



Ascott Residence Trust 1H 2014 Financial Results

21 July 2014

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 Residence Trust
- Results Highlights
- Portfolio Performance
- Capital and Risk Management
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- Outlook and Prospects
- Distribution Details
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Overview of Ascott Residence Trust

Leading global serviced residence real estate investment trust

Ascott Residence Trust (Ascott REIT) is the premier serviced residence real estate investment trust with quality assets in key gateway cities. Its Sponsor, The Ascott Limited, is the largest serviced apartment owner-operator in the world.

S\$1.9b

Market Capitalisation

S\$3.8b

Total Assets

9,278

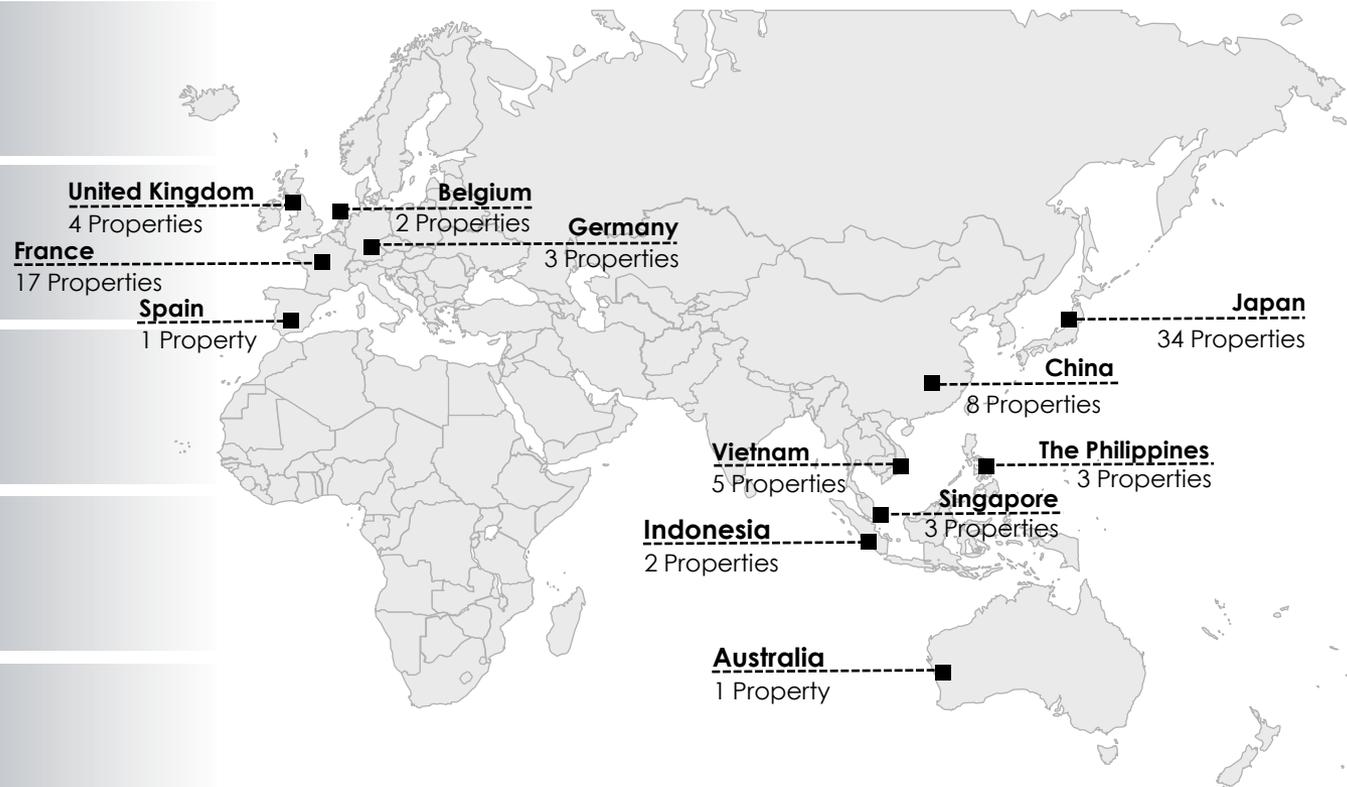
Units

83

Properties

33

Cities in 12 Countries



Figures as at 30 June 2014.



Results Highlights

Ascott Raffles Place Singapore



Key Highlights

Unitholders' Distribution

2Q 2014

1H 2014

S\$33.5m

↑8% YoY

S\$60.2m

↑3% YoY

Gross Profit

2Q 2014

1H 2014

S\$46.5m

↑14% YoY

S\$85.7m

↑15% YoY

Portfolio Valuation

As at 30 Jun 2014

S\$3,507.8m

↑7%

from S\$3,264.1m as at 31 Dec 2013

Net Asset Value per Unit

As at 30 Jun 2014

S\$1.38

↑1%

from S\$1.37 as at 31 Dec 2013



2Q 2014 vs 2Q 2013

	2Q 2014	2Q 2013	% Change
Revenue (S\$'m)	88.1	77.4	14% ↑
Gross Profit (S\$'m)	46.5	41.0	14% ↑
Unitholders' Distribution (S\$'m)	33.5	30.9 ¹	8% ↑
Distribution Per Unit (S cents)	2.19	2.45 ¹	-11% ↓
Adjusted Distribution Per Unit (S cents) (For information Only)	2.19	2.09 ²	5% ↑
Revenue Per Available Unit (S\$/day) – serviced residences	137	142	-4% ↓

- Revenue and gross profit increased by 14%
 - Additional contribution from acquisitions in FY 2013³ and 1H 2014⁴ as well as existing properties
 - Partially offset by absence of revenue due to cessation of operations for Somerset Grand Fortune Garden Property Beijing arising from the ongoing strata sale of units.
- On a same store basis, revenue and gross profit increased by 3%.

1. Unitholders' distribution in 2Q 2013 included one-off items of approximately S\$4.0 million

2. Adjusted for the effects from the Rights Issue and excluded one-off items

3. Acquisition of Somerset Heping Shenyang, Citadines Biyun Shanghai, Citadines Xinghai Suzhou and 11 rental housing properties in Japan were completed in June 2013

4. Acquisition of Infini Garden and Somerset Grand Central Dalian were completed in March 2014 and June 2014 respectively



1H 2014 vs 1H 2013

	1H 2014	1H 2013	% Change
Revenue (S\$'m)	168.5	146.6	15% ↑
Gross Profit (S\$'m)	85.7	74.7	15% ↑
Unitholders' Distribution (S\$'m)	60.2	58.5	3% ↑
Distribution Per Unit (S cents)	3.94	4.70	-16% ↓
Adjusted Distribution Per Unit (S cents) (For information Only)	3.94	3.76 ¹	5% ↑
Revenue Per Available Unit (S\$/day) – serviced residences	131	133	-2% ↓

- Revenue and gross profit increased by 15%
 - Additional contribution from the properties acquired in FY 2013² and 1H 2014³ as well as existing properties
 - Partially offset by absence of revenue due to cessation of operations for Somerset Grand Fortune Garden Property Beijing arising from the ongoing strata sale of units
- On a same store basis, revenue and gross profit increased by 5%
 - Stronger underlying performance from properties in Europe
 - Appreciation of EUR and GBP against SGD

1. Adjusted for the effects from the Rights Issue and excluded one-off items of approximately S\$12.1 million

2. Acquisition of Somerset Heping Shenyang, Citadines Biyun Shanghai, Citadines Xinghai Suzhou and 11 rental housing properties in Japan were completed in June 2013

3. Acquisition of Infini Garden and Somerset Grand Central Dalian were completed in March 2014 and June 2014 respectively

Portfolio Valuation Up by 7%

Higher valuation from United Kingdom, France, Japan and Vietnam

- Independent valuation conducted by Jones Lang LaSalle Property Consultants Pte Ltd
- Portfolio valuation as at 30 Jun 2014 of S\$3,507.8m
- Increase of S\$41.5 million from portfolio valuation as at 31 Dec 2013



Portfolio Performance



Citadines Suites Louvre Paris

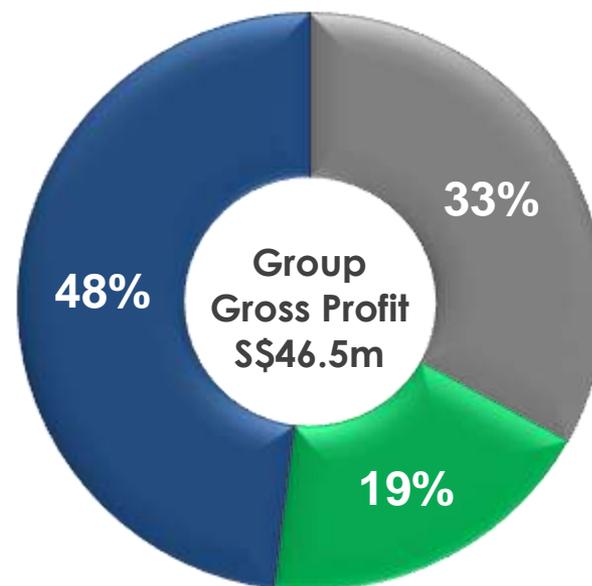
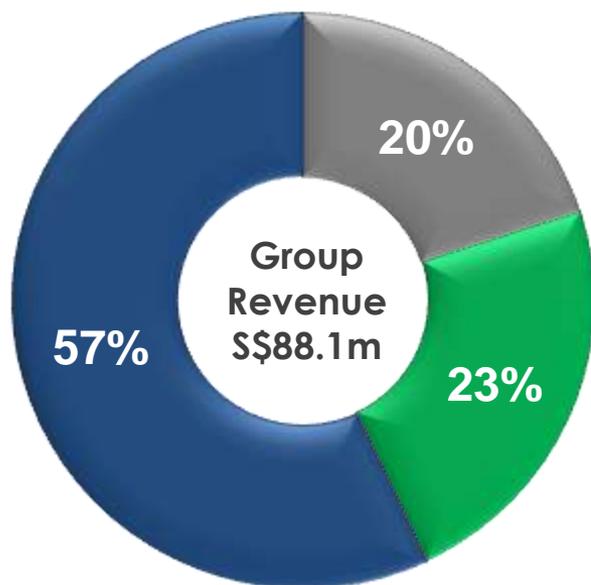


