



Ascott Residence Trust

A Leading Global Serviced Residence REIT

FY 2016 Financial Results

24 January 2017



Important Notice

The value of units in Ascott Residence Trust ("**Ascott REIT**") (the "**Units**") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Ascott Residence Trust Management Limited, the Manager of Ascott REIT (the "**Manager**") or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Ascott REIT is not necessarily indicative of its future performance.

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Prospective investors and Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.

Unitholders of Ascott REIT (the "**Unitholders**") have no right to request the Manager to redeem their units in Ascott REIT while the units in Ascott REIT are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.



Content

- Overview of Ascott REIT
- Financial Highlights
- Portfolio Performance
- Capital and Risk Management
- Portfolio Information
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Overview of Ascott REIT

A Leading Global Serviced Residence REIT

S\$1.9b¹ Market Capitalisation	S\$4.8b² Total Assets	11,627 Apartment Units	90 Properties	38 Cities in 14 Countries
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Notes:

Figures above as at 31 December 2016

1. Market capitalisation as at 22 January 2017
2. Excludes Ascott Orchard Singapore, which acquisition is targeted to be completed in 2017. Including Ascott Orchard Singapore, the portfolio of Ascott REIT would be approximately S\$5.2 billion.



Financial Highlights

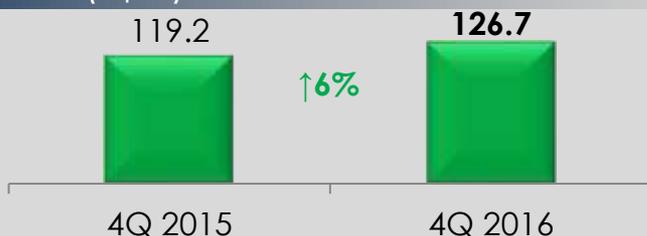
Ascott Raffles Place Singapore



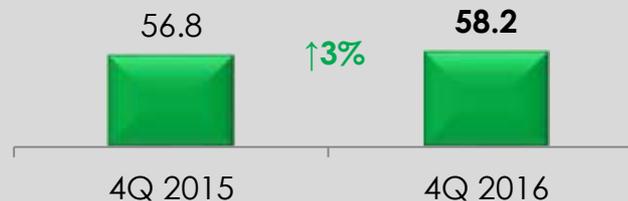
Financial Highlights for 4Q 2016

4Q 2016 vs 4Q 2015 Financial Performance

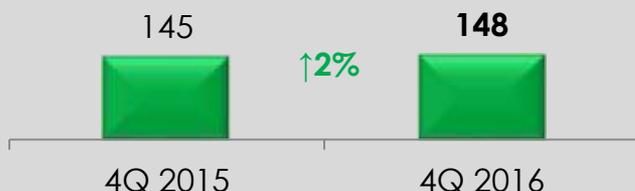
Revenue (\$m)



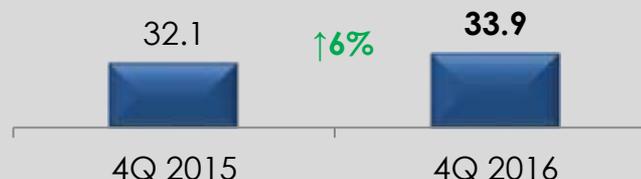
Gross Profit (\$m)



Revenue Per Available Unit (\$)



Unitholders' Distribution (\$m)



Distribution Per Unit (\$ cents)



Adjusted Distribution Per Unit (\$ cents)



Note:

- Adjusted for one-off items relating to net realised exchange gain of \$2.0 million arising from repayment of foreign currency bank loans with the divestment proceeds from Fortune Garden Apartments and repayment of shareholders' loan from the Group's subsidiaries.



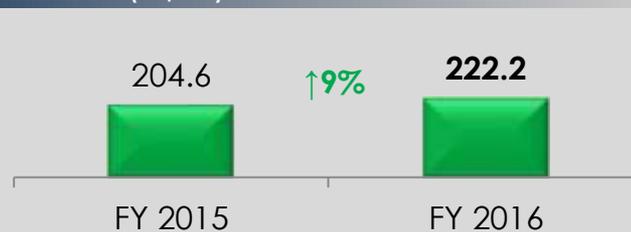
Financial Highlights for FY 2016

FY 2016 vs FY 2015 Financial Performance

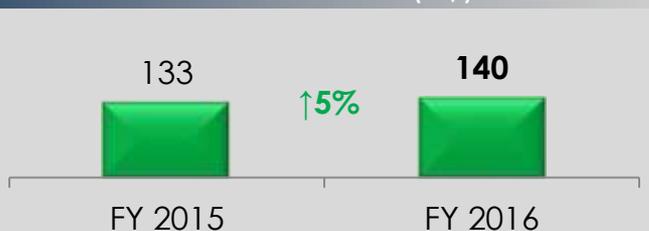
Revenue (S\$m)



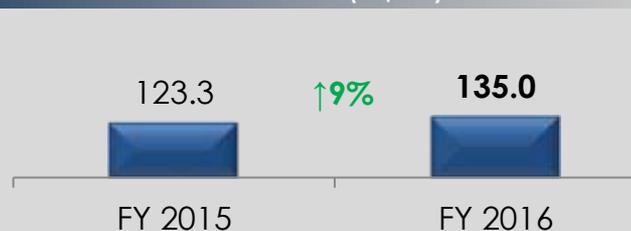
Gross Profit (S\$m)



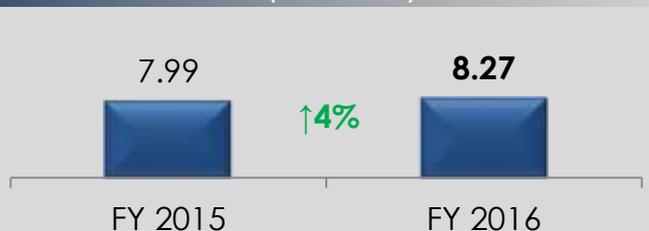
Revenue Per Available Unit (S\$)



Unitholders' Distribution (S\$m)



Distribution Per Unit (S cents)



Adjusted Distribution Per Unit (S cents)



Notes:

- Adjusted for one-off item of approximately S\$1.2 million relating to the interest expense incurred on the S\$250.0 million perpetual securities issued in June 2015 prior to utilisation of the proceeds in July 2015 and August 2015 to fund the acquisitions in Australia and the United States of America respectively.
- Adjusted for the effects of the equity placement exercise in March 2016 and one-off items relating to net realised exchange gain of S\$8.8 million arising from repayment of foreign currency bank loans with the divestment proceeds from Fortune Garden Apartments and repayment of shareholders' loan from the Group's subsidiaries.

Revenue and gross profit for FY 2016 surged 13% and 9% YoY respectively

- Revenue and gross profit grew 13% and 9% respectively year-on-year mainly due to properties¹ acquired in 2015 and 2016.
- RevPAU increased 5% year-on-year mainly due to the properties² acquired in 2015 and 2016.
- DPU for FY 2016 increased 4% YoY from 7.99 cents to 8.27 cents.

Ascott REIT acquired its second property in New York, USA, Sheraton Tribeca New York Hotel, for S\$218.0 million

Acquisition of Sheraton Tribeca New York Hotel

- In April 2016, Ascott Reit acquired its second property in the high demand and highly contested hospitality market of New York.
- The Property is located in the heart of Tribeca, one of the priciest residential neighbourhoods in Manhattan, and adjacent to SoHo, a premier retail district close to the financial district.



Notes:

1. Citadines on Bourke Melbourne and a portfolio of four rental housing properties in Osaka, Japan as acquired on 31 July 2015, Element New York Times Square West as acquired on 19 August 2015 and Sheraton Tribeca New York Hotel as acquired on 29 April 2016.
2. Citadines on Bourke Melbourne, Element New York Times Square West and Sheraton Tribeca New York Hotel.

Year in Review

Approximately 90% of Ascott Reit's serviced residence properties have undergone, or are undergoing, AEI as at FY2016

- The final phase of refurbishment at Somerset Xu Hui Shanghai and the phased refurbishments at Somerset Ho Chi Minh City and Ascott Makati have been completed in 2016.
- We expect to complete the refurbishments at Citadines Barbican London, Somerset Millennium Makati and Somerset Ho Chi Minh City in 2017.



Diversified funding sources by tapping debt capital market in FY 2016

Issuance of eight-year fixed rate notes under its S\$1b MTN Programme

- Successfully raised S\$120m fixed rate notes due 2024 which was subsequently swapped into Euros at an overall effective fixed rate of 2.15% p.a

Successfully raised gross proceeds of S\$100m through a private equity placement

- Proceeds were deployed to finance yield-accretive acquisition in United States of America

Entered into a cross currency swap to swap USD into JPY

- Successfully swapped a USD50.9 million bank loan into JPY at an overall effective interest rate of 0.082%

Ascott REIT's effective interest rate remained stable at 2.4% p.a. and 82% of its total borrowings on fixed interest rates to hedge against the rising interest rate.

Portfolio Valuation

Portfolio valuation as at 31 December 2016 of S\$4,511.0 million

- Portfolio value decreased mainly due to lower valuation from properties in United Kingdom and the United States of America arising from higher property tax, partially offset by higher valuation from properties in Japan, Germany and Spain arising from better operating performance.



