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ASCOTT REIT EXPANDS TO GREATER SYDNEY BY ACQUIRING THREE SERVICED RESIDENCES FOR AUD83.0 MILLION

Singapore, 23 October 2014 – Ascott Residence Trust (Ascott Reit) has entered into agreements to acquire three operating serviced residences in Greater Sydney, Australia at a price of AUD83.0 million (approximately S\$93.0 million¹). These are Ascott Reit’s maiden acquisitions in New South Wales.

The accretive acquisitions at an EBITDA yield of 7.7% are expected to increase Ascott Reit’s FY 2013 distribution per unit from 8.40 cents to 8.46 cents on a pro forma basis.

Ascott Reit is acquiring the three operating serviced residences from Quest Serviced Apartments (Quest), the largest serviced apartment provider with 112 properties in Australia. Ascott Reit will receive fixed rent by taking over the leases for the three serviced residences - Quest Sydney Olympic Park, Quest Campbelltown and Quest Mascot - and they will continue to be operated under franchises using the Quest brand. The three properties will add 312 apartment units to Ascott Reit’s portfolio in Australia where it currently owns the 85-unit Citadines St Georges Terrace Perth managed by The Ascott Limited (Ascott).

Mr Lim Jit Poh, Ascott Residence Trust Management Limited’s (ARTML) Chairman, said: “The acquisitions will deepen Ascott Reit’s presence in the mature and stable market of Australia. According to the Reserve Bank of Australia, the country’s GDP is forecasted to grow 3.5% in 2014. International visitor arrivals are expected to increase 4.8% this year and domestic tourism remains strong, based on data from Tourism Research Australia. As Australia continues to diversify its economy and with the increasing demand from companies in the financial services, education, health and tourism sectors, it is an opportune time for Ascott Reit to step up our presence in Australia.”

Mr Lim added: “With a strong demand for serviced residences from overseas and local travellers, the three relatively new and operating serviced residences are assets that will enhance Ascott Reit’s portfolio. Our entry into Greater Sydney will further diversify Ascott Reit’s geographical footprint across 37 cities and reinforce its position as the leading global serviced residence real estate investment trust.”

Mr Ronald Tay, ARTML’s Chief Executive Officer, said: “Fixed rent from the three serviced residences are underpinned by long-term master leases and will enhance the stability of Ascott Reit’s income. The properties enjoy high demand mainly from corporate travellers attending conferences and

ASCOTT RESIDENCE TRUST
MANAGEMENT LIMITED
(Regn. No: 200516209Z)
(A Member of CapitaLand)
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

Telephone
(65) 6713 2888

Facsimile
(65) 6713 2121

Website
www.ascottreit.com



¹Based on exchange rate of AUD1.00 = S\$1.12.

events or those staying for an extended period for projects from industries such as logistics, airlines and manufacturing. Demand is anticipated to grow due to the urban development plans earmarked at each of the locations that are under different stages of approval. The development plans are expected to create corporate demand and provide lifestyle amenities that will offer convenience to our serviced residence guests.”

Mr Tay said: “Since the Sydney Olympic Park Master Plan 2030 was launched in 2010, several new office buildings, high-capacity convention facilities and parklands have been added in the area. Development initiatives at Campbelltown include a railway line, major regional shopping centre, arts centre, universities and various recreational facilities. Mascot’s redevelopment around the Mascot Train Station, which is in the vicinity of our property, has the potential to create an additional 240,000 square metres of commercial space that will rejuvenate the precinct.”

Separately, Ascott Reit’s sponsor, Ascott, which holds a 46% stake in the REIT, has entered into a strategic partnership with Quest whereby Ascott expects to invest up to AUD500 million in new properties that Quest will secure for its franchise network in Australia over five years. Ascott has also signed an agreement to acquire a 20% interest in Quest, with an option to increase it to 30%.

Mr Tay added: “The three serviced residences will continue to be managed by franchisees supported by Quest as a well-recognised brand with an established sales and distribution network in Australia. Ascott’s collaboration with Quest will enable us to tap into a bigger pool of properties to further grow Ascott Reit’s portfolio.”

Quest Sydney Olympic Park

The 140-unit Quest Sydney Olympic Park is located in the heart of Sydney Olympic Park, near ANZ Stadium and Allphones Arena, a large entertainment and sporting complex. Opened in October 2012, the serviced residence offers studios, one-, two- and three-bedroom apartments, with most of its apartments featuring a balcony. Facilities at the serviced residence include a gymnasium, café and conference room.

Quest Campbelltown

The 81-unit Quest Campbelltown is well located in south-west Sydney’s urban hub, an established residential, commercial and industrial area with plenty of restaurants near the property. Opened in September 2010, the serviced residence provides a range of studios and one- to three-bedroom apartments, as well as conference facilities and a gymnasium.

Quest Mascot

The 91-unit Quest Mascot is a five-minute drive from Sydney Airport and a 15-minute drive from Sydney’s Central Business District. Opened in January 2008, the serviced residence offers studios, one- and two-bedroom apartments as well as a conference room and gymnasium.

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 more than quadrupled to S\$4.1 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 87 properties with 10,191 units in 36 cities across 13 countries in Asia Pacific and Europe.

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

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. ARTML is the winner of World Finance Magazine's "Best Real Estate Investment Fund Manager 2011" in South Eastern Asia in their inaugural Real Estate Awards.

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:

Ascott Residence Trust Management Limited

168 Robinson Road, #30-01 Capital Tower, Singapore 068912

Tel: (65) 6713 2888 Fax: (65) 6713 2121

Website: <http://www.ascottreit.com>

For more information, please contact:

Analyst Contact

Janine Gui
Vice President,
Corporate Asset Management
& Investor Relations
Tel: (65) 6713 2245
Email: janine.gui@the-ascott.com

Media Contact

Joan Tan
Assistant Vice President,
Corporate Communications
Tel: (65) 6713 2864 / HP: (65) 97439503
Email: joan.tanzm@capitaland.com