









ASCOTT
RESIDENCE TRUST
A Member of CapitaLand

CapitaLand Debt Investors' Day 2014

Presentation by Mr Ronald Tay, CEO, Ascott Residence Trust Management Limited

11 August 2014

Disclaimer

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

1 Overview

2 Business Model

3 Financial Highlights

4 Capital Management

5 Outlook

Overview



Ascott Raffles Place Singapore

Overview[1]

Leading global serviced residence real estate investment trust

S$1.8b[2]
Market Capitalisation

S$4.0b
Total Asset Size

9,985
Units

86
Properties

36
Cities in 13 Countries



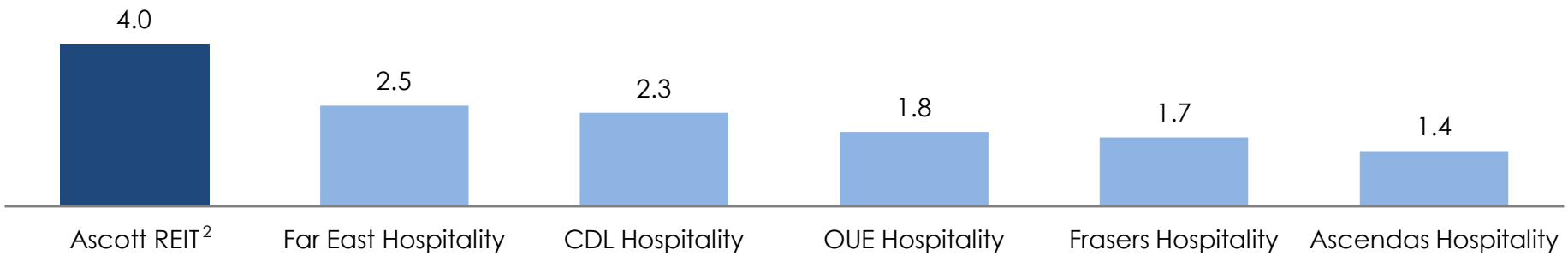
Notes:

1. *Figures as at 30 June 2014 and including the acquisition of Somerset Ampang Kuala Lumpur, Citadines Zhuankou Wuhan and Citadines Gaoxin Xi'an as approved by unitholders on 31 July 2014.*
2. *Market capitalisation as at 8 August 2014.*

Overview

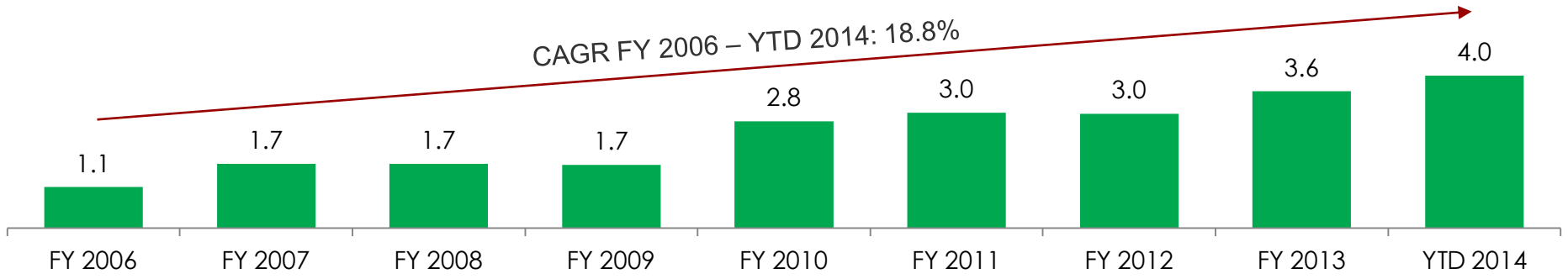
Largest Hospitality Trust listed on the SGX-ST by total asset value

Total asset value[1] (S$b)



...having quadrupled its total assets since its listing in 2006

Ascott REIT's total asset value[2] (S$b)



Notes:

1. *Based on latest available company filings*
2. *Figures as at 30 June 2014 and including the acquisition of Somerset Ampang Kuala Lumpur, Citadines Zhuankou Wuhan and Citadines Gaoxin Xi'an as approved by Unitholders on 31 July 2014.*

