IRET

IRET Chicago Roadshow

September 2015






Completed Objectives

Highlights	Commentary
Covered Dividend with AFFO	✓ Increased AFFO Coverage from 0.9x to 1.1x ✓ AFFO increased from $58.1mm to $73.7mm
Decreased Debt	✓ Since 2012, annual net debt to adjusted EBITDA decreased from 7.8x to 6.4x ■ During 2015, quarterly net debt to adjusted EBITDA decreased from 6.9x to 6.2x
Exiting Non-Core Assets	✓ Closed on sale of 12 office & 4 retail properties ✓ Announced sale of 39 office & 17 retail properties
Delivered on Development Projects	✓ Placed five multi-family projects into service ■ Added 636 multi-family units
Maintained Dividend	✓ Maintained one of the highest dividend yields

Management Objectives

- ***Placed into service by end of our first fiscal quarter ~ $106 million in new development***
- ***Place into service by the end of our fiscal third quarter ~ An additional $90 million in new development***

- ***Successfully close on the sale of our Retail portfolio – Fall 2015***

- ***Continue to redeploy sales proceeds in an appropriate combination of:***
  - ***Acquisition*** – Recently announced 276 units in Rochester, MN
    - ***New Development*** – Recently began construction on 202 units in Monticello, MN
      - ***Share Repurchase Program*** – Board authorized $50 million
        - ***Deleveraging*** - $66 million paid down on line of credit

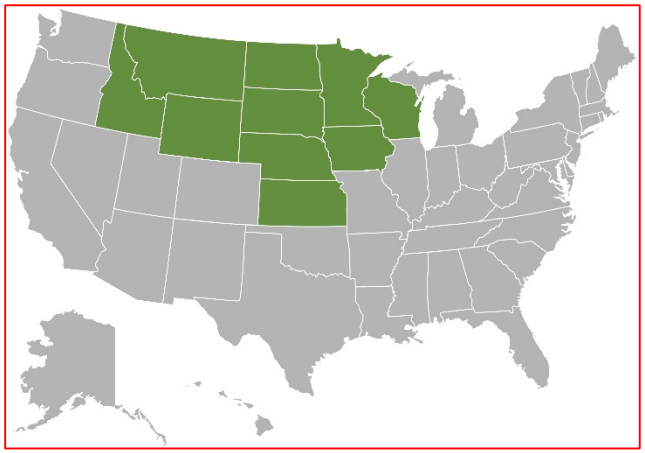
- ***Resultant goal:***
  - Execute consistently higher portfolio performance
    - Drive continued earnings and cash flow growth

