%	**$812**	96.3%	**0.6%**	(26.1%)	**33.5%**	2.9%	**(2.3%)**
Rochester, MN	**1,104**	14.4%	**$1,034**	95.6%	**1.4%**	(5.1%)	**6.0%**	4.4%	**(2.9%)**
Sioux Falls, SD	**777**	6.1%	**$786**	96.9%	**0.9%**	2.9%	**(1.3%)**	2.9%	**(2.0%)**
St. Cloud, MN*	**1,701**	10.4%	**$717**	91.2%	**(1.4%)**	(1.6%)	**(1.2%)**	5.4%	**(6.6%)**
Topeka, KS	**1,042**	8.6%	**$742**	93.7%	**1.1%**	(2.7%)	**4.5%**	5.2%	**(4.0%)**
Williston, ND	**145**	6.2%	**$2,878**	91.7%	**0.5%**	19.3%	**(5.0%)**	8.8%	**(7.6%)**
Same-Store Property Totals	**9,895**	100.0%	**$891**	94.0%	**0.4%**	(3.6%)	**3.8%**	4.7%	**(4.2%)**

(1) Average rental rate is defined as total rental revenues divided by the weighted average occupied apartments units for the period.
**Minneapolis-St. Paul assets are contained in the St. Cloud region*

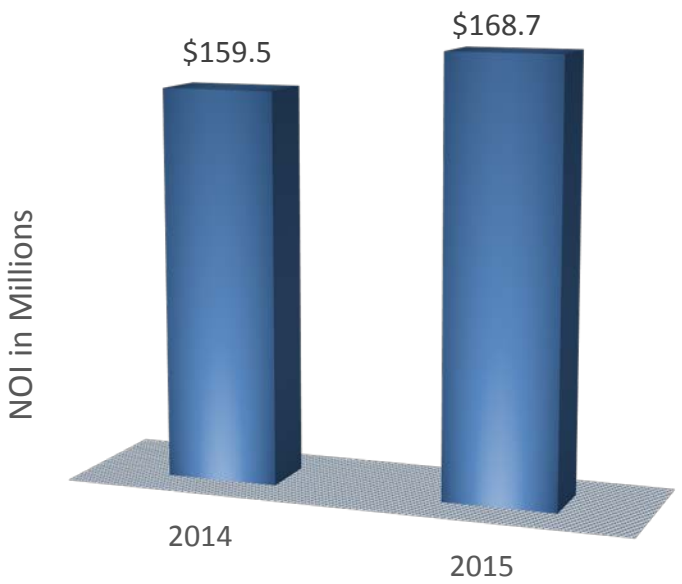
Regions	Apartment Units	FY15Q4 % of Actual NOI	FY15Q4 Average Rental Rate (1)	FY15Q4 Weighted Average Occupancy	4th Quarter Increase (Decrease) From Prior Year's 4th Quarter				
					Revenues	Expenses	NOI	Average Rental Rate(1)	Occupancy
Billings, MT	**770**	8.5%	**$879**	96.2%	**4.4%**	(15.7%)	**23.8%**	2.8%	**1.5%**
Bismarck, ND	**682**	8.1%	**$972**	92.4%	**(1.2%)**	(3.0%)	**0.0%**	5.2%	**(6.0%)**
Grand Forks, ND	**1,135**	11.3%	**$902**	94.5%	**1.9%**	(7.9%)	**12.1%**	4.8%	**(2.7%)**
Jamestown, ND	**81**	0.9%	**$960**	100.0%	**6.1%**	0.8%	**10.7%**	6.1%	**0.0%**
Minot, ND	**626**	8.5%	**$1,067**	96.8%	**1.1%**	25.6%	**(10.2%)**	3.6%	**(2.4%)**
Omaha, NE	**1,562**	14.3%	**$847**	92.2%	**6.6%**	(3.8%)	**17.3%**	0.8%	**5.6%**
Rapid City, SD	**270**	2.7%	**$812**	96.3%	**0.1%**	(27.0%)	**34.0%**	0.9%	**(0.8%)**
Rochester, MN	**1,104**	14.4%	**$1,034**	95.6%	**10.3%**	(12.3%)	**32.0%**	5.0%	**5.1%**
Sioux Falls, SD	**777**	6.1%	**$786**	96.9%	**1.6%**	(4.3%)	**8.9%**	2.7%	**(1.2%)**
St. Cloud, MN*	**1,701**	10.4%	**$717**	91.2%	**5.5%**	(8.7%)	**32.9%**	2.1%	**3.3%**
Topeka, KS	**1,042**	8.6%	**$742**	93.7%	**3.0%**	(7.1%)	**13.3%**	0.5%	**2.4%**
Williston, ND	**145**	6.2%	**$2,878**	91.7%	**(1.8%)**	0.3%	**(2.6%)**	3.3%	**(5.0%)**
Same-Store Property Totals	**9,895**	100.0%	**$891**	94.0%	**3.9%**	(6.5%)	**13.9%**	2.6%	**1.2%**