Portfolio Performance

Ascott Raffles Place Singapore

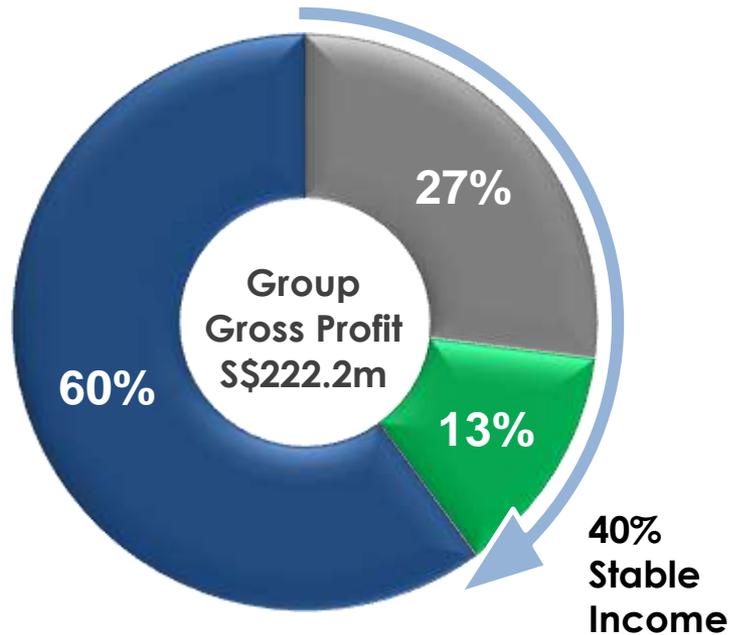
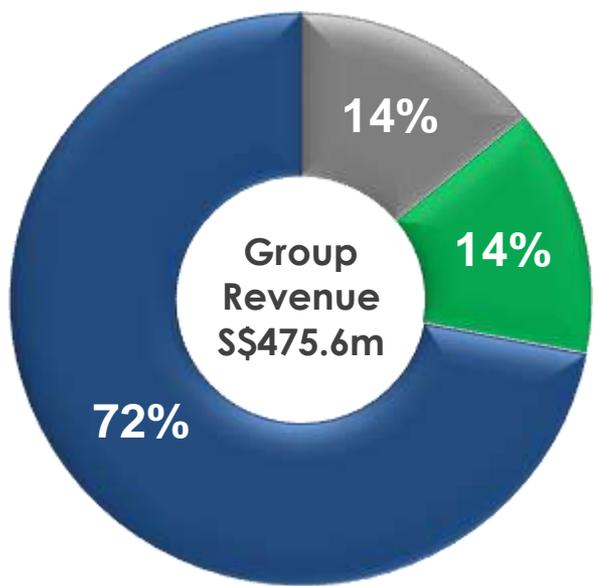


Portfolio Highlights

Revenue and Gross Profit (by category)

Revenue FY 2016

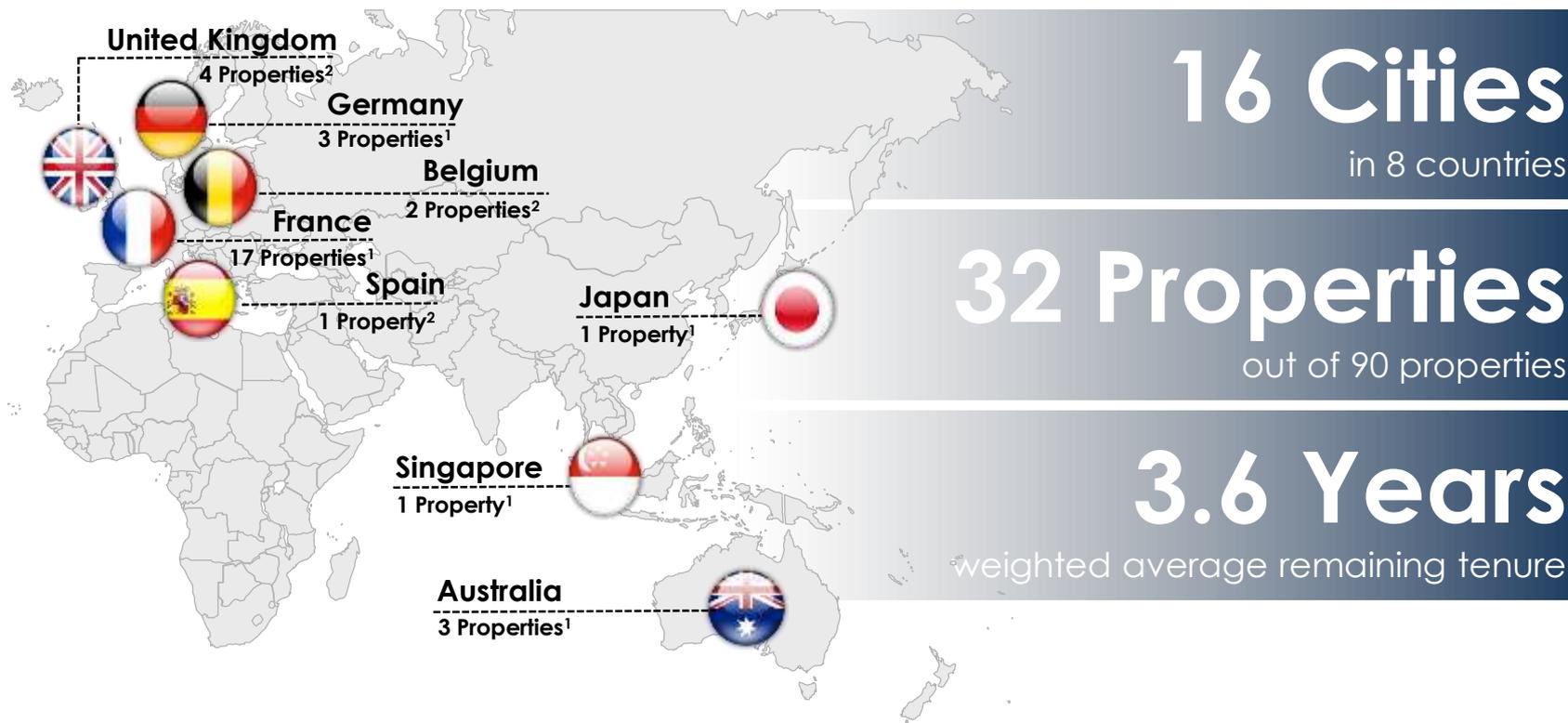
Gross Profit FY 2016



- Master Leases
- Management Contracts with Minimum Guaranteed Income
- Management Contracts

Income Stability

40% of the Group's gross profit for FY 2016 is contributed by master leases and management contracts with minimum guaranteed income



Notes:

1. Properties under master leases
2. Properties under management contracts with minimum guaranteed income

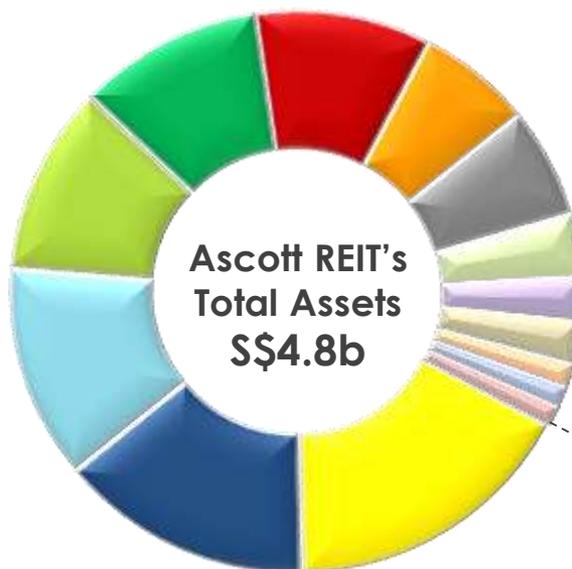


Geographical Diversification

Key Markets¹ contributed 87.1% of the Group's Gross Profit in FY 2016

Breakdown of Total Assets by Geography As at 31 December 2016

Key Markets	87.7%
● Japan	16.9%
● China	14.4%
● Singapore	12.3%
● France	10.8%
● USA	10.5%
● UK	10.0%
● Vietnam	6.5%
● Australia	6.3%



Rest of the World	12.3%
● Philippines	3.6%
● Germany	2.6%
● Indonesia	2.4%
● Spain	1.4%
● Belgium	1.2%
● Malaysia	1.1%

Portfolio diversified across property and economic cycles

Note:

1. Key markets relate to countries that contribute to more than 5% of Ascott REIT's total assets



Somerset
Grand Central
Dalian



Citadines
Zhuankou
Wuhan



Citadines
Gaoxin Xi'an



Somerset
Heping
Shenyang



Ascott
Guangzhou



Somerset Olympic
Tower Property
Tianjin



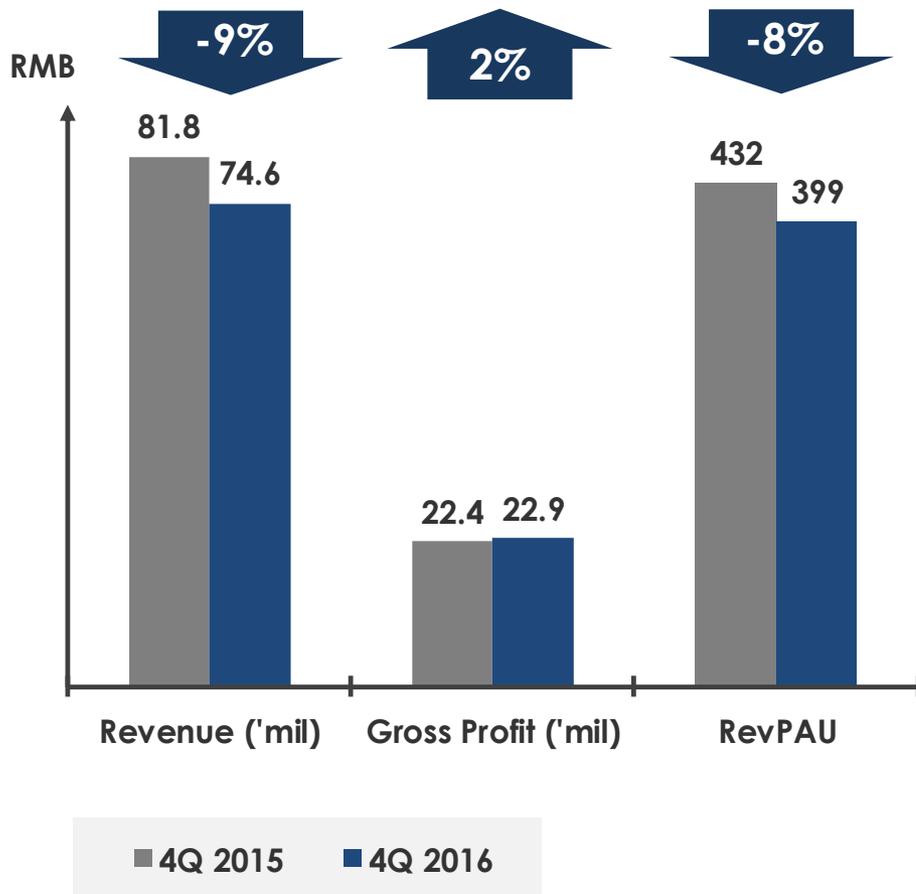
Citadines
Xinghai
Suzhou



Citadines
Biyun
Shanghai



Somerset Xu
Hui Shanghai



Key Market Performance Highlights

- Revenue and RevPAU decreased mainly due to weaker demand from project groups in the regional cities.
- Gross profit increased due to lower business tax and operating expenses.



Somerset
Azabu East
Tokyo



Citadines
Shinjuku
Tokyo



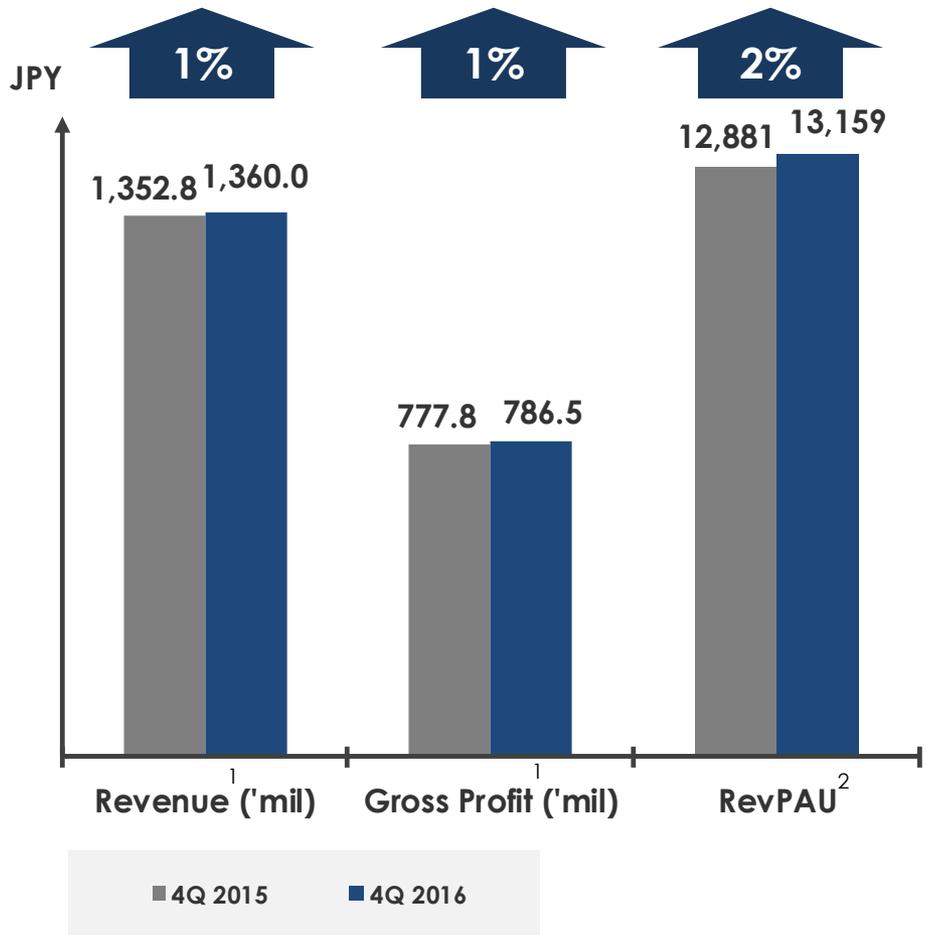
Citadines
Karasuma-Gojo
Kyoto



Citadines Central
Shinjuku Tokyo



29 rental housing
properties
in Japan



Key Market Performance Highlights

- Revenue, gross profit and RevPAU increased due to stronger demand from the leisure sectors.
- Gross profit increased due to higher revenue and lower utility expense.
- Occupancy for rental housing properties remained stable at 98% in 4Q 2016.

Notes:

- Revenue and gross profit figures above relate to properties under master leases and management contracts
- RevPAU relates to serviced residences and excludes rental housing properties



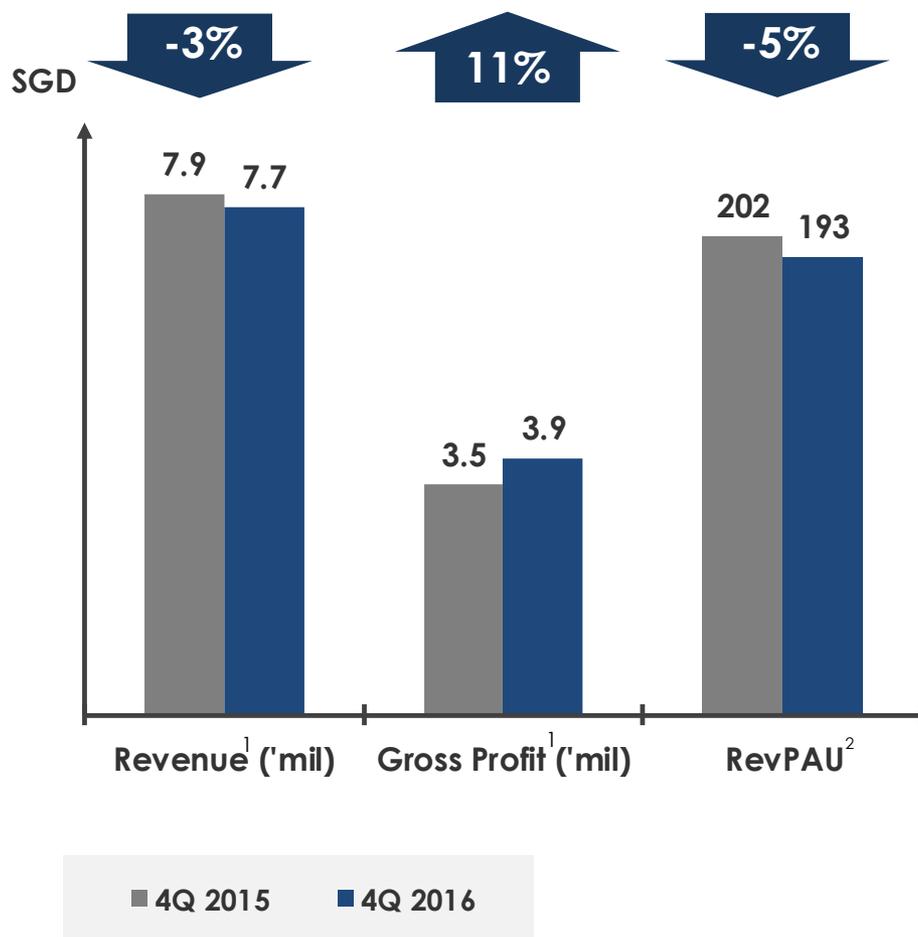
Somerset Liang
Court Property
Singapore



Citadines Mount
Sophia Property
Singapore



Ascott
Raffles Place
Singapore



Key Market Performance Highlights

- Revenue decreased mainly due to weaker corporate demand.
- Gross profit increased due to lower non-refundable GST which was recognised in 4Q 2016.