$1.6 Billion of Investment Property

Properties

181 properties in 10 states

12,027 apartment units



450 Employees



Multi-family | $990m

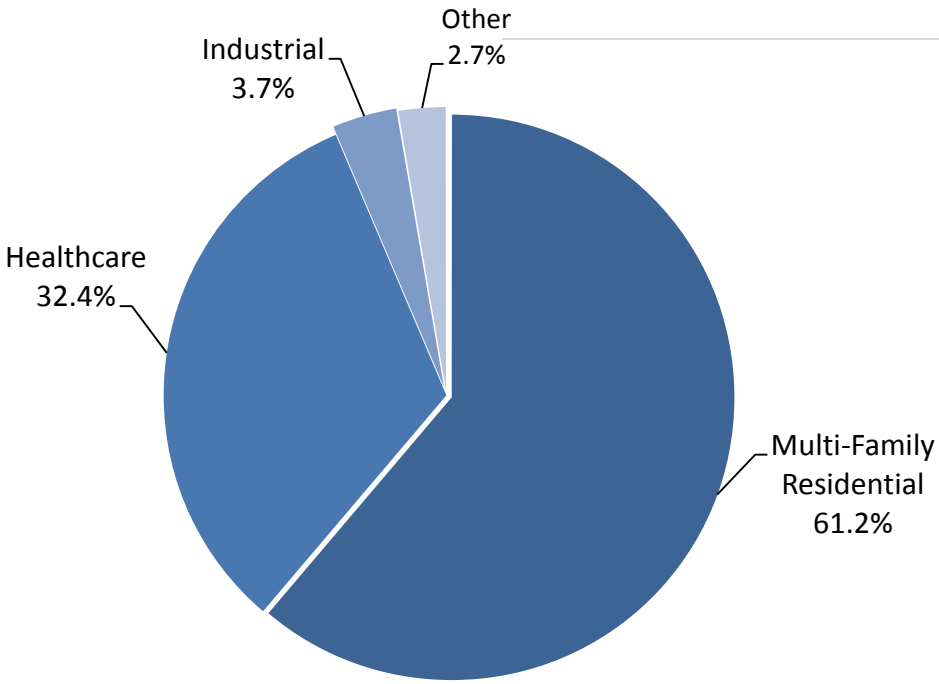


Healthcare | $524m



Industrial | $60m

Property Cost by Segment Held for Investment



IRET Properties
Fiscal Year 2016 Q1 vs. Fiscal Year 2015 Q1
Same Store Results/Statistics by Region

Regions	Apartment Units	FY16Q1 % of Actual NOI	FY16Q1 Average Rental Rate(1)	FY16Q1 Weighted Average Occupancy	1st Quarter Increase (Decrease) From Prior Year's 1st Quarter				
					Revenues	Expenses	NOI	Average Rental Rate(1)	Occupancy
Billings, MT	770	7.9%	893	93.5%	0.8%	(3.1%)	3.7%	4.0%	(3.0%)
Bismarck, ND	828	11.0%	1,041	94.0%	(0.8%)	4.5%	(3.5%)	4.5%	(5.1%)
Grand Forks, ND	1,230	12.8%	919	95.0%	(1.1%)	3.4%	(4.2%)	3.1%	(4.1%)
Jamestown, ND	81	0.8%	984	98.8%	5.8%	33.8%	(12.9%)	7.1%	(1.2%)
Omaha, NE	1,562	14.5%	858	96.2%	8.3%	2.5%	13.8%	2.6%	5.5%
Rapid City, SD	270	2.6%	816	98.1%	1.2%	(4.9%)	6.3%	0.9%	0.4%
Rochester, MN	1,104	14.0%	1,046	95.4%	6.6%	(3.7%)	14.5%	3.2%	3.3%
Sioux Falls, SD	777	6.2%	799	97.6%	3.8%	(2.7%)	11.3%	3.4%	0.4%
St. Cloud, MN	1,725	8.7%	716	90.1%	4.5%	8.1%	(0.9%)	2.7%	1.8%
Topeka, KS	1,042	7.8%	742	94.4%	2.2%	(0.2%)	4.6%	0.0%	2.2%
Same-Store Property Subtotals	9,389	86.3%	864	94.4%	3.3%	1.9%	4.6%	2.7%	0.6%
Minot, ND	734	9.7%	1,118	92.1%	(6.1%)	7.2%	(12.9%)	0.4%	(6.5%)
Williston, ND	145	4.0%	2,542	79.3%	(24.7%)	13.9%	(35.9%)	(8.3%)	(17.9%)
Same-Store Property Totals	10,268	100.0%	902	94.0%	1.2%	2.5%	0.1%	1.3%	(0.2%)

(1) Average rental rate is defined as total rental revenues divided by the weighted average occupied apartments units for the period.

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. Expected to close later this Fall.

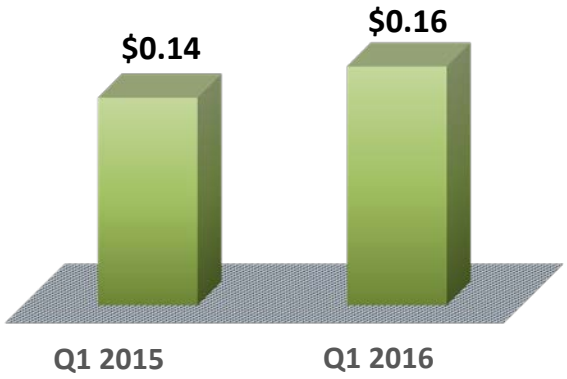




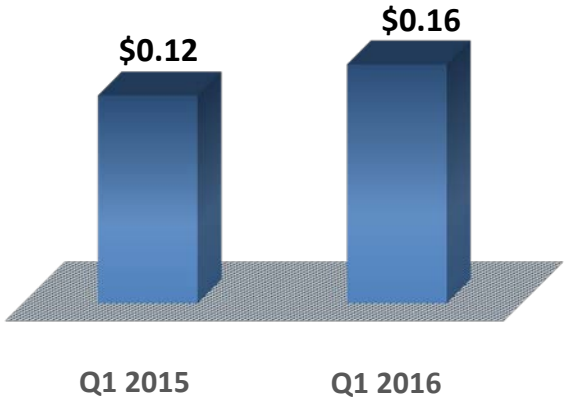
Construction has commenced on our new 202-unit Class A apartment community in Monticello, MN.