Business Model



Citadines Suites Louvre Paris

Business Model

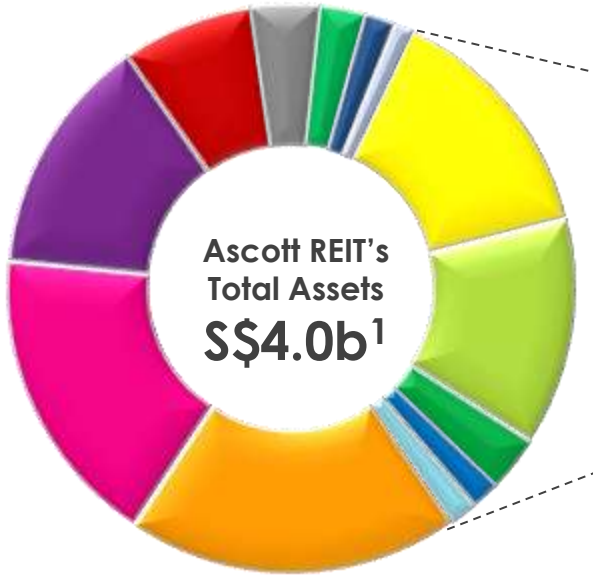
Strengths of Ascott REIT

1	**Geographically Diversified Portfolio Across Key International Gateway Cities**	Diversification across economic cycles supports asset value and income stability
2	**Stability of Income from Extended-Stay Business Model**	Enhanced income visibility and stability through Master Lease and Minimum Guaranteed Income
3	**Aim to deliver stable and growing distributions**	Acquisition, active asset management, capital and risk management

Geographical Diversification

Ascott REIT's Total Assets

Asia-Pacific	65.6%
China	19.3%
Singapore	15.4%
Japan	14.2%
Vietnam	7.4%
Philippines	4.0%
Indonesia	2.7%
Malaysia	1.7%
Australia	0.9%



Europe	34.4%
France	14.1%
UK	14.0%
Germany	3.3%
Spain	1.5%
Belgium	1.5%

Portfolio diversified across economic and property cycles

Note:

1. *Figures as at 30 June 2014 and including the acquisition of Somerset Ampang Kuala Lumpur, Citadines Zhuankou Wuhan and Citadines Gaoxin Xi'an as approved by unitholders on 31 July 2014.*

Business Model

Strengths of Ascott REIT

1	**Geographically Diversified Portfolio Across Key International Gateway Cities**	Diversification across economic cycles supports asset value and income stability
2	**Stability of Income from Extended-Stay Business Model**	Enhanced income visibility and stability through Master Lease and Minimum Guaranteed Income
3	**Aim to deliver stable and growing distributions**	Acquisition, active asset management, capital and risk management

Ascott REIT Sources of Income[1]

	Properties on Master Lease	Properties on Management Contract with Minimum Income Guarantee	Properties on Management Contract
Description	• Master Lessees (which include third parties and subsidiaries of Ascott) pay fixed rental[2] per annum to Ascott REIT	• Properties on management contracts that enjoy minimum guaranteed income (from subsidiaries of Ascott)	• No fixed or guaranteed rental but Ascott as operator manages Ascott REIT's properties for a fee
Tenure	• Average weighted remaining tenure of about 5 years	• Average weighted remaining tenure of about 5 years	• Generally on a 10-year basis
Location	• 27 properties - 17 in France - 3 in Germany - 1 in Singapore - 6 in Japan	• 7 properties - 4 in UK - 2 in Belgium - 1 in Spain	• 52 properties - 23 in Asia - 1 in Australia - 28 in Japan

Notes:

1. *Figures as at 30 June 2014 and including the acquisition of Somerset Ampang Kuala Lumpur, Citadines Zhuankou Wuhan and Citadines Gaoxin Xi'an as approved by Unitholders on 31 July 2014.*
2. *The rental payments under the Master Leases are generally fixed for a period of time. However, the Master Leases provide for annual rental revisions pegged to indices representing construction costs, inflation or commercial rental prices according to market practice. Accordingly, the rental revisions may be adjusted upwards or downwards depending on the above factors.*