Notes:

- Revenue and gross profit figures above relate to properties under master leases and management contracts
- Includes RevPAU of Ascott Raffles Place Singapore



United Kingdom



Citadines Barbican London



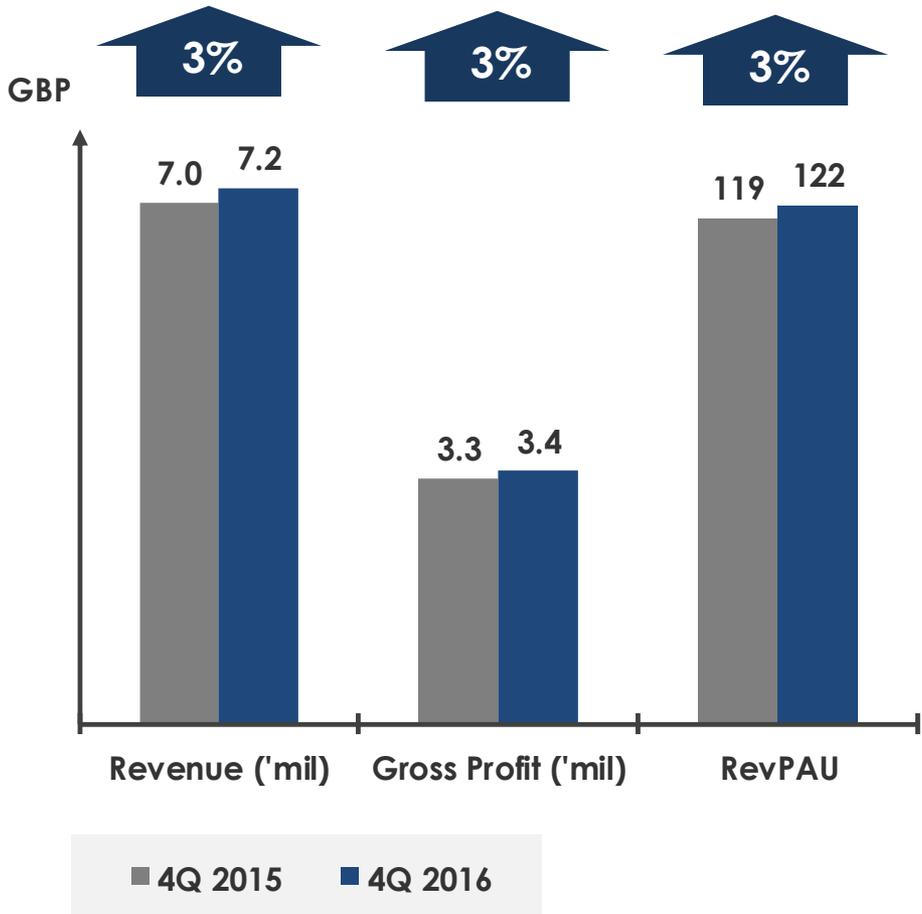
Citadines Holborn-Covent Garden London



Citadines Trafalgar Square London



Citadines South Kensington London



Key Market Performance Highlights

- Revenue, gross profit and RevPAU increased due to stronger corporate demand.
- The refurbishment at Citadines Barbican London is expected to be completed in 2Q 2017.



La Clef Louvre Paris¹



Citadines Les Halles Paris



Citadines Croisette Cannes



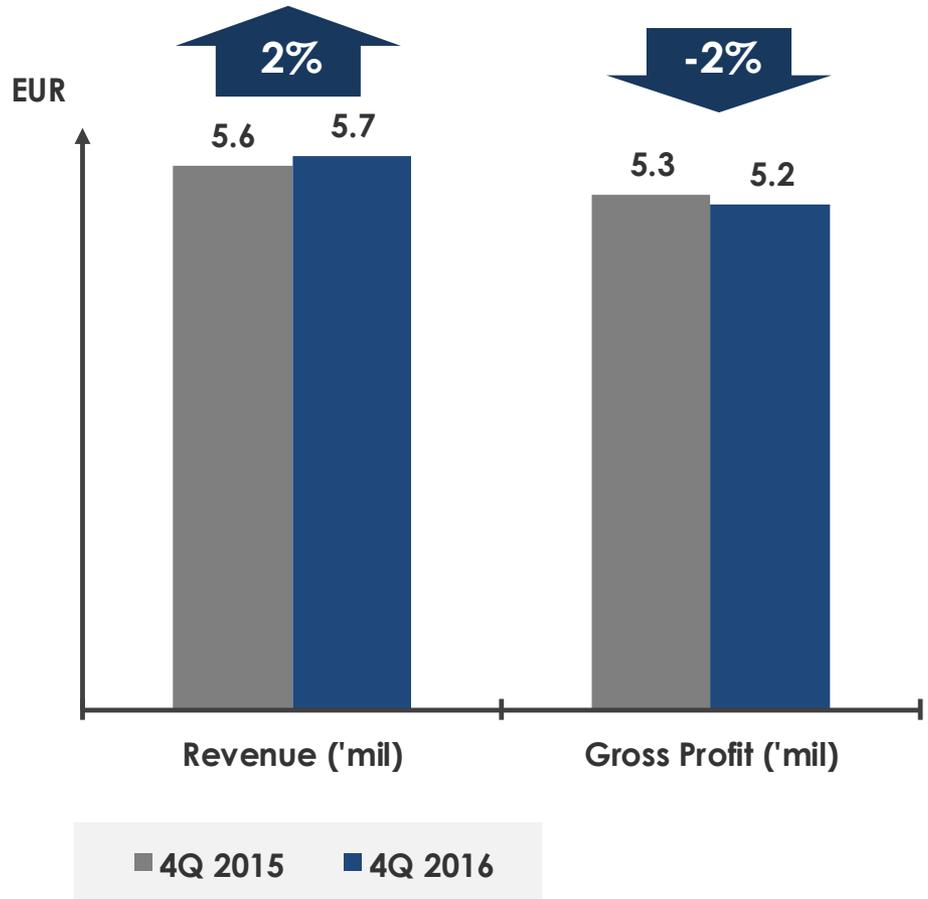
Citadines Place d'Italie Paris



Citadines Tour Eiffel Paris



Citadines Austerlitz Paris



Key Market Performance Highlights

- All the properties in France are underpinned by master leases hence operational risks are mitigated.
- Revenue increased due to higher recovery of costs from lessees, partially offset by negative indexation.
- Gross profit decreased due to negative indexation.

Note:
1. Formerly known as Citadines Suites Louvre Paris



Somerset
Grand Hanoi



Somerset
Hoa Binh Hanoi



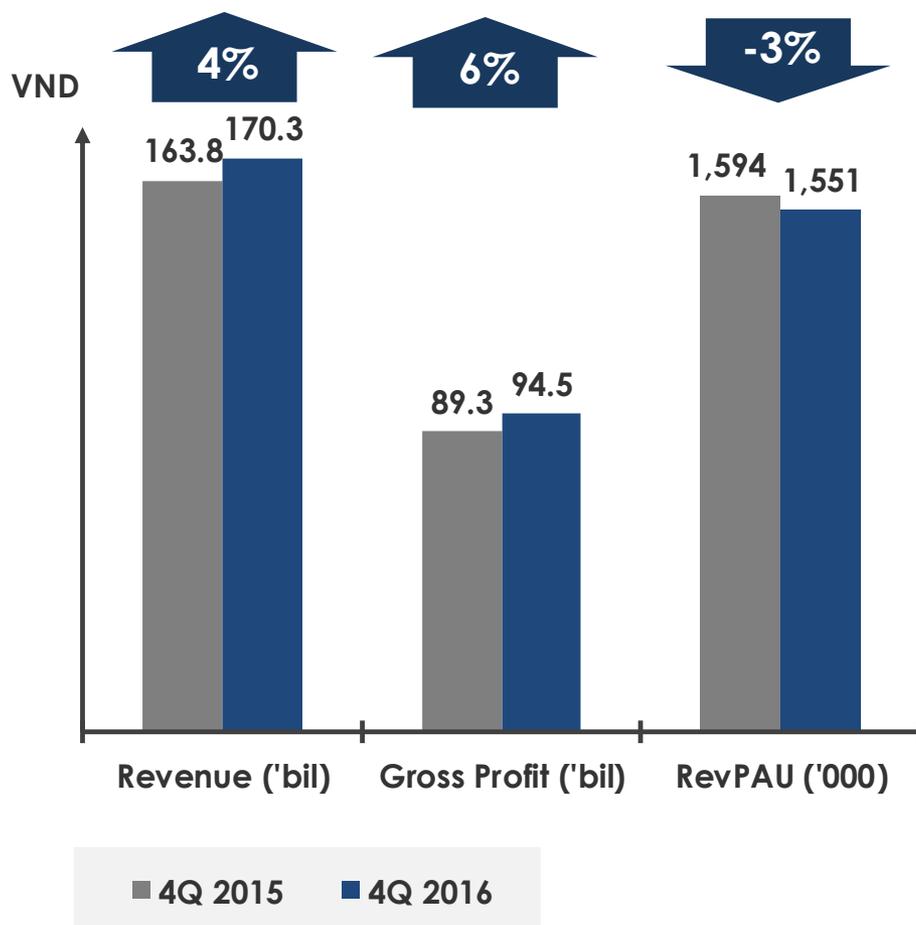
Somerset West
Lake Hanoi



Somerset Ho
Chi Minh City



Somerset
Chancellor Court
Ho Chi Minh City



Key Market Performance Highlights

- Revenue increased mainly due to higher commercial rent, partially offset by ongoing refurbishment at Somerset Ho Chi Minh City. Commercial component achieved almost full occupancy in 4Q 2016.
- Gross profit increased due to higher revenue and lower depreciation expense.
- RevPAU decreased mainly due to ongoing refurbishment at Somerset Ho Chi Minh City.
- ADR of the refurbished apartment units at Somerset Ho Chi Minh City was uplifted by approximately 26% in the latest completed phase of refurbishment in 3Q 2016. The final phase of refurbishment is on track for completion in 1Q 2017.