1Q FFO

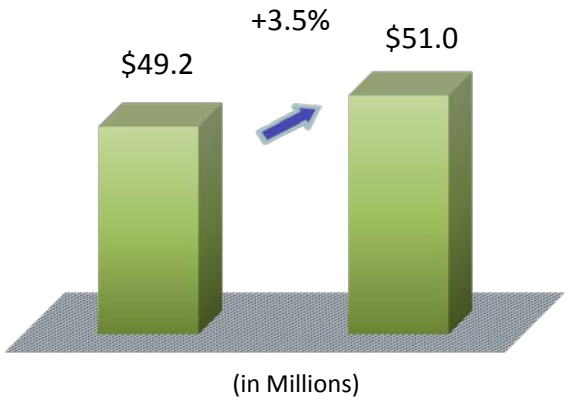


1Q AFFO

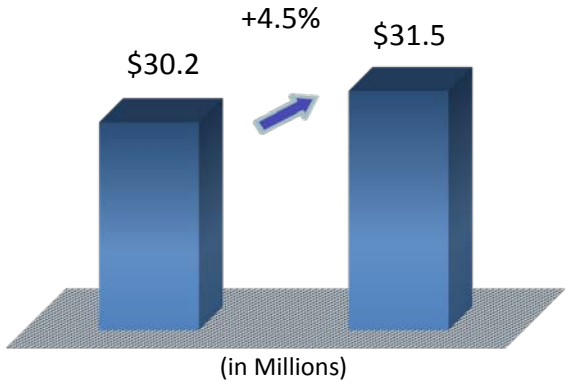


- FFO of $0.16 cents per share for the fiscal first quarter ending July 31, 2015, vs $0.14 cents per share for the comparative period a year ago
- Reported AFFO at $0.16 per share for the fiscal first quarter ending July 31, 2015 vs $0.12 cents per share for the comparative period a year ago