Balance of Income Stability and Growth

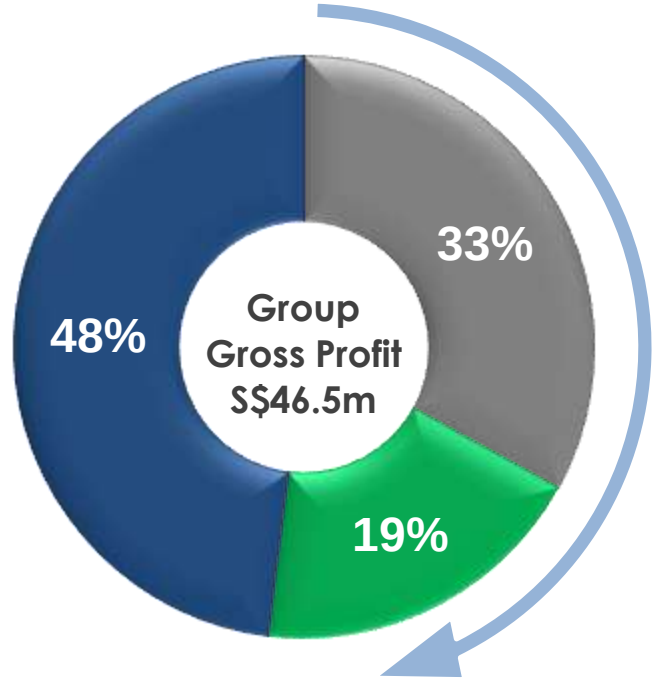
Breakdown of Gross Profit for 2Q 2014

Group's gross profit contribution:

33% by master leases

19% by management contracts with minimum guaranteed income

48% by management contracts



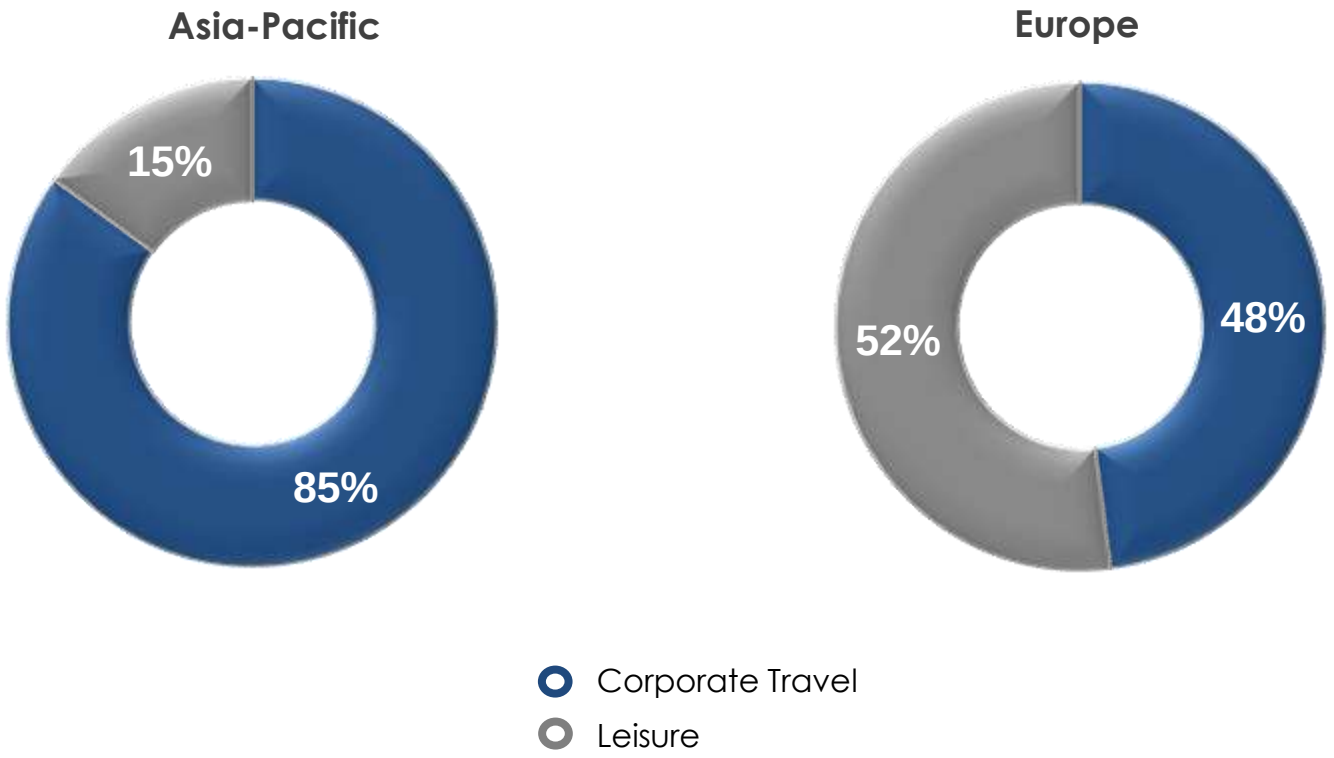
52% Stable Income

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

Diversified Market Segment

Apartment Rental Income by Market Segment[1]