Citadines on Bourke Melbourne



Citadines St Georges Terrace Perth



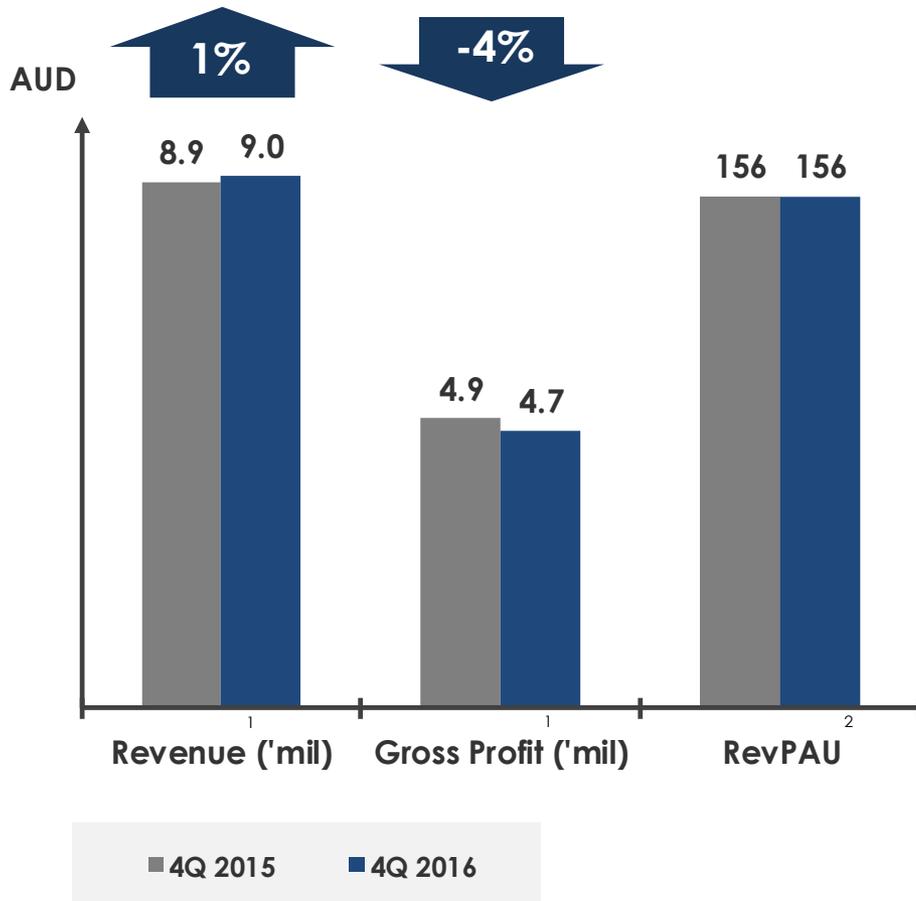
Quest Sydney Olympic Park



Quest Campbelltown



Quest Mascot



Key Market Performance Highlights

- Revenue increased due to annual rent increment from the Quest properties.
- Gross profit decreased due to higher staff costs and operation and maintenance expense.

Notes:

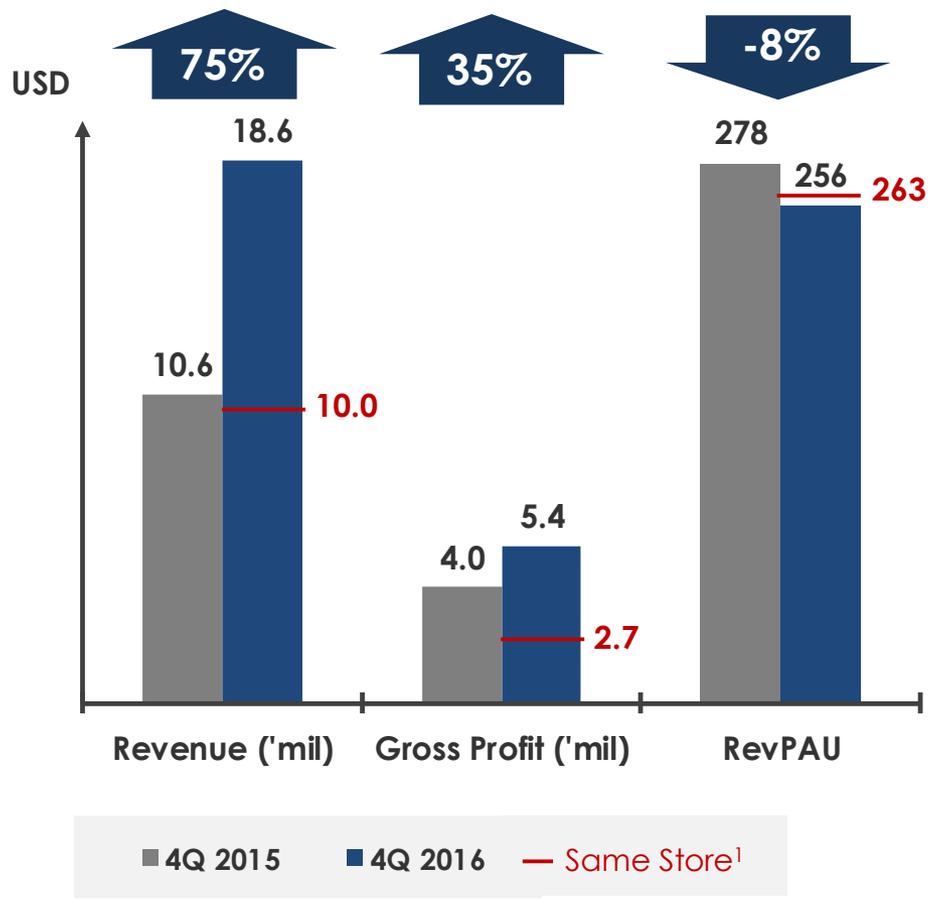
- Revenue and gross profit figures above relate to properties under master leases and management contracts
- RevPAU relates to Citadines on Bourke Melbourne and Citadines St Georges Terrace Perth only.



The United States of America



Sheraton Tribeca New York Hotel Element New York Times Square West



Key Market Performance Highlights

- Revenue and gross profit increased due to the acquisition of Sheraton Tribeca New York Hotel in April 2016.
- RevPAU decreased mainly due to lower ADR achieved as a result of keen competition.

Note:
1. Excluding Sheraton Tribeca New York Hotel which was acquired in April 2016

Capital and Risk Management



Ascott Raffles Place Singapore



Healthy Balance Sheet and Credit Metrics

Key Financial Indicators

	As at 31 December 2016	As at 30 September 2016
Gearing	39.8%	41.3%
Interest Cover	4.3X	4.2X
Effective Borrowing Rate	2.4%	2.4%
Total Debts on Fixed Rates	82%	80%
Weighted Avg Debt to Maturity (Years)	4.7	4.6
NAV/Unit	S\$1.33	S\$1.30
Ascott REIT's Issuer Rating by Moody's	Baa3	Baa3



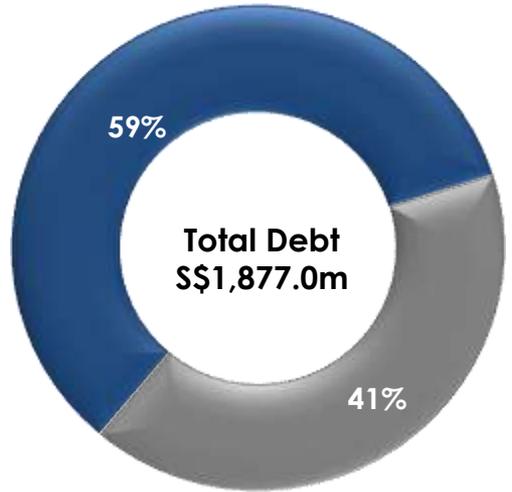
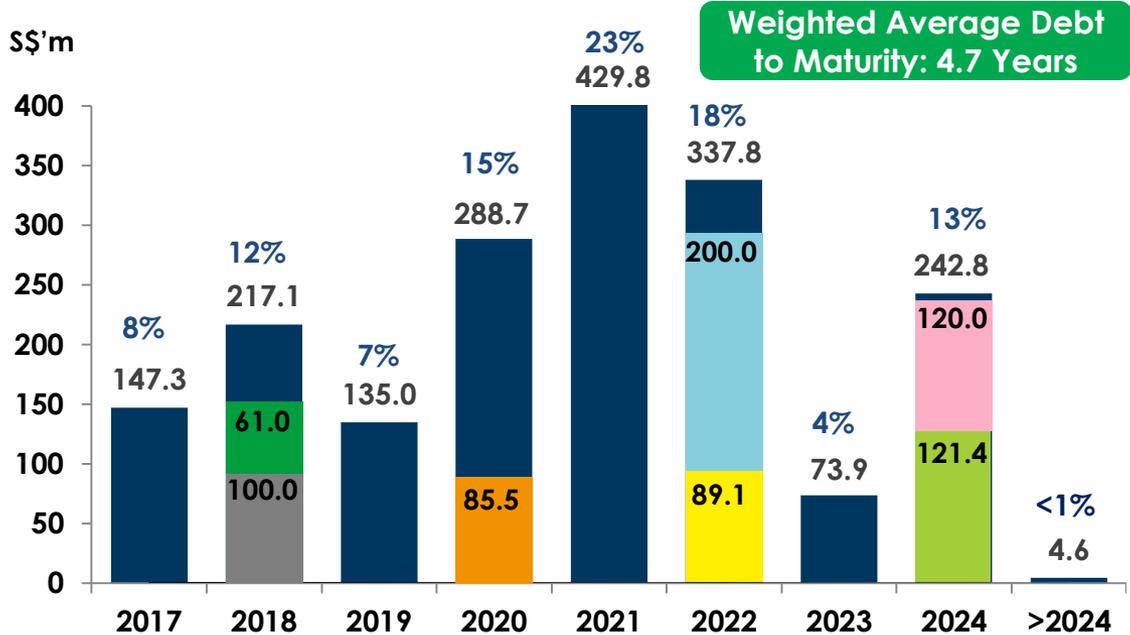
Capital and Risk Management



Debt Profile as at 31 December 2016

Debt Maturity Profile

By Debt Type



- | | |
|-----------------------------------|------------------------------------------------|
| Bank loans | 4.21% p.a. fixed rate S\$200m MTN ¹ |
| 2.01% p.a. fixed rate JPY5b MTN | 1.17% p.a. fixed rate JPY7.3b MTN |
| 4.30% p.a. fixed rate S\$100m MTN | 2.75% p.a. fixed rate EUR80m MTN |
| 1.65% p.a. fixed rate JPY7b MTN | 4.00% p.a. fixed rate S\$120m MTN ² |

- Bank Loans
- Medium Term Notes ("MTN")

Ascott REIT seeks to diversify funding sources and secure long-term financing at an optimal cost.

