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A Defining Decade

ASCOTT REIT'S 1Q 2016 REVENUE RISES 17% TO S$105.5 MILLION BOOSTED BY ACQUISITIONS

Strong operating performance in several markets drives RevPAU up by 10%

Singapore, 15 April 2016 – Ascott Residence Trust's (Ascott Reit) revenue for 1Q 2016 grew 17% to S$105.5 million. This was mainly due to the new acquisitions in 2015, with the greatest contribution from its first acquisition in New York last year. Revenue per available unit (RevPAU) grew 10% to S$125. Gross profit increased 13% to S$48.6 million.

Unitholders' distribution for 1Q 2016 notched up 1% to S$27.3 million and distribution per unit (DPU) was 1.75 cents. In March 2016, Ascott Reit raised S$100 million through an equity placement by issuing 94.8 million new units at a price of S$1.055 per unit to partly fund its second acquisition in New York. Excluding the effect of the equity placement, Ascott Reit's 1Q 2016 DPU would be 1.76 cents.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit is on a constant hunt for good quality assets to enhance our portfolio. We have once again achieved double-digit growth in revenue due to our S$609 million acquisitions last year, with our first acquisition in New York making the greatest contribution. Last month, we topped Ascott Reit's 10 years of phenomenal growth with our second acquisition in New York. This acquisition, which is expected to be completed later this month, will increase our portfolio to 11,661 apartment units in 90 properties, expanding our asset size to S$5.0 billion. When our acquisition of Ascott Orchard Singapore is completed next year, Ascott Reit's asset size will further expand to S$5.4 billion, putting us well on course to achieve our target of S$6.0 billion by 2017."

Mr Lim added: "We remain committed to deliver stable and growing returns to Unitholders. Ascott Reit is now not only the largest hospitality real estate investment trust listed in Singapore by asset size, it also has the most diversified portfolio across 38 cities and 14 countries. As Ascott Reit embarks on its next 10 years, we will continue to chart new paths and expand our portfolio by actively seeking accretive acquisitions in key cities of markets such as Australia, Japan, Europe and the United States of America."

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "Several of our markets performed better this quarter. Australia's RevPAU grew 10%[1] mainly because of the newly acquired Citadines on Bourke Melbourne which has a higher average daily rate. RevPAU for Spain rose 9%[1] due to increased demand from leisure travellers at Citadines Ramblas Barcelona. China and Japan's RevPAU were up 6%[1] and 4%[1] respectively. Japan's increase was attributed to stronger demand from corporate and leisure travellers while China saw more bookings from project groups mainly in the first tier cities. Singapore also registered positive RevPAU growth of 2%[1] due to higher demand from corporate customers."

[1] Based on RevPAU in local currencies.

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Mr Tay said: "Ascott Reit invested about S$50 million last year to refurbish several properties to enhance guest experience and maximise returns to Unitholders. To date, approximately 85% of our serviced residences have undergone or are undergoing asset enhancement. We will continue to review our assets and progressively refurbish the remaining properties. The ongoing renovation at Citadines Barbican London and the first phase of renovation at Ascott Makati are on track for completion this year. The remaining phases of refurbishment at Somerset Xu Hui Shanghai and Somerset Ho Chi Minh City are expected to be completed in 2016 and 2017 respectively."

Mr Tay added: "As part of our prudent capital management, we raised an eight year Singapore dollar bond and swapped it into a euro liability at an attractive rate of 2.15% per annum. This consequently led to a lower all-in blended borrowing cost of 2.5% per annum and extended our debt maturity from 4.6 years to 5.1 years. We will continue to actively tap the debt capital market so as to diversify our funding sources and secure longer-term financing at an optimal cost. Ascott Reit continues to maintain a strong balance sheet with close to 80% of our total borrowing on fixed interest rates so as to mitigate interest rate volatility."

Ascott Reit makes distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year. Following Ascott Reit's equity placement on 14 March 2016, Ascott Reit declared an advanced distribution of 1.585 cents per unit based on the period of 1 January 2016 to 22 March 2016, which will be paid on 27 April 2016. The next distribution will comprise distribution income from 23 March 2016 to 30 June 2016.

Summary of Results

1Q 2016 vs 1Q 2015

	1Q 2016	1Q 2015	Change (%)
Revenue (S$ million)	105.5	90.0	+17%
Gross Profit (S$ million)	48.6	43.1	+13%
Unitholders' Distribution (S$ million)	27.3	27.0	+1%
DPU (S cents)	1.75	1.76	-1%
DPU (S cents) (adjusted for effect of equity placement)	1.76	1.76	-
Revenue Per Available Unit (RevPAU) S$/day	125	114	+10%

- Revenue for 1Q 2016 increased mainly due to the additional revenue of S$16.4 million from Ascott Reit's acquisitions in 2015. The increase was partially offset by the decrease in revenue of S$0.8 million from the divestment of six rental housing properties in Japan and decrease in revenue of S$0.1 million from existing properties.

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- RevPAU grew 10% mainly because of the acquisitions in 2015. Excluding the acquisitions in 2015, RevPAU was up 1%.

For Ascott Reit's 1Q 2016 financial statement and presentation slides, please visit www.ascottreit.com.

About Ascott Residence Trust

Ascott Reit was established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used or predominantly used, as serviced residences, rental housing properties and other hospitality assets.

Ascott Reit's asset size has quadrupled to S$4.8 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 89 properties with 11,292 units in 38 cities across 14 countries in the Americas, Asia Pacific and Europe. Ascott Reit was awarded 'Best REIT (Asia)' by World Finance magazine at its Real Estate Awards in 2015.

Ascott Reit's serviced residences are mostly operated under the Ascott, Citadines and Somerset brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Guangzhou, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Shanghai, Singapore and Tokyo.

Ascott Reit is managed by Ascott Residence Trust Management Limited, a wholly owned subsidiary of The Ascott Limited and an indirect wholly owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies.

Important Notice

The value of units in Ascott Reit and the income derived from them may fall as well as rise. Units in Ascott Reit 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 in Ascott Reit 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 announcement 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. Investors 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.

Issued by:

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