(1) Average rental rate is defined as total rental revenues divided by the weighted average occupied apartments units for the period.
**Minneapolis-St. Paul assets are contained in the St. Cloud region*

Fiscal 2015 Revenue



Fiscal 2015 Net Operating Income

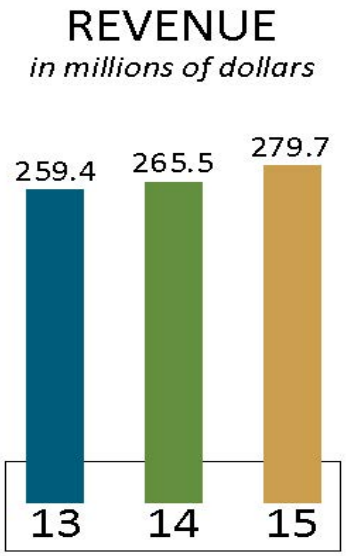


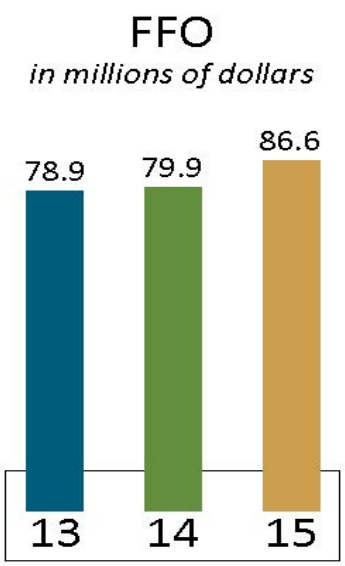
- Total revenue for the company for the fiscal year ending April 30, 2015 was $283.2 million, an increase of 6% from the prior fiscal year

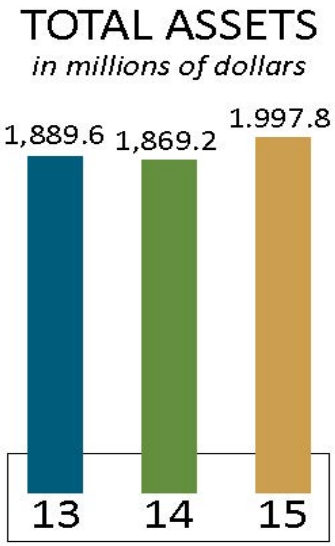
- Net Operating Income in our reporting segments for the fiscal year ended April 30, 2015 was $168.7 million, an increase of 5.8% from the prior fiscal year.

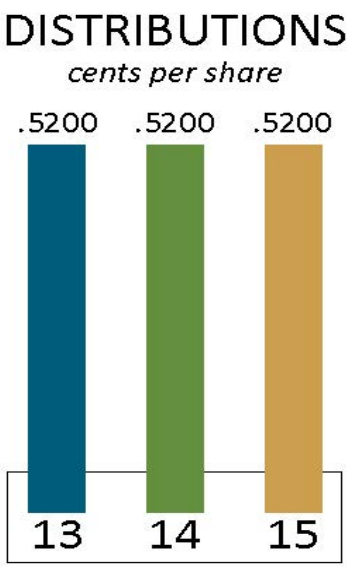
*Excludes income from gain on involuntary conversion.