2Q 2014

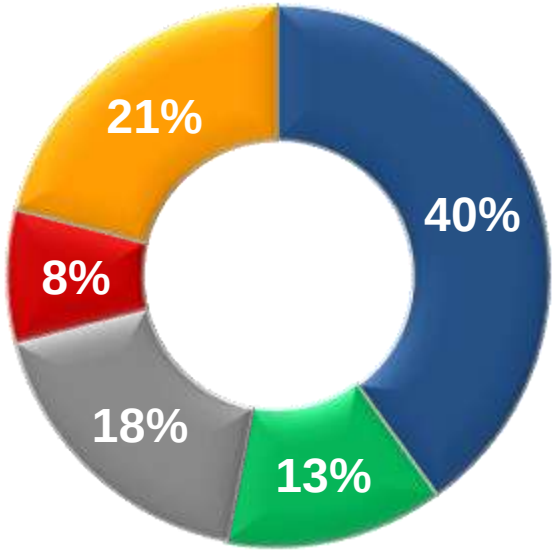


Note:
1. *Properties on Master Leases not included*

Extended Length of Stay Profile

Apartment Rental Income by Length of Stay[1]

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

Note:
1. *Properties on Master Leases not included*

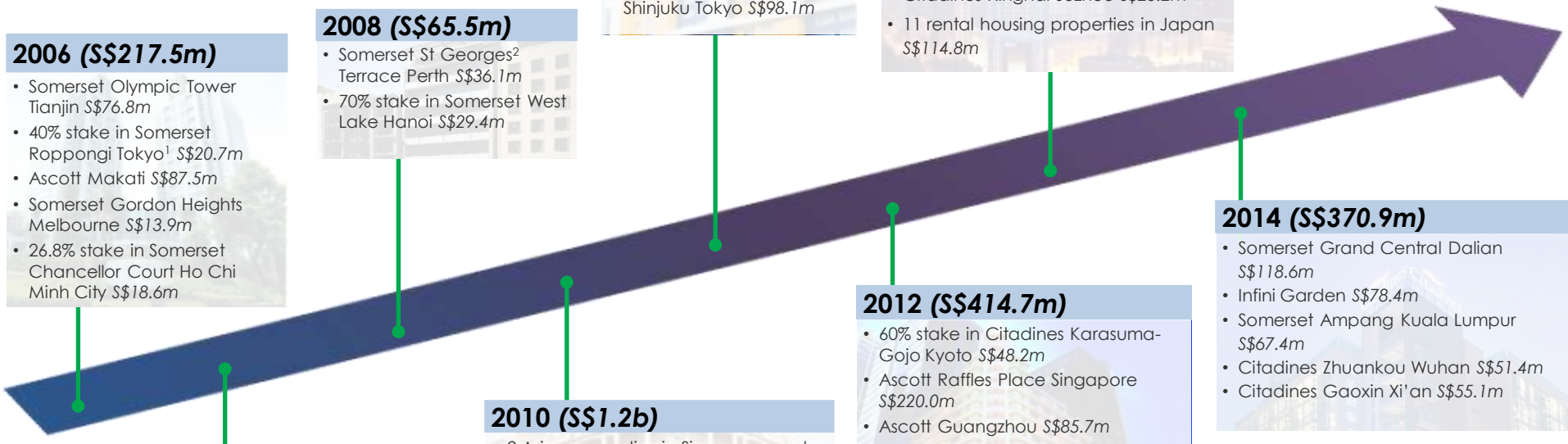
Business Model

Strengths of Ascott REIT

1	**Geographically Diversified Portfolio Across Key International Gateway Cities**	Diversification across economic cycles supports asset value and income stability
2	**Stability of Income from Extended-Stay Business Model**	Enhanced income visibility and stability through Master Lease and Minimum Guaranteed Income
3	**Aim to deliver stable and growing distributions**	Acquisition, active asset management, capital and risk management