1Q16 Revenue

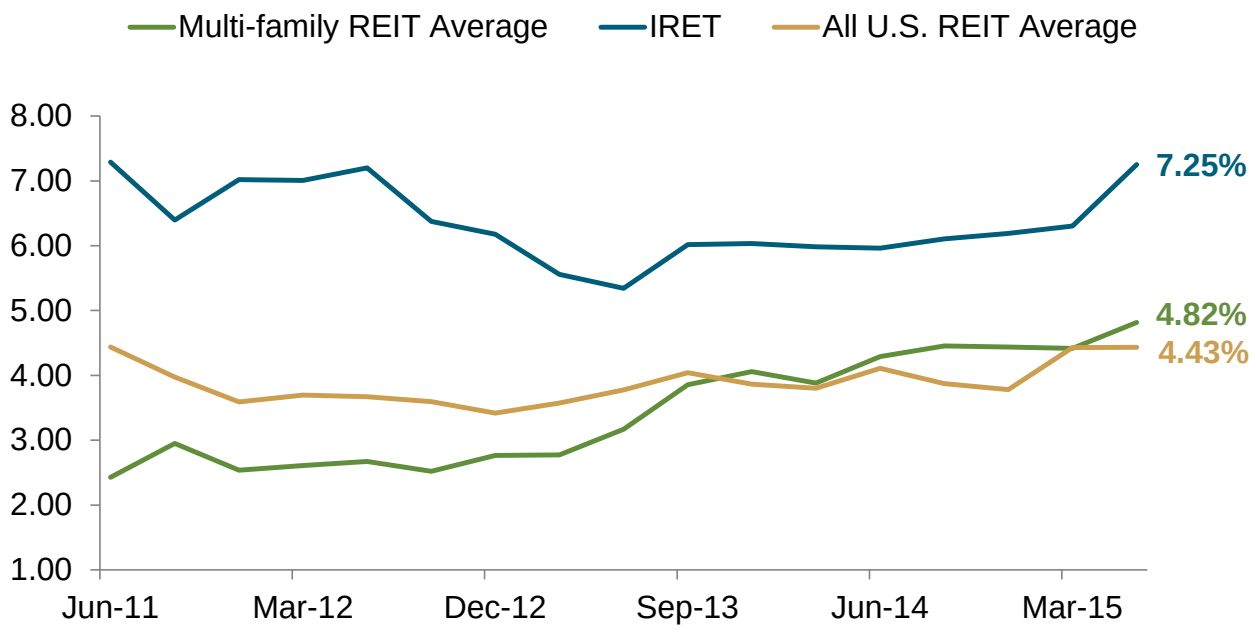


1Q16 Net Operating Income



- Total revenue for the company for the first fiscal quarter ending July 31, 2015 was $51.0 million, an increase of 3.5% from the prior fiscal year
- Net Operating Income in our reporting segments for the fiscal year ended July 31, 2015 was $31.5 million, an increase of 4.5% from the prior fiscal year.