3-year Financial Overview









	Fiscal Year End 4/30/2015
Gross Real Estate Assets(1)	$2,123,864
Total Mortgage Debt	$1,035,328
Net Debt	$986,358
Market Equity Capitalization	$1,142,257
Preferred	$143,750
Total Enterprise Value	$2,272,365
Adjusted EBITDA(2)	$158,240
Mortgage Interest Expense	$60,648(3)
Net Debt / Gross Real Estate Assets	46.44%
Net Debt / Enterprise Value	43.41%
Net Debt / Adjusted EBITDA(2)	6.23
Liquidity	$78,470
Weighted Average Interest Rate	5.16%
FFO Payout Ratio	81.3%
AFFO Payout Ratio	95.0%

(1) Gross Real Estate Assets does not include Developments in Progress
(2) Adjusted EBITDA includes add backs for impairment and is 4th quarter EBITDA annualized
(3) 4th quarter annualized

Q & A

Leadership Slide 14

Stock Overview Slide 15

Forward-looking Statement Slide 16



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

"Our Board of Trustees and executive management strongly believe that the value of our strategy to focus the portfolio, deliver on our development plan, and grow earnings with a stronger balance sheet are not reflected by the Company's current stock price. The share repurchase authorization demonstrates our confidence in the strength of our business and commitment to delivering shareholder value."

-- President and CEO Timothy Mihalick

Stock information

(share data as of 6/30/15)

IRET
INVESTORS REAL ESTATE TRUST
NYSE: IRET

$7.14 stock price

138,795,967 shares and units outstanding

$991M market cap

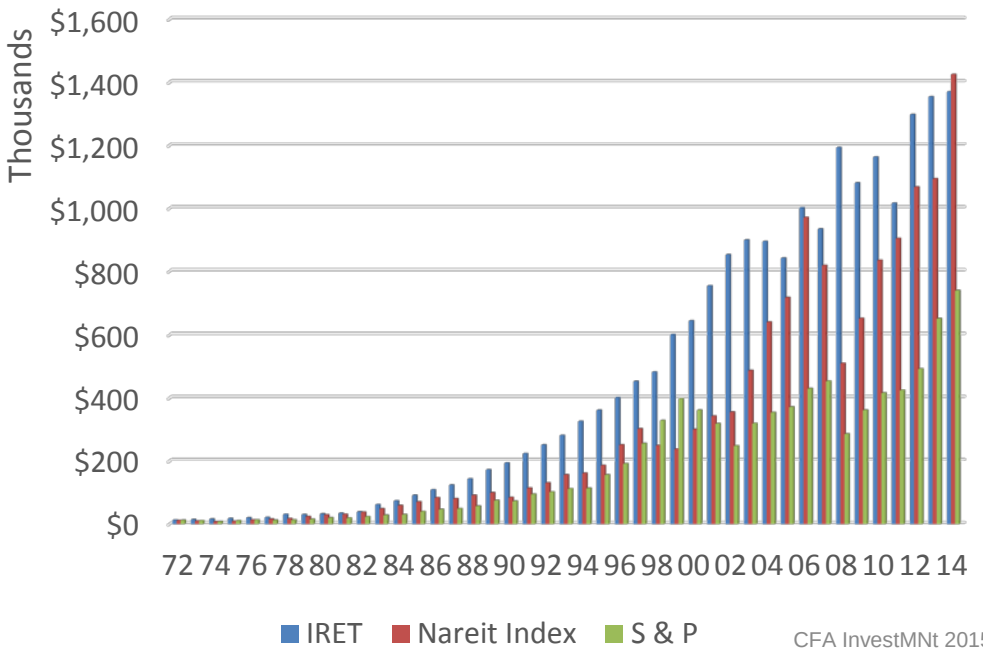
$0.13 common share quarterly distribution

$0.52 annualized common share distribution

7.3% dividend yield

Shareholder returns

(shareholder return data as of 12/31/14)



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 2015 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.

Certain of the financial measures appearing in this slide presentation may be non-GAAP financial measures. Management believes that these non-GAAP financial measures provide additional appropriate measures of our operating results. While we believe these non-GAAP financial measures are useful in evaluating our company, the information should be considered supplemental in nature and not a substitute for information prepared in accordance with GAAP. Supplemental financial disclosures for any non-GAAP financial measures in this presentation, including the most directly comparable GAAP measure and associated reconciliation, are provided in our most recent quarterly supplemental report, which is available on our website at www.iret.com.



IRET

INVESTORS REAL ESTATE TRUST

45 Years IN BUSINESS