Portfolio Highlights

Revenue and Gross Profit (By Category)

**Revenue
2Q 2014**

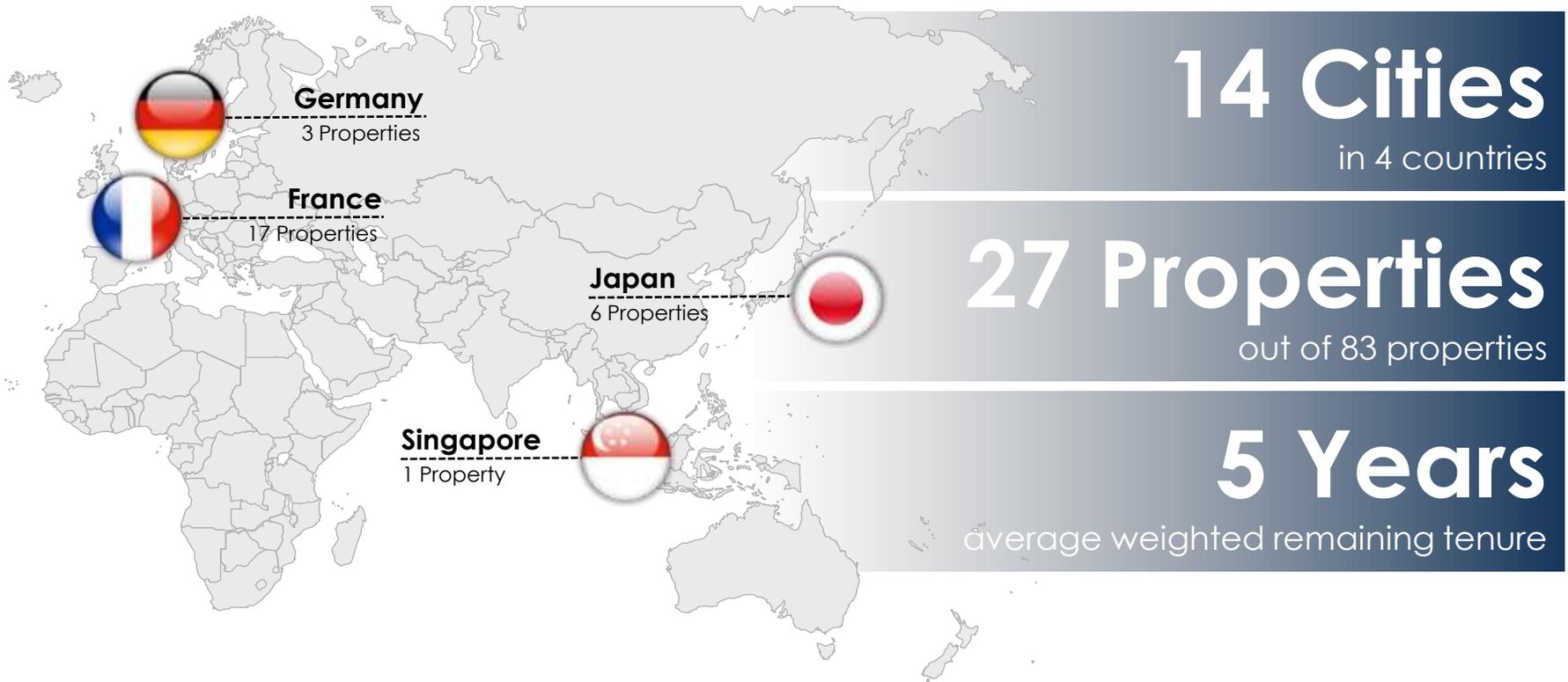
**Gross Profit
2Q 2014**



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

Master Leases

33% of Group's Gross Profit for 2Q 2014 is contributed by Master Leases





Master Leases (2Q 2014 vs 2Q 2013)



Citadines
Suites
Louvre Paris



Citadines
Prestige Les
Halles Paris



Citadines
Croisette
Cannes



Citadines
Arnulfpark
Munich



Madison
Hamburg



Ascott
Raffles Place
Singapore

Revenue ('mil)

Gross Profit ('mil)

	2Q 2014	2Q 2013		2Q 2014	2Q 2013	
France (EUR) 17 Properties	5.8	5.8	-	5.4	5.2	↑
Germany (EUR) 3 Properties	1.5	1.5	-	1.3	1.3	-
Singapore (SGD) Ascott Raffles Place Singapore	2.4	2.3	↑	2.0	1.9	↑
Japan (JPY) 6 Properties ¹	187.6	-	↑	149.2	-	↑

Revenue and gross profit increased mainly due to the conversion of 35 studio units to one-bedroom units at Ascott Raffles Place Singapore and the contribution from the acquired properties¹ in Japan. Gross profit for the properties in France increased due to a one-off reversal of business tax.

1. Acquisition of five rental housing properties and Infini Garden were completed in June 2013 and March 2014 respectively



Master Leases (1H 2014 vs 1H 2013)



Citadines
Suites
Louvre Paris



Citadines
Prestige Les
Halles Paris



Citadines
Croisette
Cannes



Citadines
Arnulfpark
Munich



Madison
Hamburg



Ascott
Raffles Place
Singapore

Revenue ('mil)

Gross Profit ('mil)

	1H 2014	1H 2013		1H 2014	1H 2013	
France (EUR) 17 Properties	11.7	11.5	↑	10.8	10.5	↑
Germany (EUR) 3 Properties	2.9	2.7	↑	2.6	2.5	↑
Singapore (SGD) Ascott Raffles Place Singapore	4.4	4.5	↓	3.5	3.6	↓
Japan (JPY) 6 Properties ¹	286.8	-	↑	232.8	-	↑

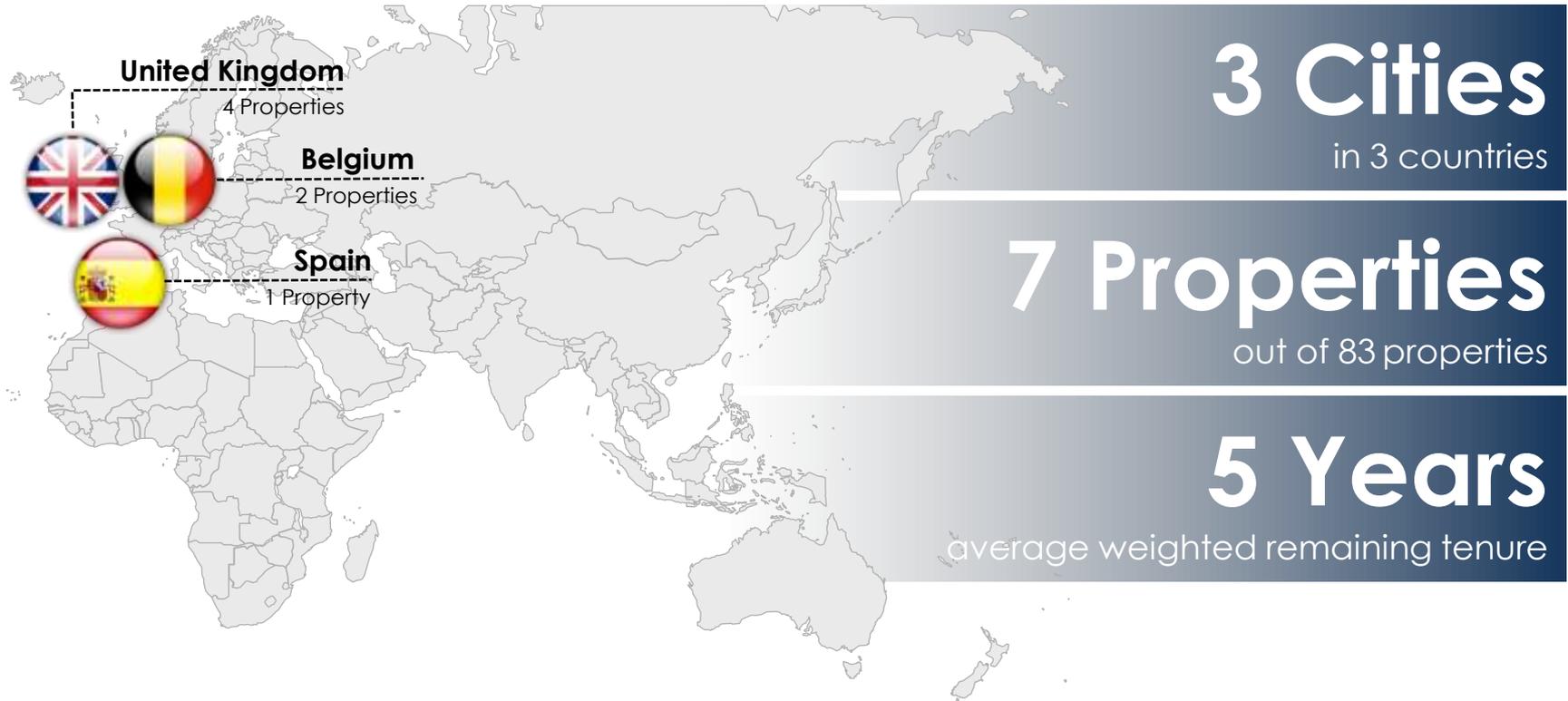
Revenue and gross profit increased mainly due to higher indexation and pre-determined increase in lease income for the properties in France and Germany, as well as the contribution from the acquired properties¹ in Japan. This was partially offset by the lower operating performance of Ascott Raffles Place Singapore due to refurbishment in 1Q 2014.