Notes:

1. S\$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 1.82% p.a. over the same tenure
2. S\$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 2.15% p.a. over the same tenure

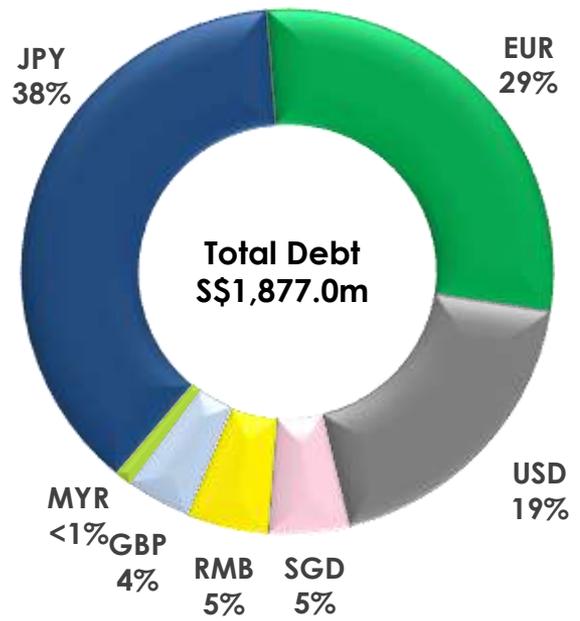




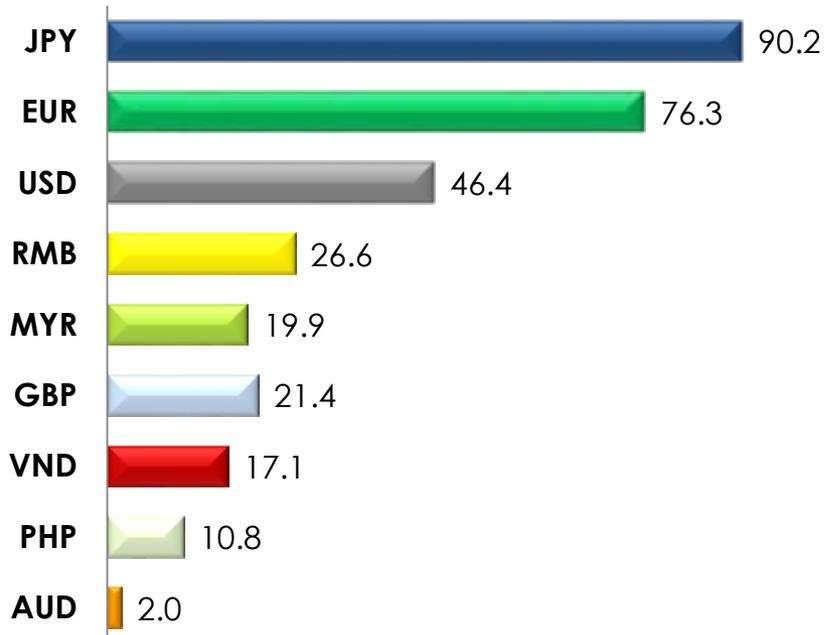
Capital and Risk Management

Foreign Currency Risk Management

Debt By Currency (%)
As at 31 December 2016



Balance Sheet Hedging (%)
As at 31 December 2016



Ascott REIT adopts a natural hedging strategy to the extent possible.



Capital and Risk Management

Foreign Currency Risk Management

Currency	Gross Profit YTD Dec 2016 (%)	Exchange Rate Movement From 31 Dec 2015 to 31 Dec 2016 (%)
EUR	20.7	3.3
JPY	17.5	2.4
USD	12.7	-2.3
GBP	10.7	-11.2
VND	9.9	-1.6
RMB	8.5	-5.6
AUD	8.4	0.9
SGD	8.0	-
PHP	2.7	-2.8
MYR	0.9	0.6
Total	100.0	-1.0

We have entered into foreign currency forward contracts to hedge distribution income derived in EUR and JPY. On a portfolio basis, approximately 30% of FY 2016 foreign currency distribution income had been hedged.

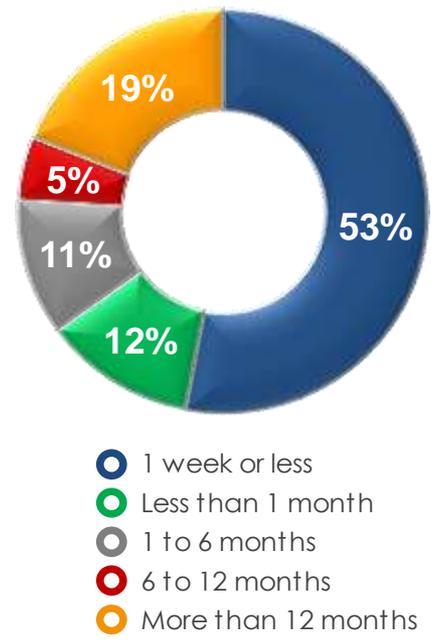
Portfolio Information

SOMERSET

Somerset Liang Court Singapore

Focus on Long Stay Segments

Breakdown of Apartment Rental Income¹ by Length of Stay



Average length of stay is about 3.3 months

Note:
1. Apartment rental income for YTD December 2016. Information for properties on master leases are not included.



Outlook

Ascott Raffles Place Singapore

In 2016, Ascott REIT completed the acquisition of our second property in New York, Sheraton Tribeca New York Hotel, less than a year from its first foray into the United States of America. Including Ascott Orchard Singapore which has started operations in December 2016, and on track for delivery in 2017, Ascott REIT's total assets would have reached S\$5.2 billion. The Group remains on the look out for accretive opportunities in the key gateway cities of Australia, Japan, Europe and United States of America.

The final phase of refurbishment at Somerset Xu Hui Shanghai and the phased refurbishments at Somerset Ho Chi Minh City and Ascott Makati have been completed in 2016. We expect to complete the refurbishment at Citadines Barbican London, Somerset Millennium Makati and Somerset Ho Chi Minh City in 2017. The Group will continue to refurbish Ascott REIT's properties to enhance guest experience and maximise returns to Unitholders.

To date, all of the units in Fortune Gardens Apartments have been sold. Part of the proceeds from the divestment that has been remitted back to Singapore was deployed to repay foreign currency bank loans, resulting in a net realised exchange gain of S\$8.8 million for FY 2016. The remaining proceeds from the sale is expected to be remitted back to Singapore in due course. As part of its strategy to optimise returns to Unitholders, Ascott REIT will continue to review its portfolio to identify opportunities to unlock the underlying value of properties with limited growth potential and re-deploy proceeds into higher yielding properties.

In December 2016, the US Federal Reserve raised its target for short-term interest rates by 25 basis points, with further interest rate hikes anticipated in 2017. On the capital management front, Ascott REIT continues to maintain a strong balance sheet, with more than 80% of its total borrowings on fixed interest rates to hedge against the rising interest rate. Ascott REIT's effective interest rate remained stable at 2.4%. The Group has started on the refinancing of the loans that are coming due in FY 2017. Ascott REIT will continue to actively monitor its interest rate and exchange rate exposure and remain vigilant to changes in the macro and credit environment that may impact its financing plans.

Going forward, global economic recovery is likely to remain slow-paced. Notwithstanding, Ascott REIT will continue to focus on creating stable income and returns to Unitholders through its diversified portfolio and extended-stay business model, together with the master leases and management contracts with minimum guaranteed income.