Acquisition Track Record Since Listing

Demonstrated Strong Acquisition Track Record



2006 (S$217.5m)
- Somerset Olympic Tower Tianjin *S$76.8m*
- 40% stake in Somerset Roppongi Tokyo[1] *S$20.7m*
- Ascott Makati *S$87.5m*
- Somerset Gordon Heights Melbourne *S$13.9m*
- 26.8% stake in Somerset Chancellor Court Ho Chi Minh City *S$18.6m*

2007 (S$304.1m)
- Somerset Azabu East Tokyo *S$79.8m*
- 60% stake in Somerset Roppongi Tokyo[1] *S$36.4m*
- 40.2% stake in Somerset Chancellor Court Ho Chi Minh City *S$27.9m*
- 18 rental housing properties in Tokyo *S$160.0m*

2008 (S$65.5m)
- Somerset St Georges[2] Terrace Perth *S$36.1m*
- 70% stake in Somerset West Lake Hanoi *S$29.4m*

2010 (S$1.2b)
- 2 Asian properties in Singapore and Vietnam, and 26 European properties in France, UK, Germany, Belgium and Spain *S$1.2b*

2011 (S$98.1m)
- 60% stake in Citadines Shinjuku Tokyo *S$98.1m*

2012 (S$414.7m)
- 60% stake in Citadines Karasuma-Gojo Kyoto *S$48.2m*
- Ascott Raffles Place Singapore *S$220.0m*
- Ascott Guangzhou *S$85.7m*
- Madison Hamburg *S$60.8m*

2013 (S$287.4m)
- Somerset Heping Shenyang *S$86.2m*
- Citadines Biyun Shanghai *S$63.2m*
- Citadines Xinghai Suzhou *S$23.2m*
- 11 rental housing properties in Japan *S$114.8m*

2014 (S$370.9m)
- Somerset Grand Central Dalian *S$118.6m*
- Infini Garden *S$78.4m*
- Somerset Ampang Kuala Lumpur *S$67.4m*
- Citadines Zhuankou Wuhan *S$51.4m*
- Citadines Gaoxin Xi'an *S$55.1m*

Notes:
Figures above are based on agreed property value
1. *Renamed as Roppongi Residences Tokyo after conversion from a serviced residence to rental housing in April 2012.*
2. *Rebranded as Citadines St Georges Terrace Perth in January 2014.*

Divestments Since Listing

Recycle capital to reinvest in higher yielding assets

2010 (S$335.7m)
- Ascott Beijing *S$301.8m*
- Country Woods Jakarta *S$33.9m*



2012 (S$374.6m)
- Somerset Gordon Heights Melbourne *S$15.6m*
- Somerset Grand Cairnhill Singapore *S$359.0m*



2014 (ongoing)
- Somerset Grand Fortune Garden Beijing
- Salcedo Residences



Note:
Figures above are based on agreed sale price

Continue to Rejuvenate Portfolio to Create New Value

About 85% of serviced residence properties have undergone or are undergoing AEI

Completed AEI YTD 2014: Citadines Prestige Ramblas Barcelona

Capex incurred	€3.3m[1,2] (S$5.8m)
Capex work done	Renovation of 131 units
ADR uplift for renovated rooms	~17%


Pre Renovation


Post Renovation

Completed AEI YTD 2014: Citadines Toison d'OR Brussels

Capex incurred	€2.8m[1] (S$4.9m)
Capex work done	Renovation of 154 units
ADR uplift for renovated rooms	~17%


Pre Renovation


Post Renovation

Notes:
1. *€1 = S$1.75*
2. *For the entire refurbishment project which includes the renovation of the lobby.*

Continue to Rejuvenate Portfolio to Create New Value

About 85% of serviced residence properties have undergone or are undergoing AEI

Completed AEI YTD 2014: Ascott Jakarta

Capex incurred	US$12.2m[1] (S$15.5m)
Capex work done	Renovation of 198 units and conversion of 18 serviced offices to 6 apartment units
ADR uplift for renovated rooms	~25%


Pre Renovation


Post Renovation

Completed AEI YTD 2014: Ascott Raffles Place Singapore

Capex incurred	S$1.3m
Capex work done	Conversion of 35 studio units into 1 Bedroom units
ADR uplift for renovated rooms	~6%