1. Acquisition of five rental housing properties and Infini Garden were completed in June 2013 and March 2014 respectively



Management Contracts with Minimum Guaranteed Income

19% of Group's Gross Profit for 2Q 2014 is contributed by Management Contracts with Minimum Guaranteed Income





Management Contracts with Minimum Guaranteed Income (2Q 2014 vs 2Q 2013)

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	2Q 2014	2Q 2013		2Q 2014	2Q 2013		2Q 2014	2Q 2013	
Belgium (EUR)	2.1	1.8	↑	0.5	0.4	↑	64	55	↑
Spain (EUR)	1.3	1.1	↑	0.7	0.5	↑	97	74	↑
United Kingdom (GBP)	6.9	7.1	↓	3.0	3.3	↓	123	124	↓
Vietnam (VND)^{1,2}	-	17.6	-	-	11.4	-	-	1,233	-

1. Revenue and gross profit figures for VND are stated in billions. RevPAU figures are stated in thousands.
2. Revenue and gross profit for Somerset West Lake in 2Q 2014 have been classified under "Management Contracts" category from April 2014 upon the expiry of the deed of yield protection.



Management Contracts with Minimum Guaranteed Income (1H 2014 vs 1H 2013)

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	1H 2014	1H 2013		1H 2014	1H 2013		1H 2014	1H 2013	
Belgium (EUR)	3.7	3.2	↑	0.6	0.5	↑	57	49	↑
Spain (EUR)	1.9	1.8	↑	0.8	0.7	↑	73	61	↑
United Kingdom (GBP)	12.4	12.0	↑	4.6	5.0	↓	110	105	↑
Vietnam (VND)^{1,2}	17.3	34.6	↓	11.6	22.7	↓	1,230	1,284	↓

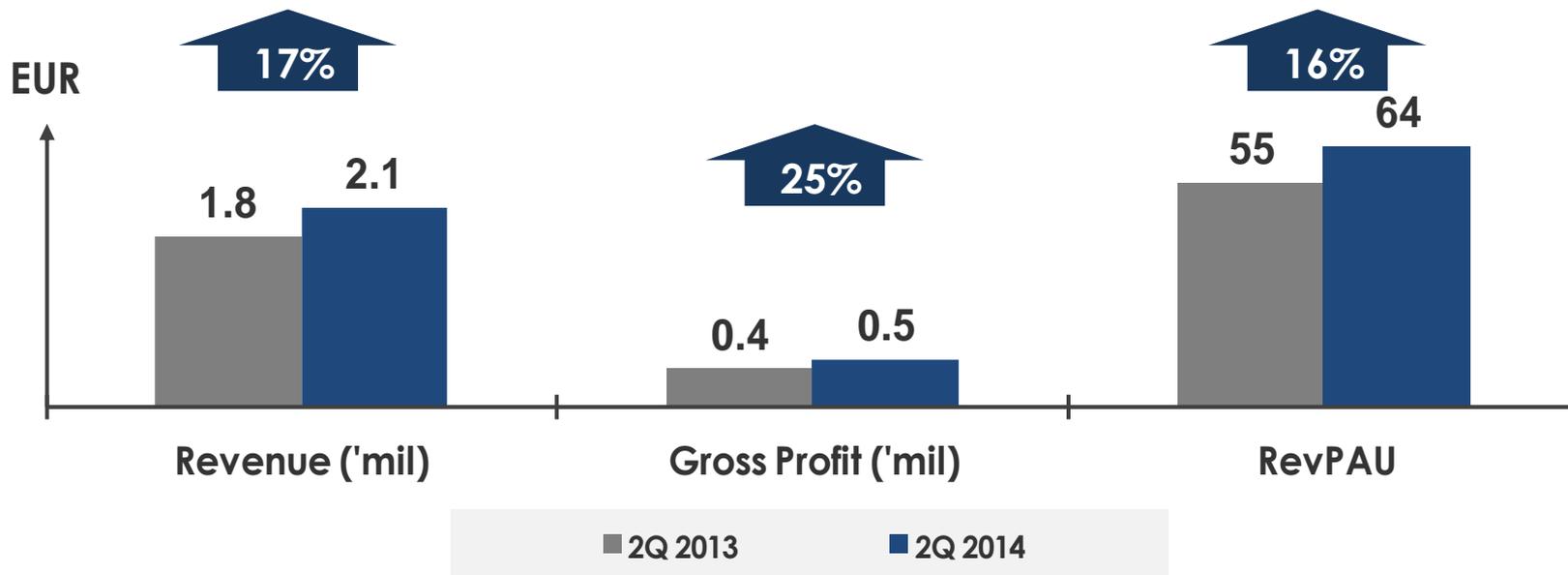
1. Revenue and gross profit figures for VND are stated in billions. RevPAU figures are stated in thousands.
2. Revenue and gross profit for Somerset West Lake in 2Q 2014 have been classified under "Management Contracts" category from April 2014 upon the expiry of the deed of yield protection.



Citadines
Sainte-Catherine
Brussels



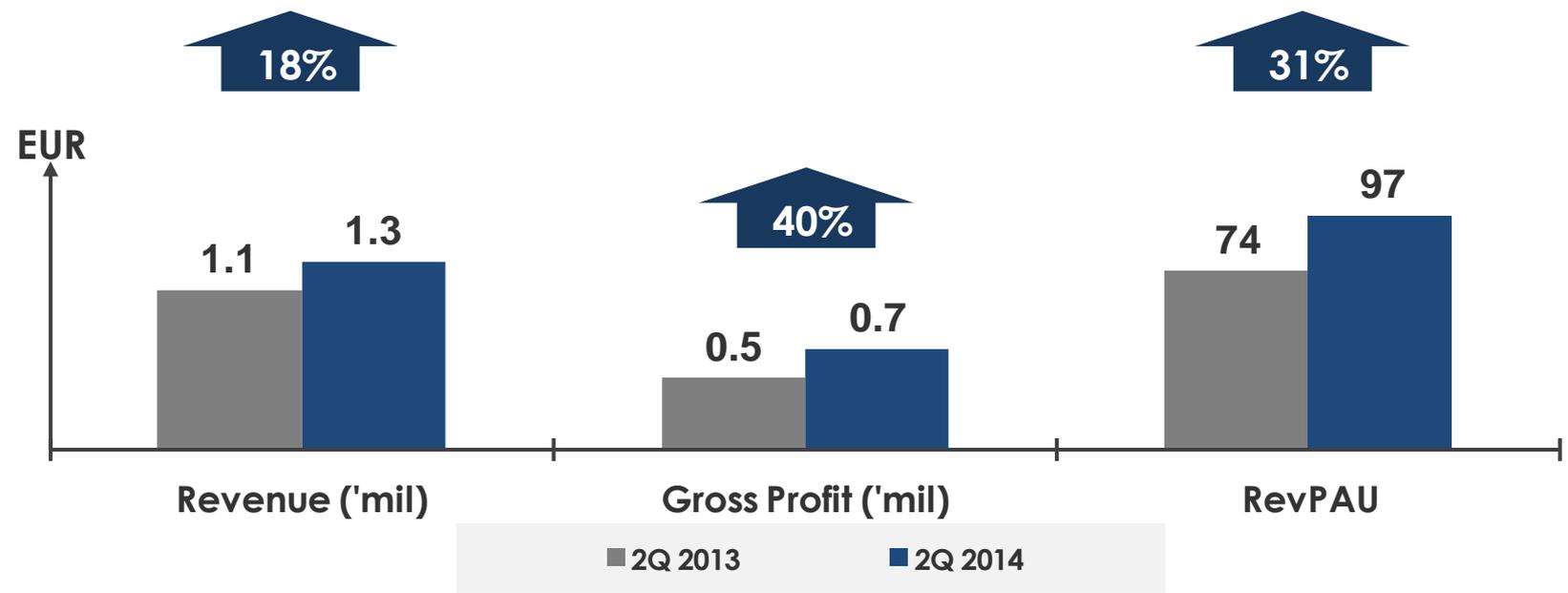
Citadines
Toison d'Or
Brussels



Revenue, gross profit and RevPAU increased mainly due to higher rental rates from the refurbished apartments at Citadines Toison d'Or Brussels.



Citadines
Prestige Ramblas
Barcelona¹



Revenue, gross profit and RevPAU increased due to higher rental rates from the refurbished apartments at Citadines Prestige Ramblas Barcelona¹.

1. Formerly known as Citadines Ramblas Barcelona



United Kingdom



Citadines
Barbican
London



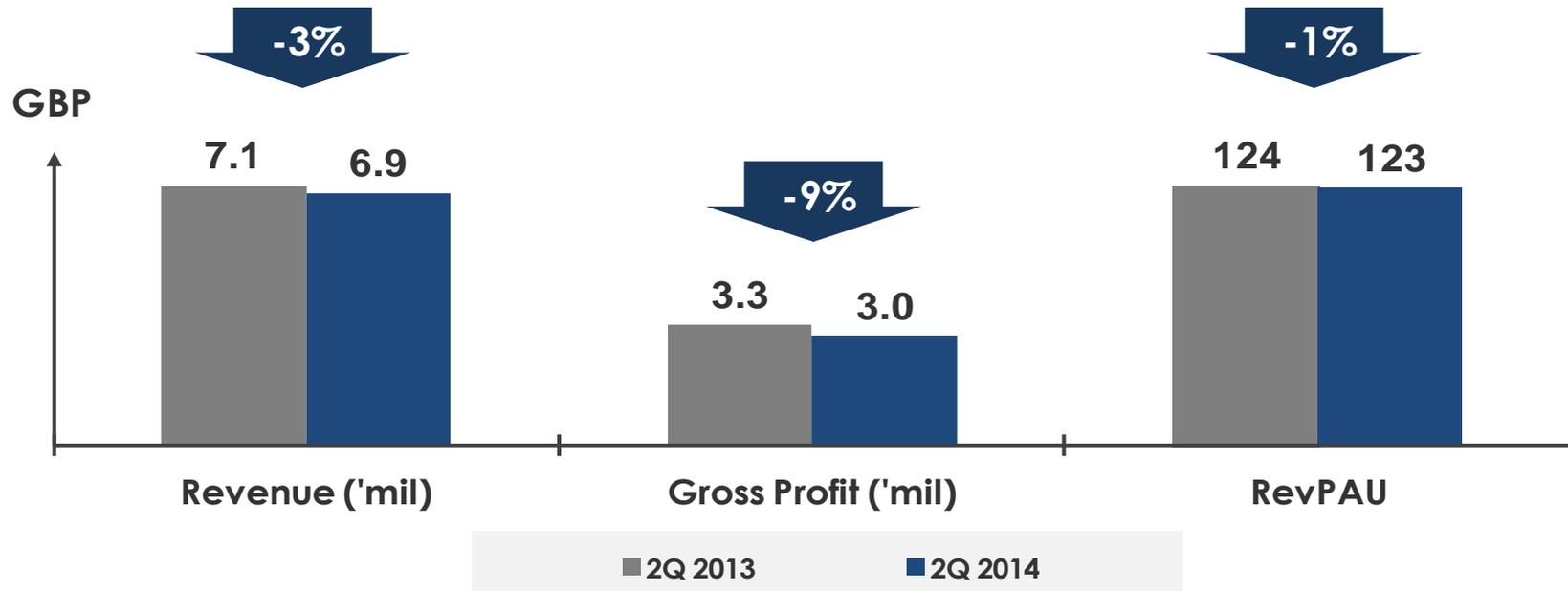
Citadines
Prestige Holborn-
Covent Garden
London