Distribution Details

Ascott Raffles Place Singapore



Distribution Details

Distribution Period	1 July 2016 to 31 December 2016
Distribution Rate	4.392 cents per Unit
Last Day of Trading on “cum” Basis	27 January 2017, 5pm
Ex-Date	31 January 2017, 9am
Books Closure Date	2 February 2017
Distribution Payment Date	28 February 2017

Appendix



Citadines Mount Sophia



Completed Asset Enhancement Initiative

Somerset Ho Chi Minh City (Phase 2)



Capex incurred	US\$7.8m ¹ (S\$11.3m)
Capex work being done	Renovation of 66 apartment units
Period of renovation	1Q 2016 to 4Q 2016
ADR uplift for renovated units	Approximately 26%



Note:

1. Includes the final phase of refurbishment project.



Ongoing Asset Enhancement Initiatives

Properties		Costs	Time Period
1	Somerset Millennium Makati - Renovation of 113 apartment units	US\$1.0m (\$\$1.5m)	2Q 2016 to 1Q 2017
2	Somerset Ho Chi Minh City (Phase 3) - Renovation of remaining 72 apartment units	US\$7.8m ¹ (\$\$11.3m)	4Q 2016 to 1Q 2017
3	Citadines Barbican London - Phased renovation of 129 apartment units	£3.9m (\$\$8.3m)	1Q 2017 to 2Q 2017
Total		\$\$21.1m	

Note:

1. Includes the second phase of refurbishment project which was completed in 4Q 2016.



Master Leases (4Q 2016 vs 4Q 2015)



La Clef
Louvre Paris¹



Citadines
Les Halles Paris



Citadines
Croisette
Cannes



Citadines
Arnulfpark
Munich



Ascott
Raffles Place
Singapore



Quest Sydney
Olympic Park

Revenue ('mil)

Gross Profit ('mil)

	4Q 2016	4Q 2015		4Q 2016	4Q 2015	
Australia (AUD) 3 Properties	1.8	1.7	↑	1.7	1.6	↑
France (EUR) 17 Properties	5.7	5.6	↑	5.2	5.3	↓
Germany (EUR) 3 Properties	1.6	1.4	↑	1.4	1.3	↑
Japan (JPY) 1 Property	133.3	132.8	↑	100.7	103.6	↓
Singapore (SGD) 1 Property	2.0	2.2	↓	1.9	2.1	↓

Notes:

1. Formerly known as Citadines Suites Louvre Paris.



Management Contracts with Minimum Guaranteed Income (4Q 2016 vs 4Q 2015)

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	4Q 2016	4Q 2015		4Q 2016	4Q 2015		4Q 2016	4Q 2015	
Belgium (EUR) 2 Properties	1.9	2.1	↓	0.4	0.6	↓	59	64	↓
Spain (EUR) 1 Property	1.1	1.1	-	0.5	0.5	-	83	83	-
United Kingdom (GBP) 4 Properties	7.2	7.0	↑	3.4	3.3	↑	122	119	↑



Management Contracts (4Q 2016 vs 4Q 2015)

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	4Q 2016	4Q 2015		4Q 2016	4Q 2015		4Q 2016	4Q 2015	
Australia (AUD)	7.2	7.2	-	3.0	3.3	↓	156	156	-
China (RMB)	74.6	81.8	↓	22.9	22.4	↑	399	432	↓
Indonesia (USD)	3.1	3.3	↓	1.1	1.2	↓	81	86	↓
Japan (JPY)¹	1,226.7	1,220.0	↑	685.8	674.2	↑	13,159	12,881	↑
Malaysia (MYR)	4.2	5.1	↓	1.1	1.1	-	221	270	↓
Philippines (PHP)	202.8	202.1	↑	50.4	69.6	↓	3,807	3,685	↑
Singapore (SGD)	5.7	5.7	-	2.0	1.4	↑	175	176	↓
United States of America (USD)	18.6	10.6	↑	5.4	4.0	↑	256	278	↓
Vietnam (VND)²	170.3	163.8	↑	94.5	89.3	↑	1,551	1,594	↓

Notes:

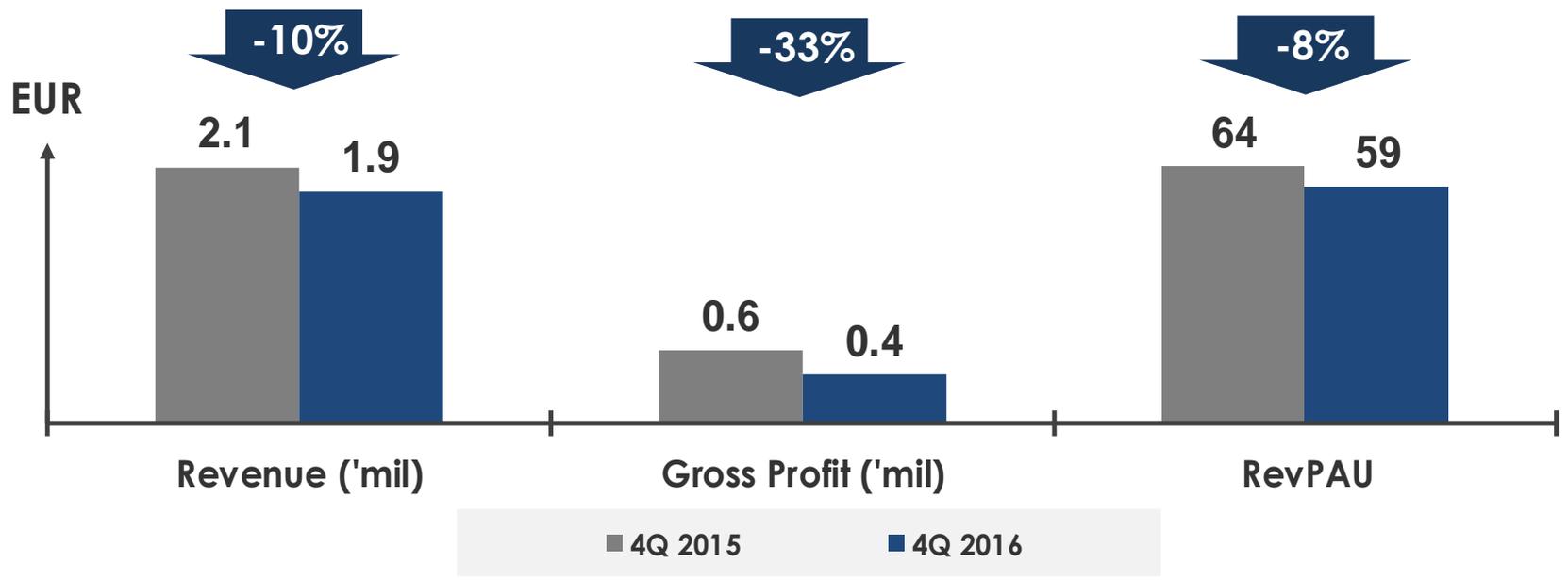
1. RevPAU for Japan refers to serviced residences and excludes rental housing.
2. Revenue and gross profit figures for VND are stated in billions. RevPAU figures are stated in thousands.



Citadines
Sainte-Catherine
Brussels



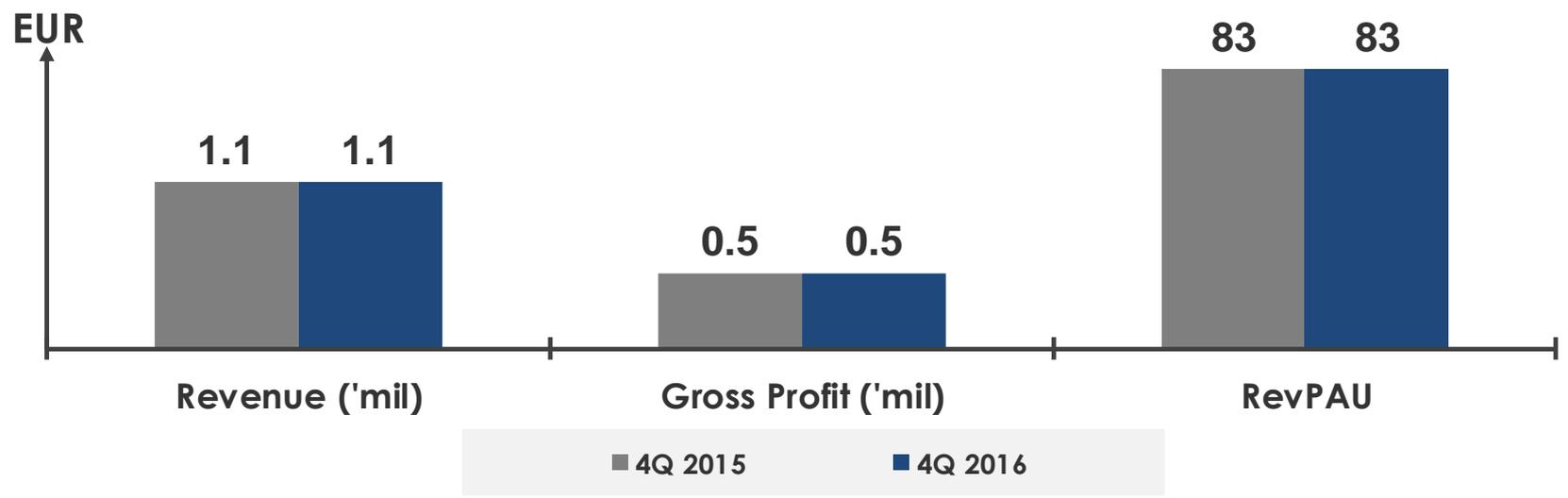
Citadines
Toison d'Or
Brussels



Revenue, gross profit and RevPAU decreased mainly due to weaker demand post terror attacks in March 2016.