IRET vs. other Multi-family REITs

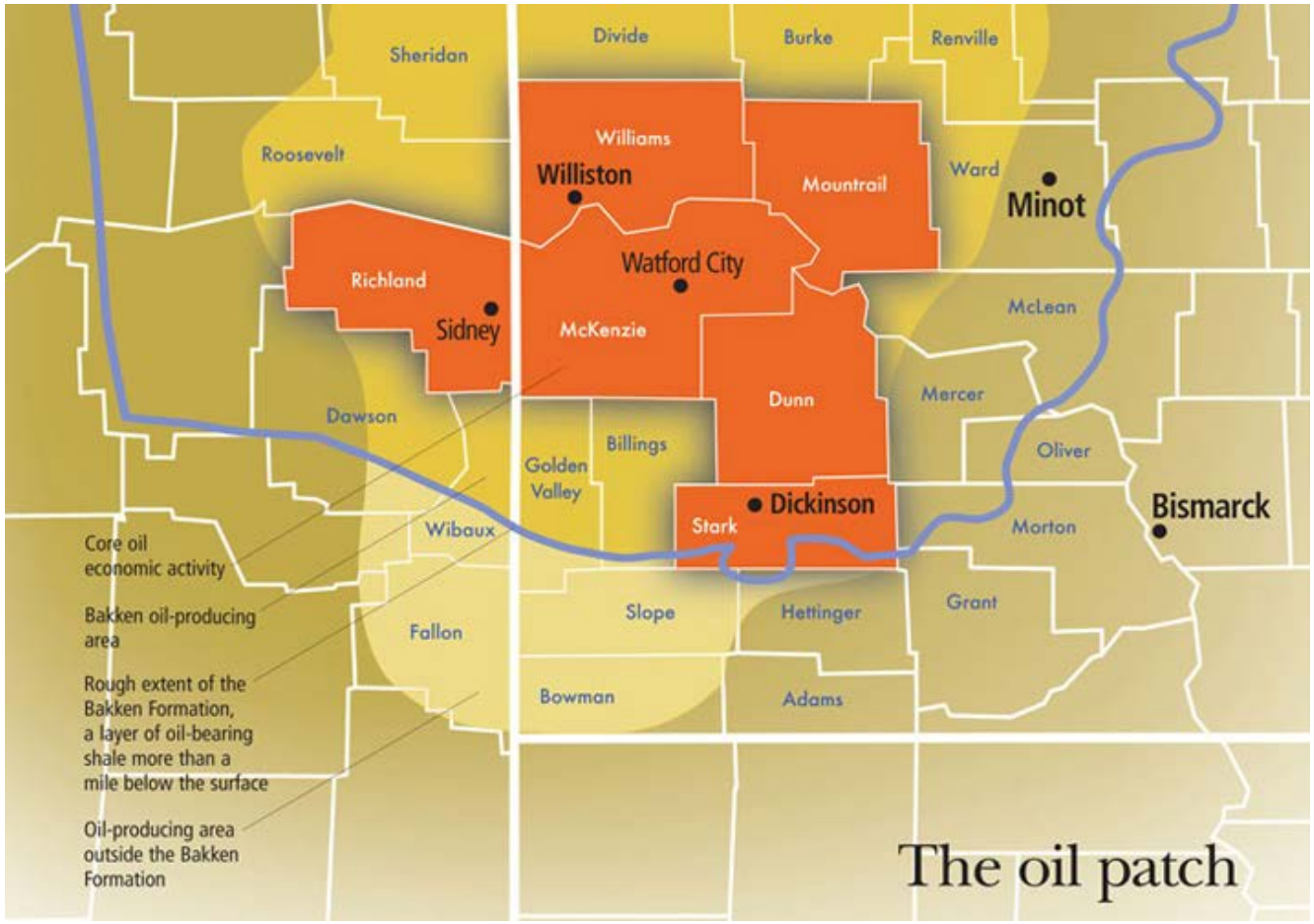


IRET's dividend yield is significantly higher than the REIT universe and total multi-family REIT average

1. Multi-family REIT Average is comprised of AIV, AVB, BRG, CPT, EQR, ESS, HME, IRT, MAA, MORE, NXRT, PPS, APTS, TSRE, and UDR.
Source: SNL Financial

Q & A

Supplemental Data



County	Breakeven $/Barrel
Billings	$28
Renville	$88
Bowman	$85
Burke	$82
Divide	$81
Dunn	$24
Golden Valley	$64
McKenzie	$27
McLean	$25
Mountrail	$43
Stark	$41
Slope	$85
Williams	$38

*Map provided by the Federal Reserve Bank of Minneapolis. www.minneapolisfed.org
North Dakota Department of Mineral Resources



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

"As we celebrate IRET's 45th year in business, I am excited to report that we continue to transform the makeup of our real estate portfolio as previously announced. The future remains quite bright for IRET as we execute on all of the changes during this exciting time."

-- President and CEO Timothy Mihalick

Stock information

(share data as of 7/31/15)

IRET
INVESTORS REAL ESTATE TRUST
NYSE: IRET

$7.21 stock price

139,441,000 shares and units outstanding

$1,005.4M market cap

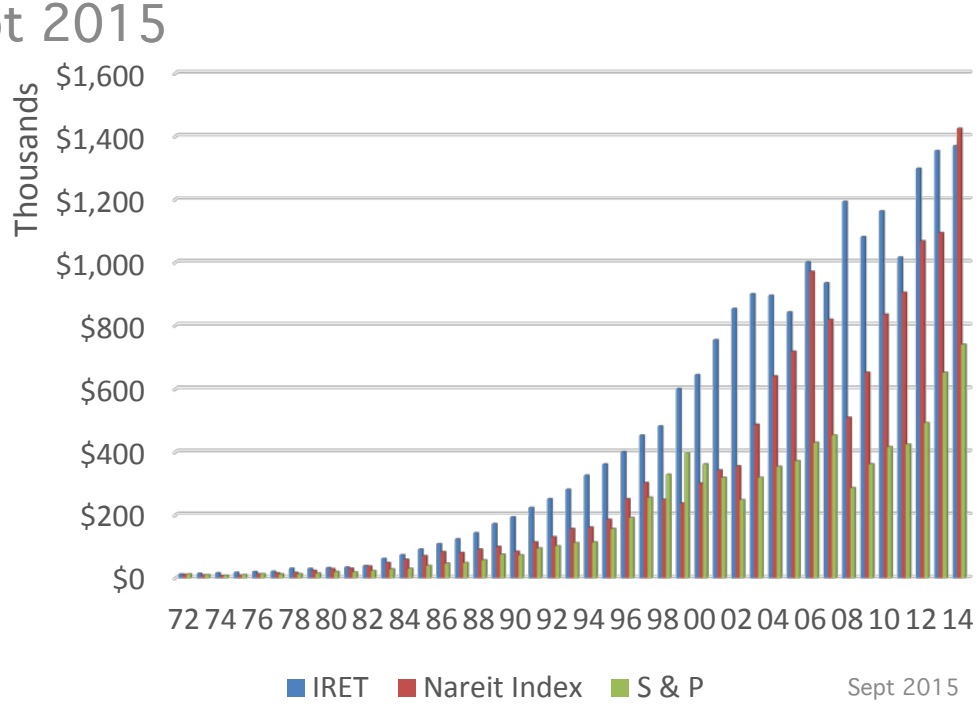
$0.13 common share quarterly distribution

$0.52 annualized common share distribution

7.2% dividend yield

Shareholder returns

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



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