Citadines
Prestige South
Kensington London



Citadines
Prestige Trafalgar
Square London

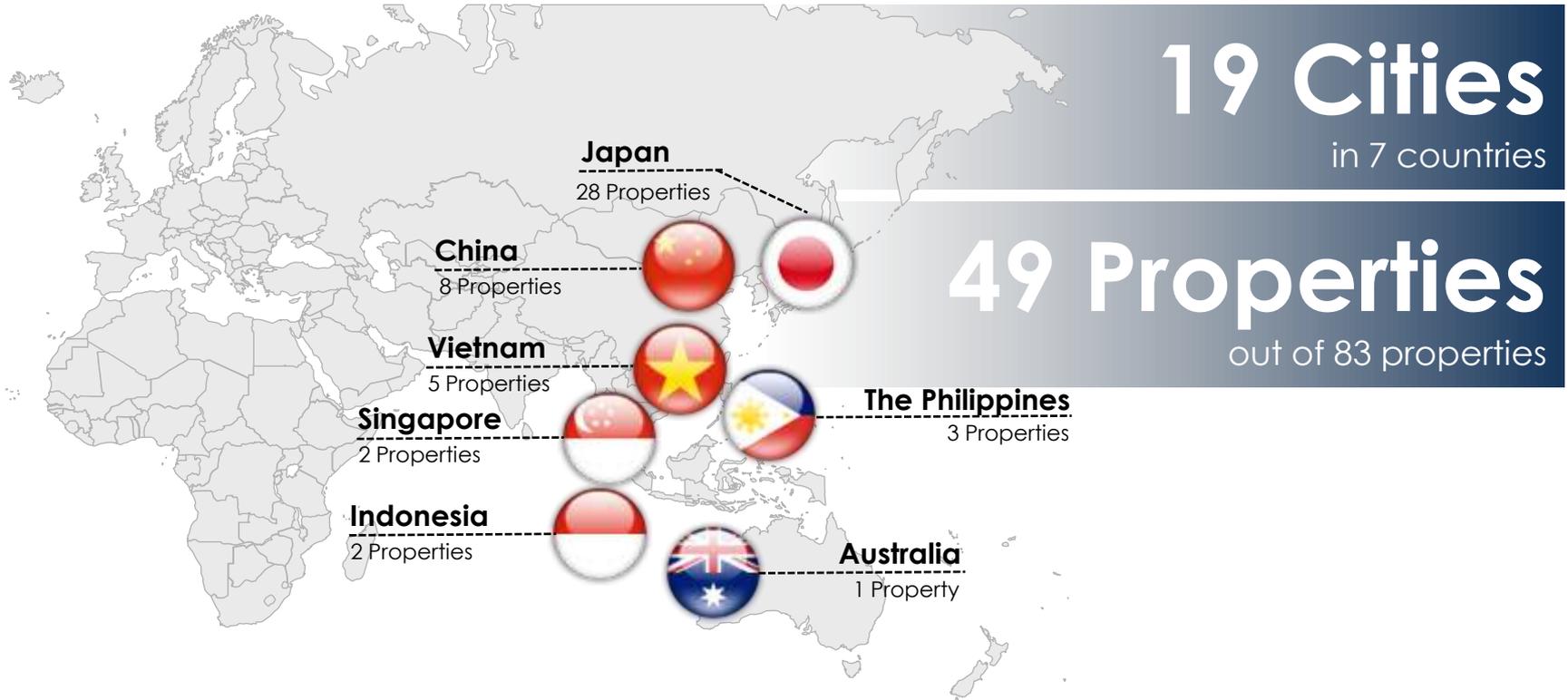


Revenue and RevPAU decreased mainly due to business being affected by installation of air conditioners at two of the properties, which was completed during the quarter. Gross profit decreased due to lower revenue and higher depreciation expense.



Management Contracts

48% of Group's Gross Profit for 2Q 2014 is contributed by Management Contracts



Management Contracts (2Q 2014 vs 2Q 2013)

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	2Q 2014	2Q 2013		2Q 2014	2Q 2013		2Q 2014	2Q 2013	
Australia (AUD)	1.2	1.3	↓	0.4	0.5	↓	145	156	↓
China (RMB)	57.5	35.9	↑	19.2	12.0	↑	485	578	↓
Indonesia (USD)	3.3	3.1	↑	1.5	1.0	↑	88	82	↑
Japan (JPY)¹	723.2	535.6	↑	414.9	284.9	↑	10,753	9,792	↑
Philippines (PHP)	285.0	268.7	↑	110.0	101.5	↑	4,874	5,062	↓
Singapore (SGD)	6.6	7.3	↓	3.1	3.7	↓	207	228	↓
Vietnam (VND)²	156.0	151.5	↑	82.3	87.6	↓	1,507	1,581	↓

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.

Management Contracts (1H 2014 vs 1H 2013)

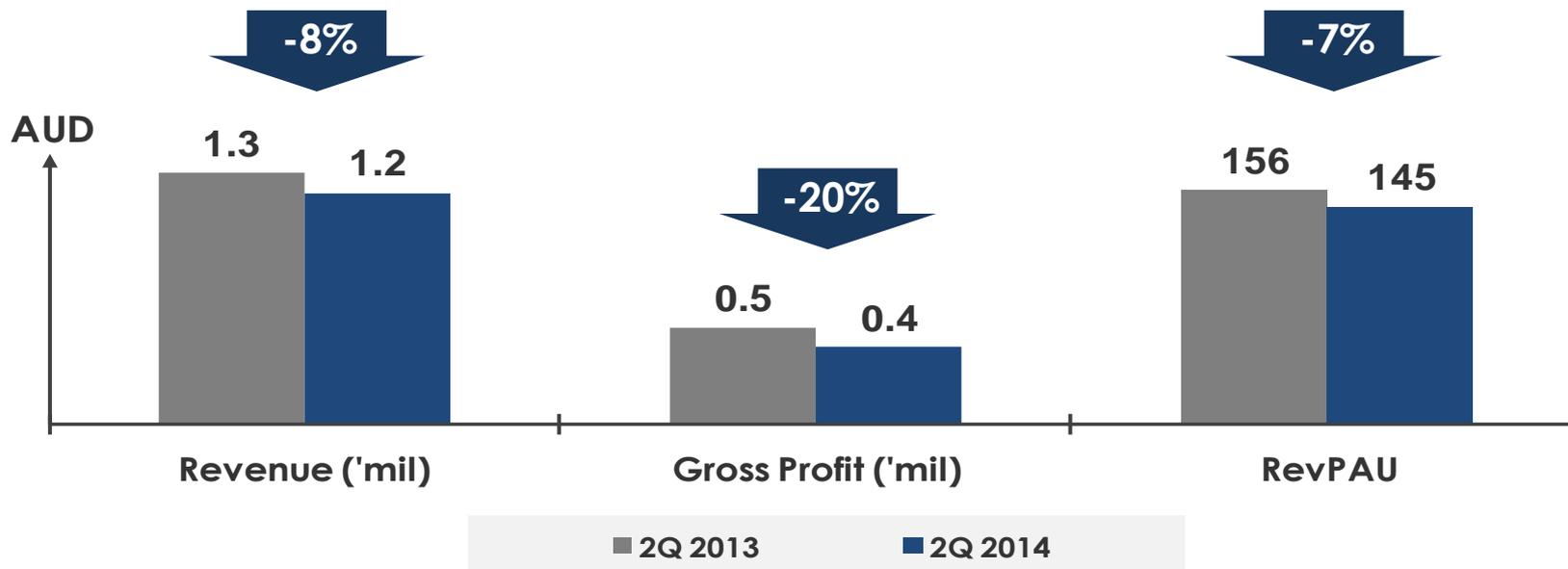
	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	1H 2014	1H 2013		1H 2014	1H 2013		1H 2014	1H 2013	
Australia (AUD)	2.3	2.5	↓	0.7	0.9	↓	143	151	↓
China (RMB)	111.1	71.2	↑	33.9	22.7	↑	475	575	↓
Indonesia (USD)	6.5	6.1	↑	2.7	1.8	↑	87	81	↑
Japan (JPY)¹	1,398.2	1,002.9	↑	805.7	498.6	↑	10,156	8,961	↑
Philippines (PHP)	548.5	540.6	↑	194.7	203.9	↓	4,683	5,109	↓
Singapore (SGD)	13.2	13.4	↓	6.0	6.2	↓	206	210	↓
Vietnam (VND)²	308.1	300.5	↑	171.9	171.2	↑	1,574	1,572	↑

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.