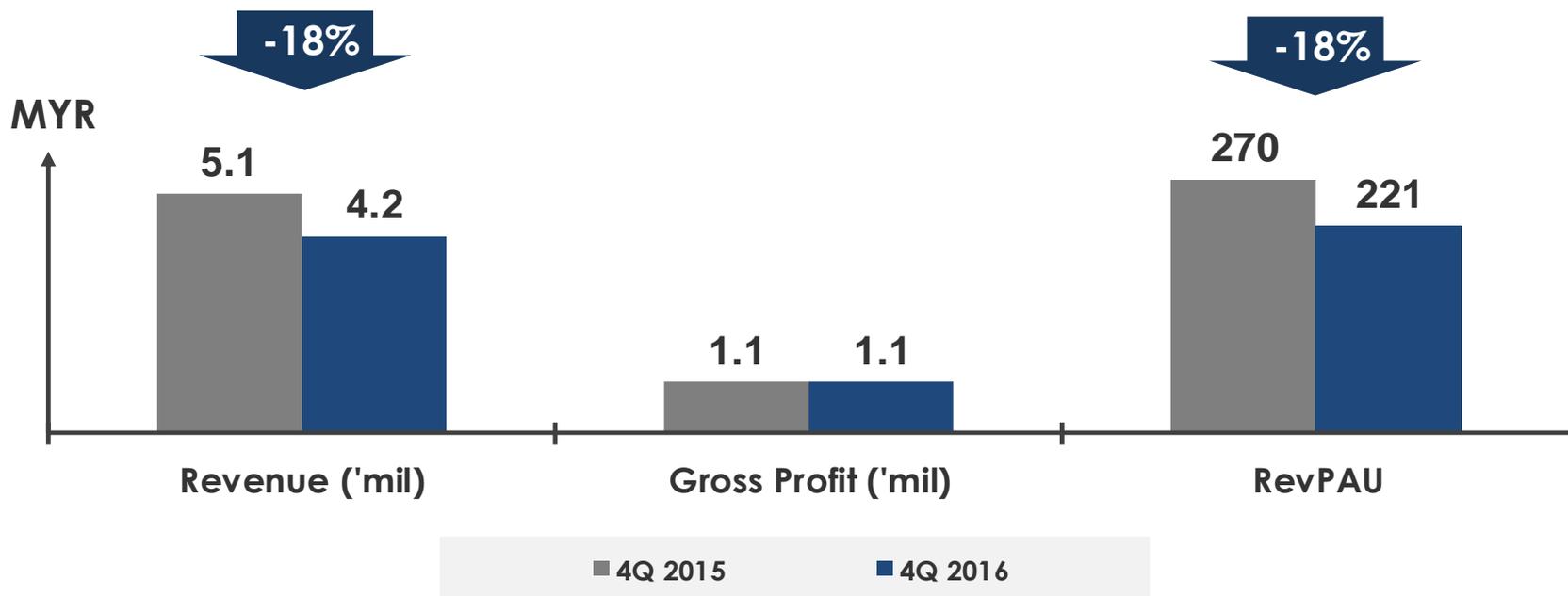
Citadines Ramblas
Barcelona



Revenue, gross profit and RevPAU remained stable.



Somerset Ampang
Kuala Lumpur



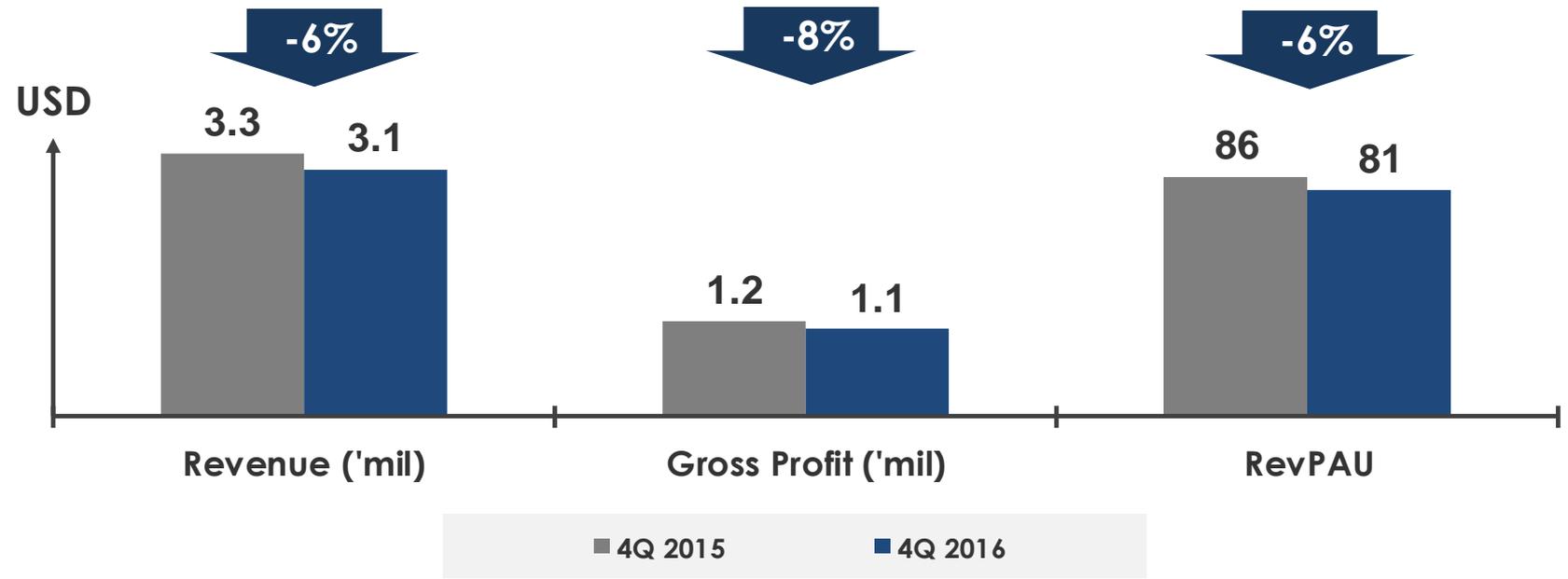
Revenue and RevPAU decreased due to weaker demand from banking industries. Gross profit remained at the same level as 4Q 2015 due to lower revenue, offset by lower depreciation expense.



Ascott Jakarta



Somerset Grand Citra Jakarta



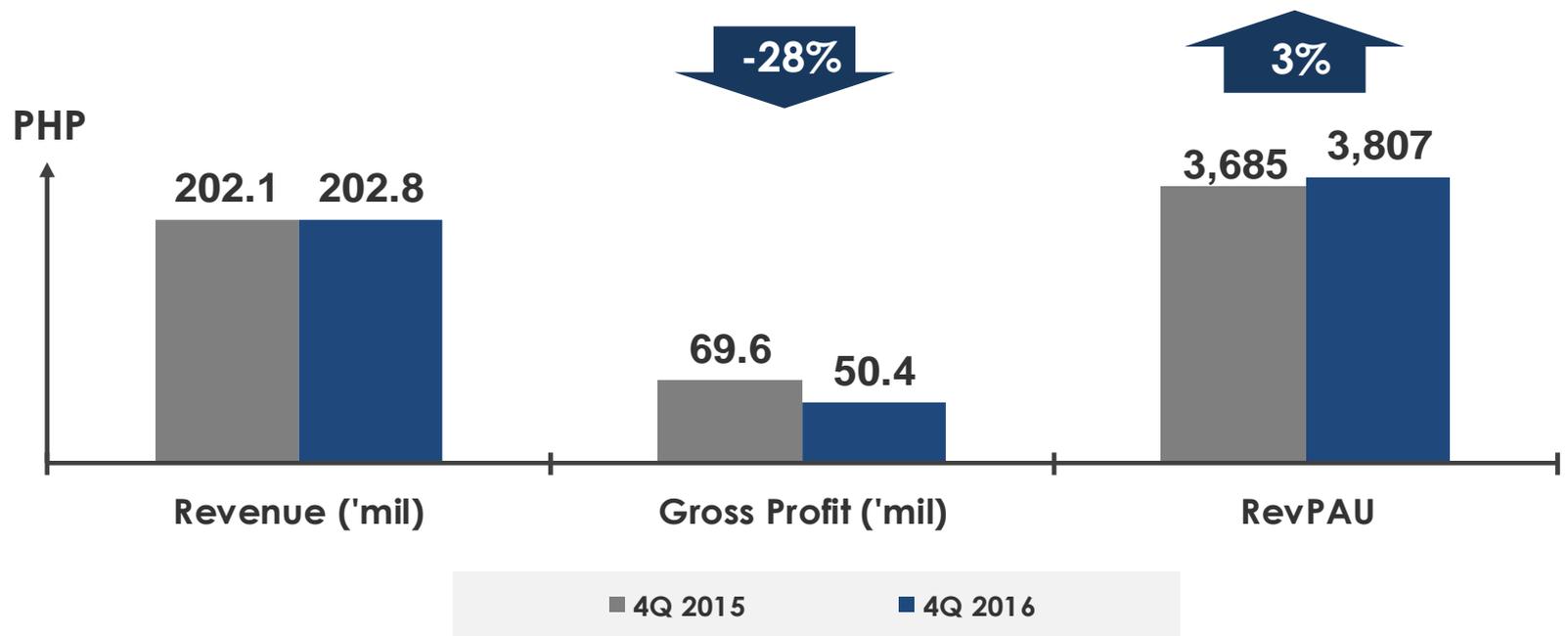
Revenue and gross profit decreased due to weaker demand from corporate accounts.



Ascott Makati



Somerset Millennium Makati



Revenue and RevPAU increased due to refurbishment of Ascott Makati in 4Q 2015. Gross profit decreased due to higher depreciation expense (arising from the refurbishment of Ascott Makati) and higher operating expense.