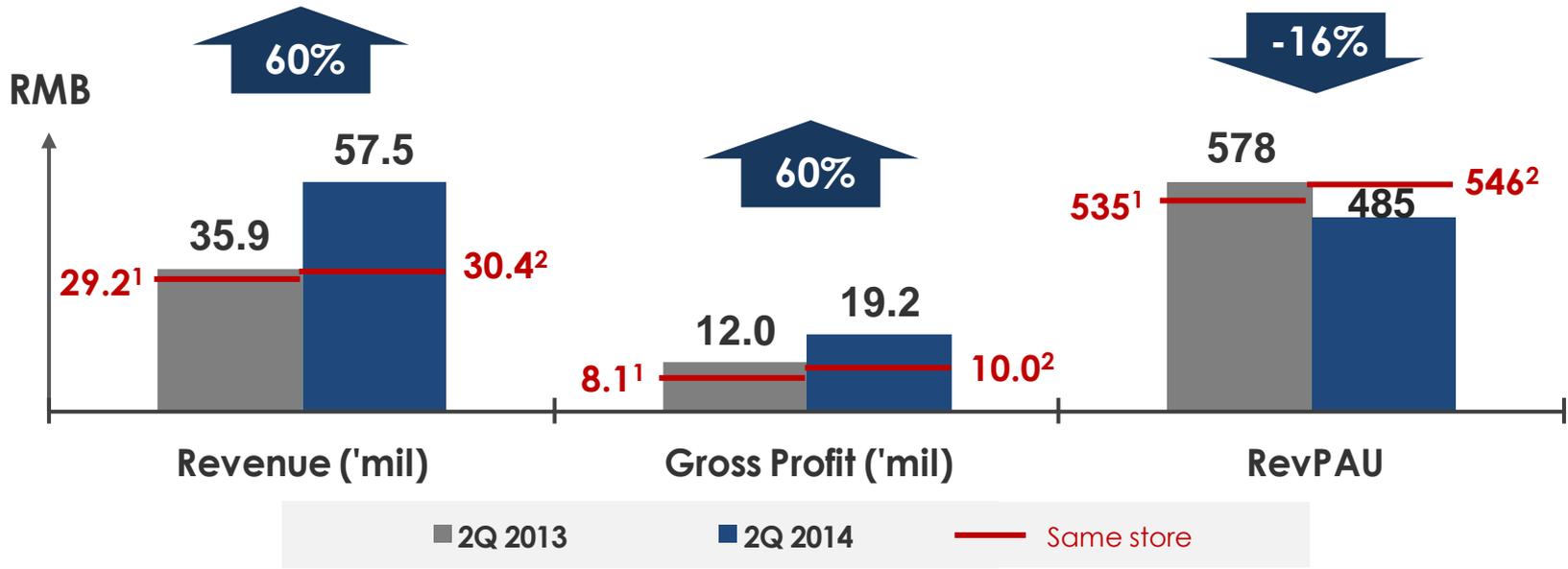


Citadines
St Georges
Terrace Perth¹



Revenue, gross profit and RevPAU decreased mainly due to weaker market demand as a result of the slowdown from oil and mining industries.

1. Formerly known as Somerset St Georges Terrace Perth



Revenue and gross profit increased mainly due to contribution from the properties acquired in June 2013³ and June 2014⁴ as well as stronger performance from existing properties¹. On a same store basis, both revenue and gross profit were still higher, underpinned by strong market demand. RevPAU decreased due to the acquired properties, which had a lower ADR.

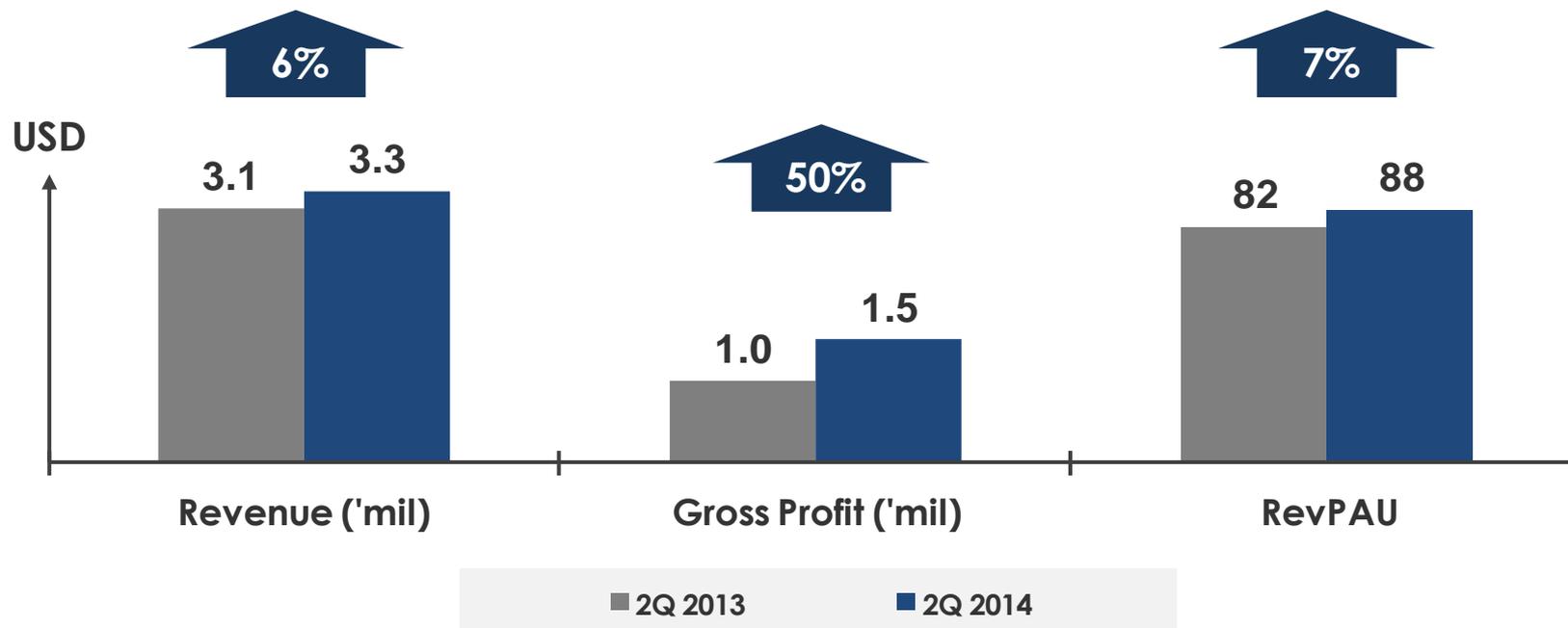
1. Excludes Somerset Fortune Garden Property Beijing
 2. Excludes Somerset Fortune Garden Property Beijing and properties acquired in June 2013 and June 2014
 3. Acquisition of Somerset Heping Shenyang, Citadines Biyun Shanghai and Citadines Xinghai Suzhou were completed in June 2013
 4. Acquisition of Somerset Grand Central Dalian was completed in June 2014



Ascott Jakarta



Somerset Grand
Citra Jakarta



Revenue and RevPAU increased due to higher rental rates from the refurbished apartments at Ascott Jakarta. Gross profit increased mainly due to higher revenue and lower operation and maintenance expense.



Somerset
Azabu East
Tokyo



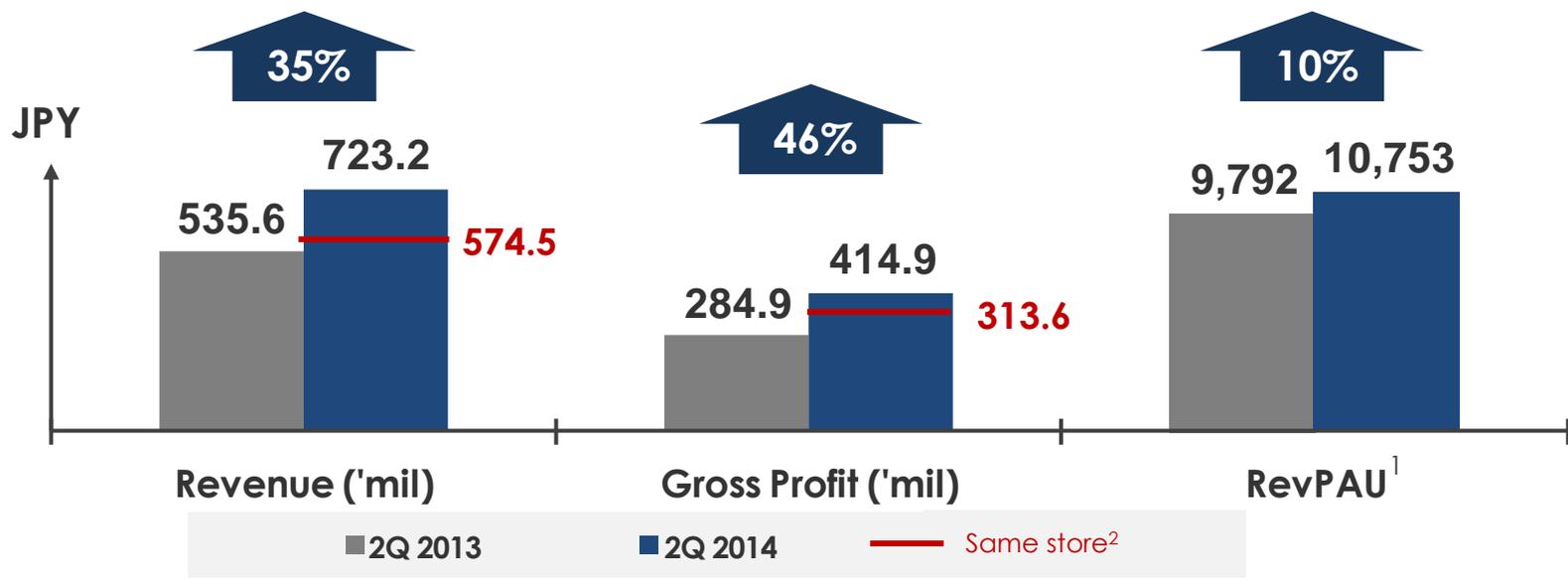
Citadines
Shinjuku
Tokyo



Citadines
Karasuma-Gojo
Kyoto



25 rental housing
properties
in Japan



Revenue and gross profit increased mainly due to the contribution from the six rental housing properties acquired in June 2013. On a same store basis, revenue and gross profit increased by 7% and 10% respectively due to stronger demand from corporate and leisure sectors.

1. RevPAU for serviced residence properties only.
 2. Excludes the six rental housing properties acquired in June 2013.



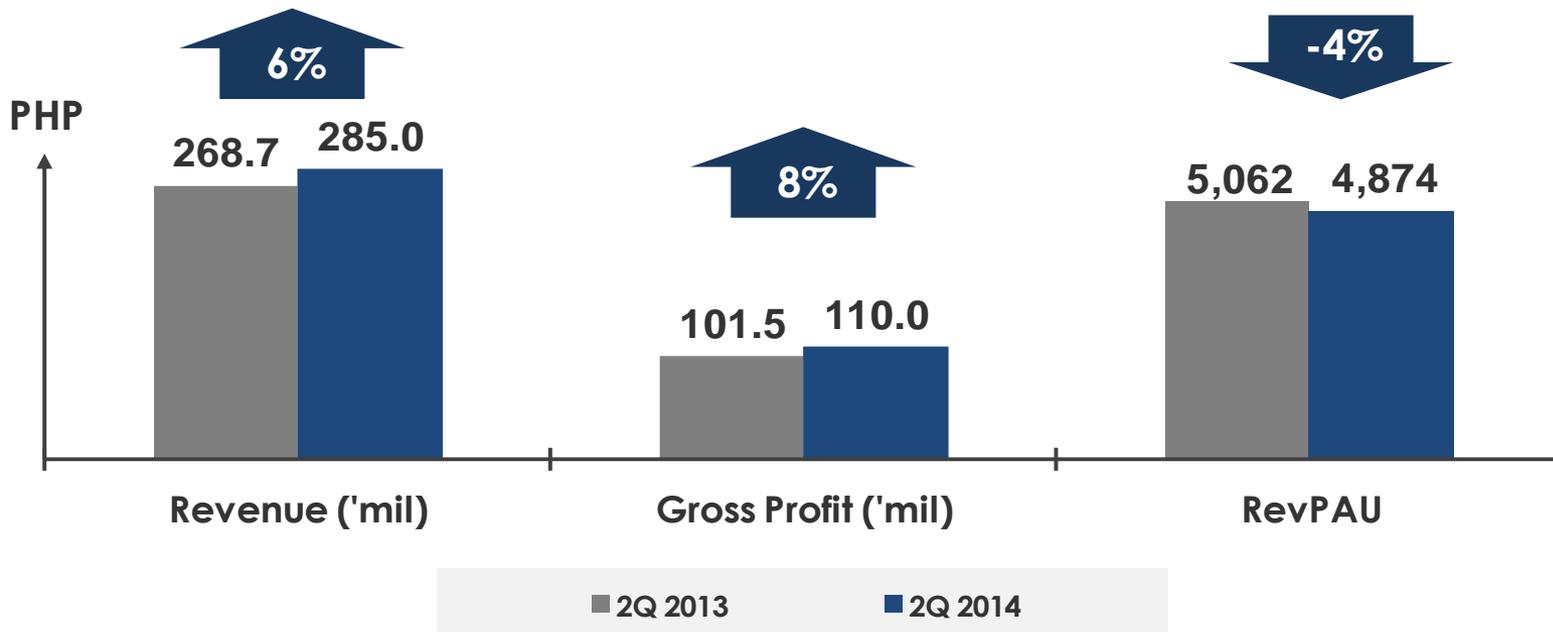
Ascott Makati



Somerset
Millennium Makati



Salcedo
Residences



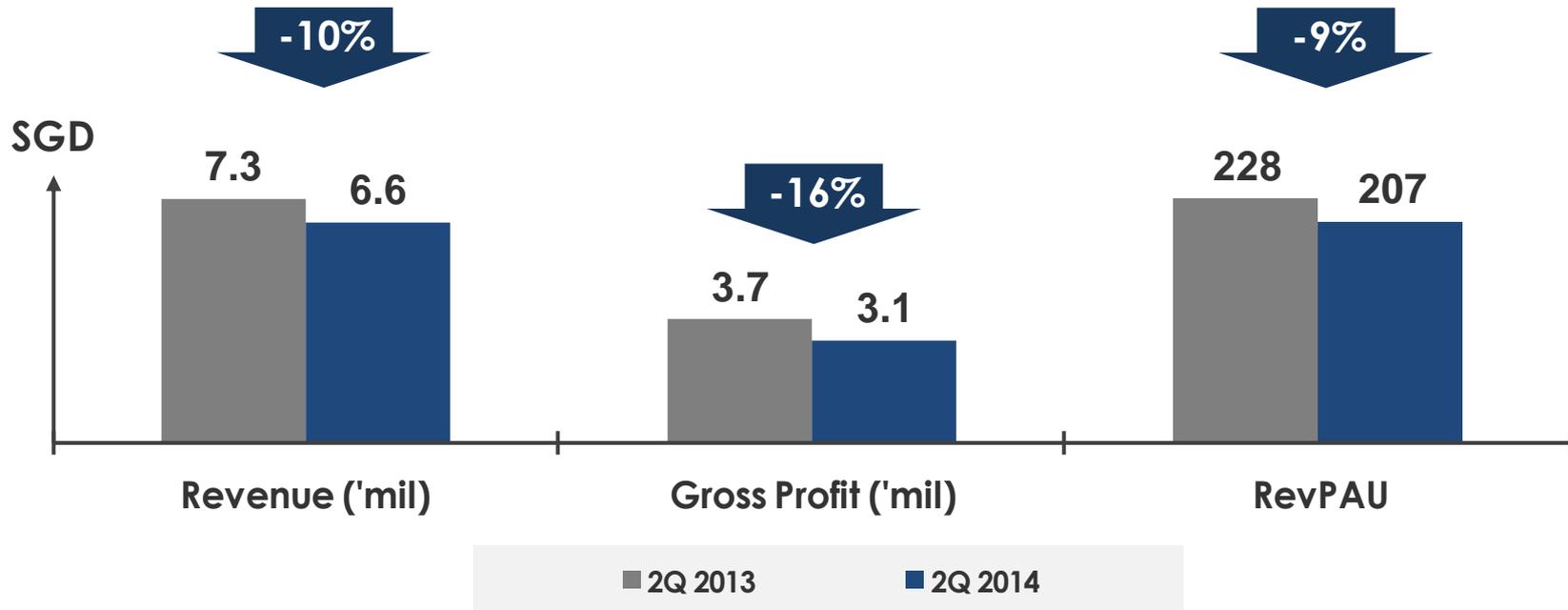
Revenue and gross profit increased mainly due to stronger demand from project groups. RevPAU decreased due to increase in studio and one-bedroom inventory arising from conversion of 56 two-bedroom units at Ascott Makati in 2013.



Somerset
Liang Court
Property
Singapore



Citadines
Mount Sophia
Property
Singapore



Revenue and RevPAU decreased mainly due to lower corporate accommodation budgets. Gross profit decreased due to lower revenue, mitigated by lower utility expense.



Somerset Grand Hanoi



Somerset Hoa Binh Hanoi



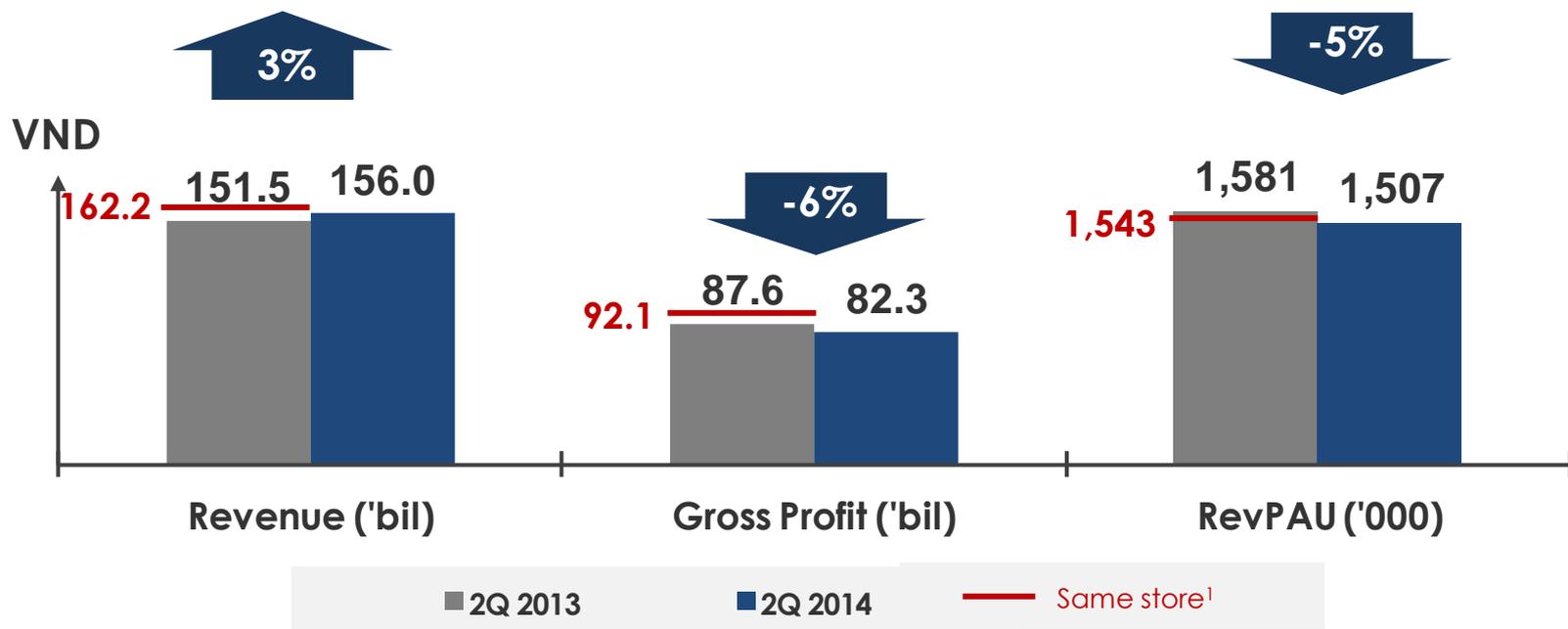
Somerset West Lake Hanoi



Somerset Ho Chi Minh City



Somerset Chancellor Court Ho Chi Minh City



Revenue increased mainly due to the contribution from Somerset West Lake Hanoi being reclassified from “management contracts with minimum guaranteed income” category². On a same store basis, revenue and RevPAU decreased mainly due to reduction in corporate accommodation budgets and lower office rental income.

1. Including the contribution from Somerset West Lake Hanoi but excluding the yield protection amount for 2Q 2013
 2. Revenue and gross profit for Somerset West Lake in 2Q 2014 have been classified under “Management Contracts” category from April 2014 upon the expiry of the deed of yield protection.

Capital and Risk Management

A low-angle photograph of a modern skyscraper with a distinctive central tower and a glass facade, set against a dramatic, cloudy sky. The central tower is white with a series of windows and a decorative top. The sky is filled with large, white clouds, and the overall scene is captured in a cinematic style.

Ascott Raffles Place Singapore



Healthy Balance Sheet and Credit Metrics

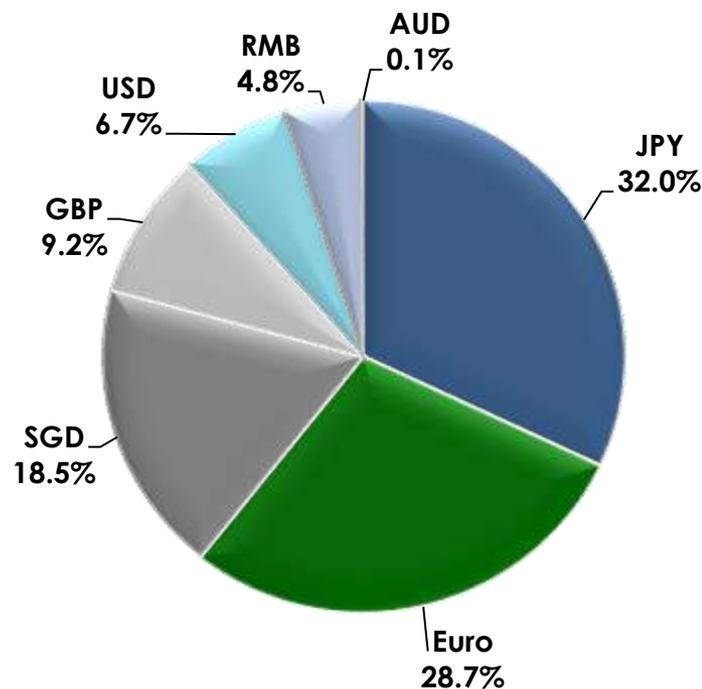
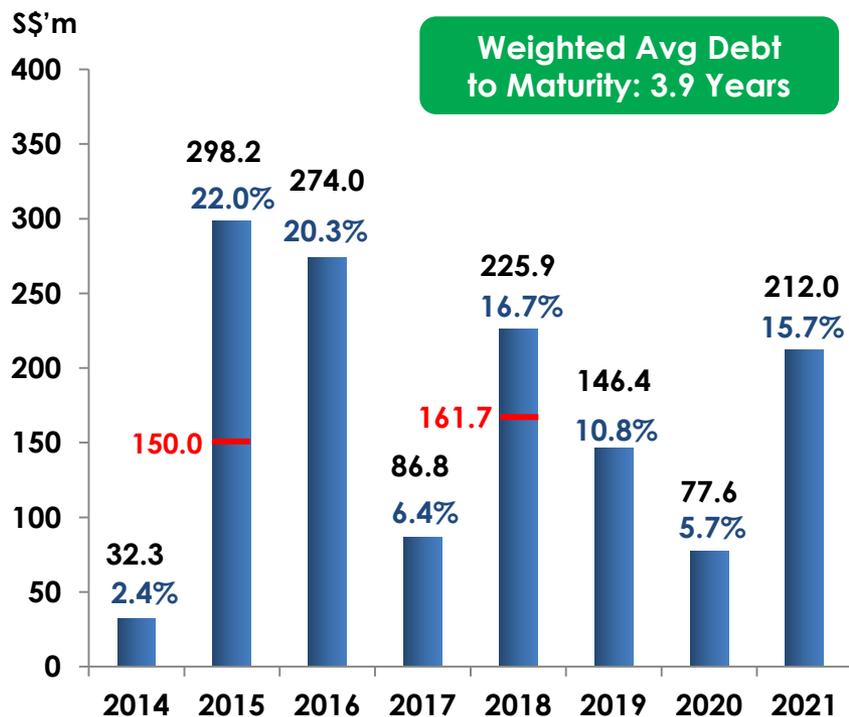
Key Financial Indicators

	As at 30 Jun 2014	As at 31 Mar 2014	
Gearing	36.4%	35.9%	Stable
Interest Cover	4.4X	4.7X	Stable
Effective Borrowing Rate	2.9%	3.0%	Improved
Weighted Avg Debt to Maturity (Years)	3.9	3.8	Improved
NAV/Unit	S\$1.38	S\$1.36	Stable
Ascott REIT's Issuer Rating	Baa3	Baa3	Stable

Proactive Capital Management

Debt Maturity Profile As at 30 Jun 2014

Debt by Currency As at 30 Jun 2014

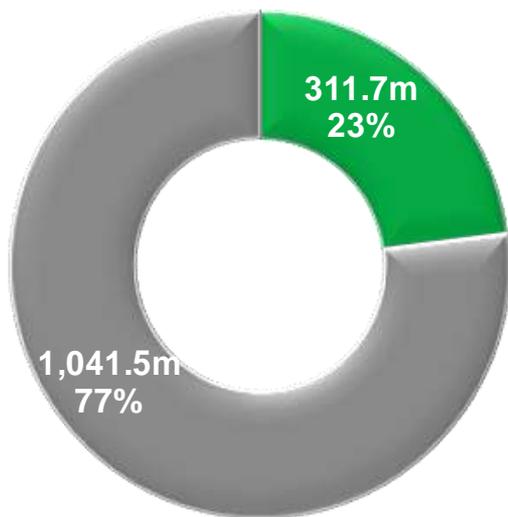


Ascott REIT's Total Debt = S\$1,353.2 million

— S\$311.7m medium term note arising from the S\$1.0 billion Medium Term Note Programme has been issued

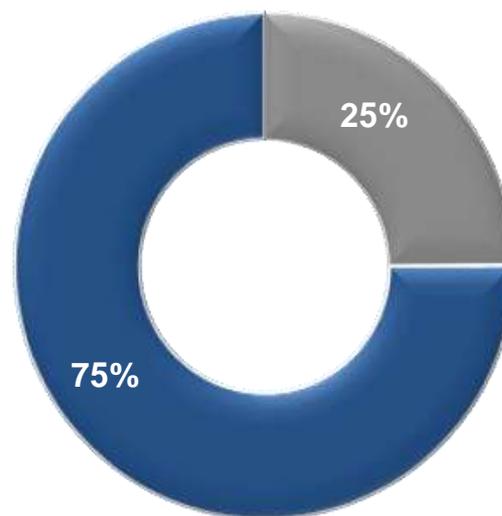
Proactive Capital Management

Debt Type As at 30 Jun 2014



- Bank Loans (S\$)
- Medium Term Note (S\$)

Interest Rate Profile As at 30 Jun 2014



- Fixed
- Floating

Ascott REIT's Total Debt = S\$1,353.2 million



Foreign Exchange Profile

Currency	Gross Profit YTD Jun 2014	Exchange Rate Movement From Dec 2013 to Jun 2014
SGD	11%	-
EUR	30%	0.3%
JPY	15%	-0.6%
VND	13%	-
GBP	12%	0.6%
RMB	8%	0.6%
PHP	6%	-1.3%
USD	4%	0.6%
AUD	1%	0.2%
Total	100%	0.1%

We have entered into foreign currency forward contracts to hedge distribution income derived in EUR, GBP and JPY. On a portfolio basis, approximately 40% of estimated FY 2014 distribution income had been hedged.

Portfolio Information

SOMERSET

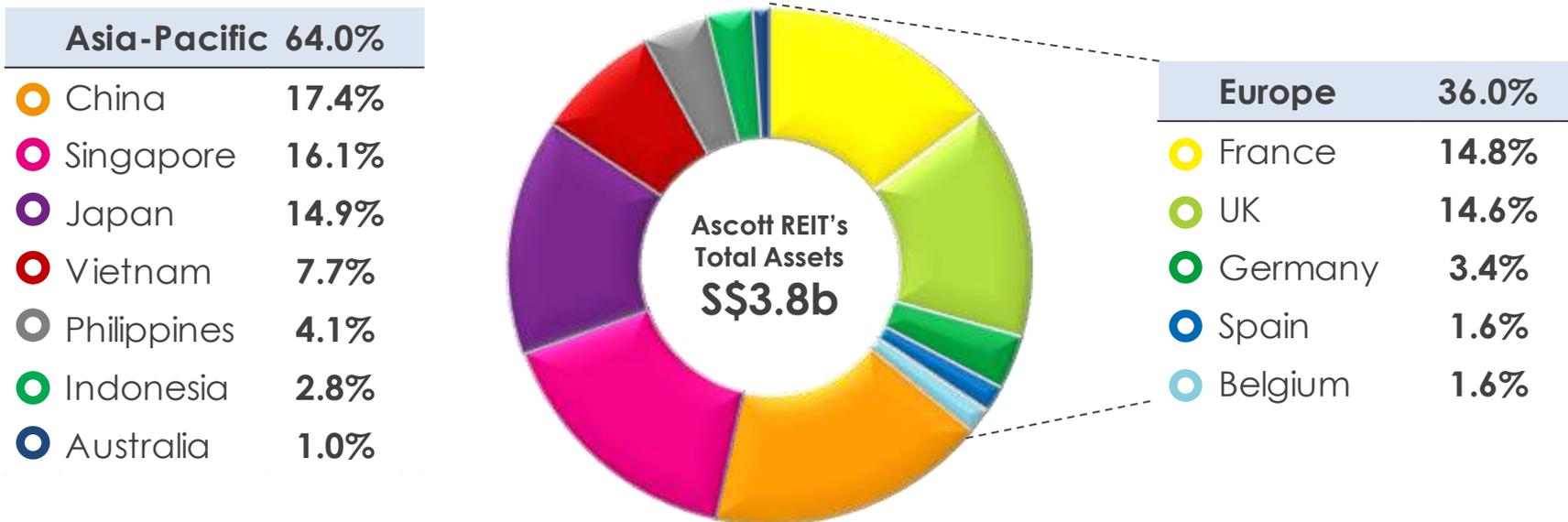
Somerset Liang Court Singapore



Geographical Diversification

Ascott REIT's Total Assets

As at 30 Jun 2014



Portfolio diversified across property and economic cycles

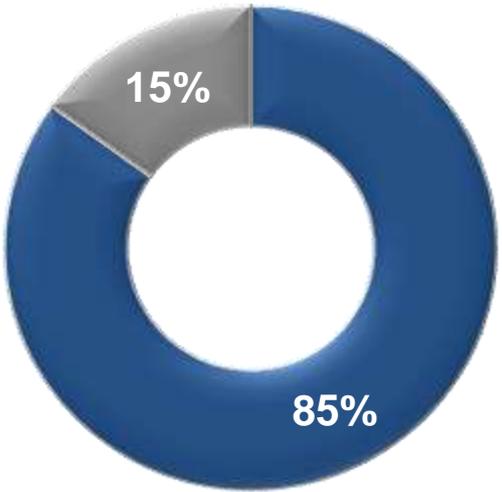


Apartment Rental Income¹

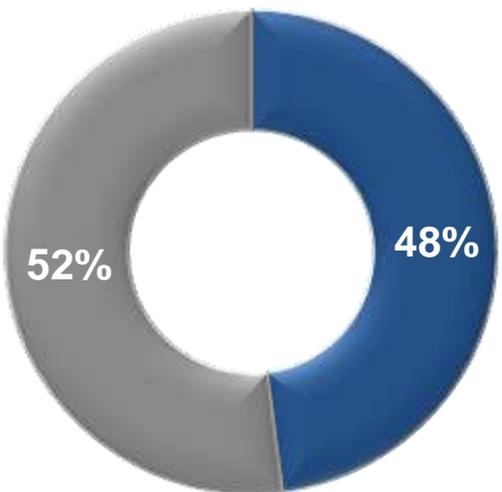
By Market Segment

2Q 2014

Asia-Pacific



Europe



- Corporate Travel
- Leisure

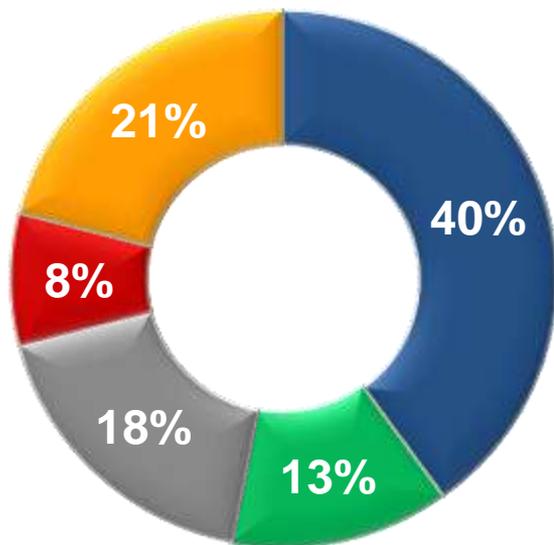
1. Properties on master leases not included



Apartment Rental Income¹

By Length of Stay

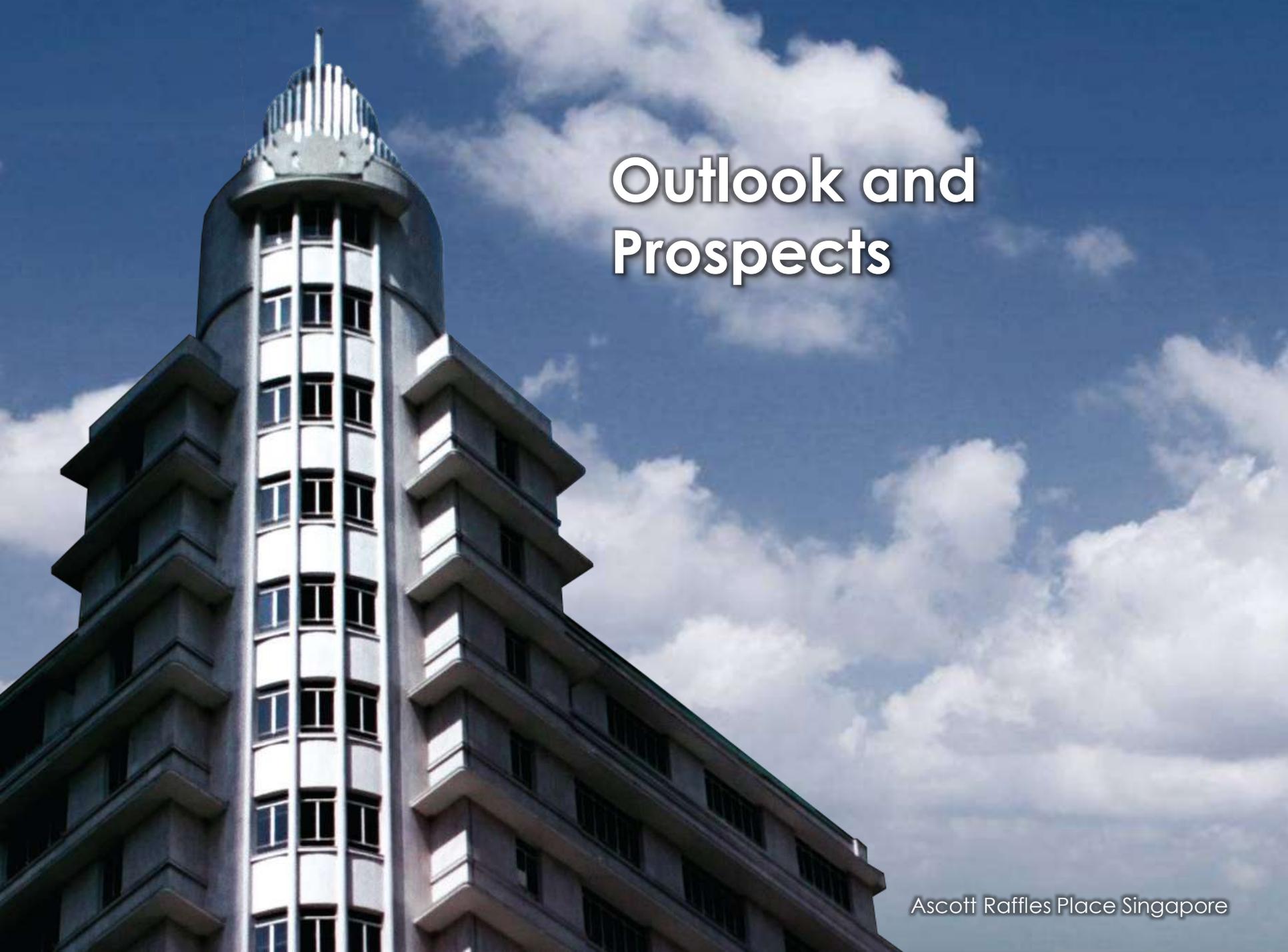
2Q 2014



1 week or less	40%
Less than 1 month	13%
1 to 6 months	18%
6 to 12 months	8%
More than 12 months	21%

Average apartment rental income by length of stay is about 4 months

1. Properties on master leases not included



Outlook and Prospects

Ascott Raffles Place Singapore



Outlook and Prospects

Global economic activity is expected to gain pace going into 2015. We continue to expect our portfolio to remain well-positioned to benefit from it.

On 7 July 2014, Ascott REIT has entered into conditional sales and purchase agreements to acquire two serviced residence properties in China and one in Malaysia at an aggregate agreed property value of S\$173.9 million, which is subject to Unitholders' approval. These acquisitions will expand Ascott REIT's asset value by about 5% to approximately S\$4.0 billion and close in on almost 10,000 apartment units. We will continue to actively seek accretive acquisitions in China, Japan, Malaysia, Australia and Europe.

The Manager continues to focus on creating value out of the existing portfolio. In the first half of 2014, we have completed asset enhancement initiatives for five properties, namely Ascott Jakarta, Ascott Raffles Place Singapore, Citadines St Georges Perth, Citadines Prestige Ramblas Barcelona and Citadines Toison d'Or Brussels. The uplift to the average daily rates and the feedback on these properties post renovation have been positive. Plans for other asset enhancement initiatives for certain properties in China, Vietnam and United Kingdom in the later part of this year are also underway.

As we pursue accretive acquisitions and rejuvenate our properties, the Manager maintains a disciplined and prudent capital management approach. As at 30 June 2014, 75% of the total borrowings are on fixed interest rates. Notwithstanding, the Manager remains vigilant to changes in the macro and credit environment that may impact the Group's financing plans.

The Group's operating performance for FY 2014 is expected to remain profitable.

Distribution Details





Distribution Details

Distribution Period

1 Jan 2014 to 30 Jun 2014

Distribution Rate

3.937 cents per Unit

Last Day of Trading on “cum” Basis

25 July 2014, 5pm

Ex-Date

29 July 2014, 9am

Books Closure Date

31 July 2014

Distribution Payment Date

25 August 2014

Appendix



Citadines Mount Sophia



Completed Asset Enhancement Initiative



Ascott Raffles Place Singapore

No. of units: 146
GFA/ NLA : 15,694 sqm/ 8,831 sqm

Capex incurred	S\$1.3m
Capex work being done	To convert 35 Studio to 1 Bedroom and replace king beds in 5 Studio with twin beds with new furniture, fixtures and equipment
Period of renovation	4Q 2013 to 2Q 2014
ADR uplift for renovated rooms	6%



Pre refurbishment



Post refurbishment



Ongoing Asset Enhancement Initiatives

Properties		Costs	Time Period
1	Somerset Xu Hui Shanghai (Phase 2A) - Renovation of 36 units of 1BR, 2BR and 3BRs and other works	RMB19.7m (S\$4.1m)	2Q 2014 to 4Q 2014
2	Somerset Ho Chi Minh City (Phase 1) - Renovation of 59 out of 151 apartment units and other works	US\$8.2m (S\$10.4m)	2Q 2014 to 1Q 2015
3	Somerset Olympic Tower Property Tianjin - Phased renovation of 86 units	RMB 29.5m (S\$5.9m)	2Q 2014 to 4Q 2015
4	Citadines Barbican London - Renovation of 129 units	GBP 3.6m (S\$7.6m)	4Q 2014 to 2Q 2015
Total		S\$28.0m	