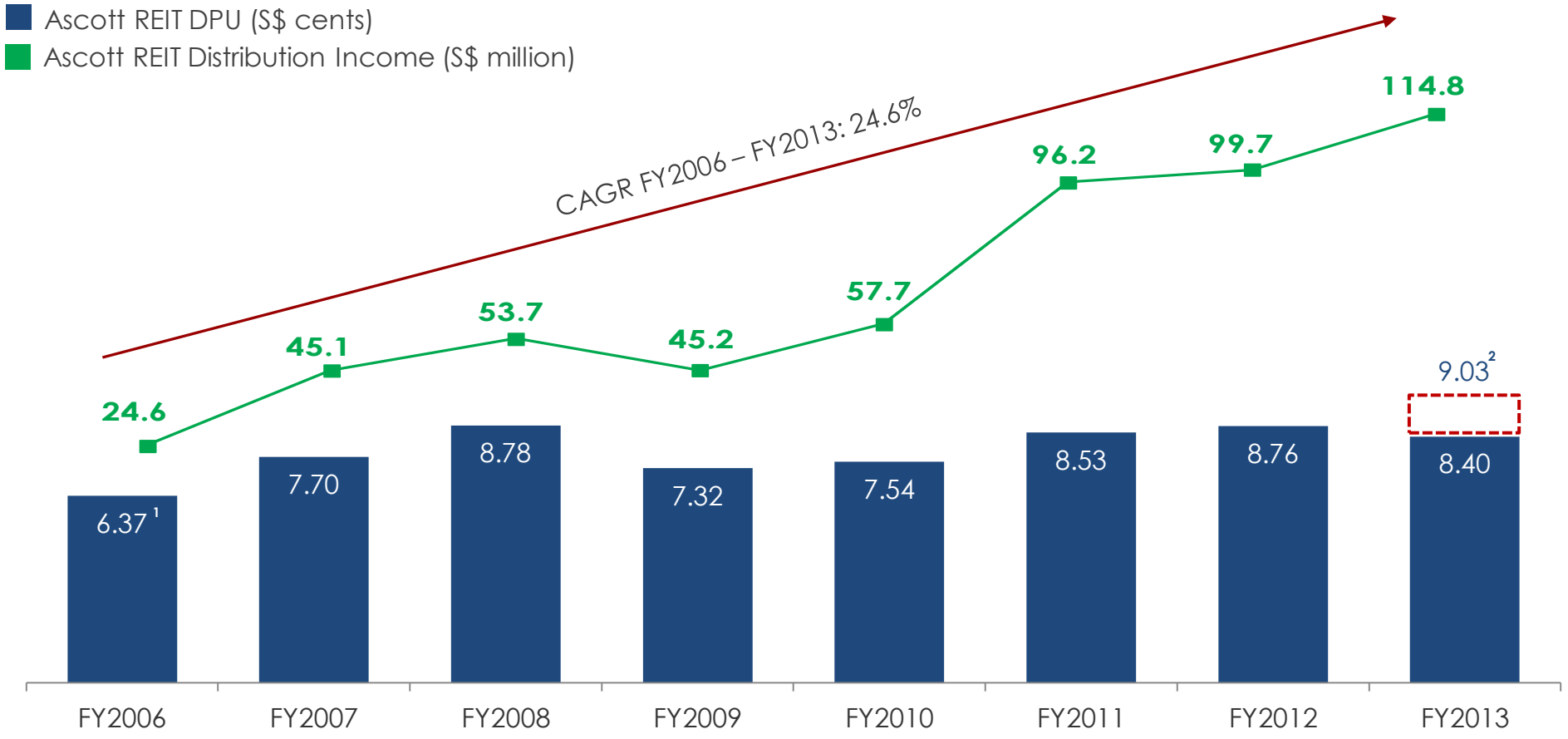

Pre Renovation


Post Renovation

Note:
1. *US$ 1= S$1.27*

Distribution Trend Since Listing

Regular DPU Distributions



Notes:

1. *FY2006 DPU annualized as Ascott REIT was established on 19 Jan 2006 but its acquisition of real properties was completed on 1 March 2006. Hence actual income recorded relates only to the 10 month period from 1 March 2006 to 31 Dec 2006.*
2. *Excluding the effects from the rights issue, DPU for FY 2013 would be 9.03 cents.*

Financial Highlights



Ascott Raffles Place Singapore

Key Highlights

Unitholders' Distribution

2Q 2014	1H 2014
S$33.5m	**S$60.2m**
↑8% YoY	↑3% YoY

Gross Profit

2Q 2014	1H 2014
S$46.5m	**S$85.7m**
↑14% YoY	↑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

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 2013[2] and 1H 2014[3] 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*

Capital Management



Ascott Raffles Place Singapore

Healthy Balance Sheet and Credit Metrics

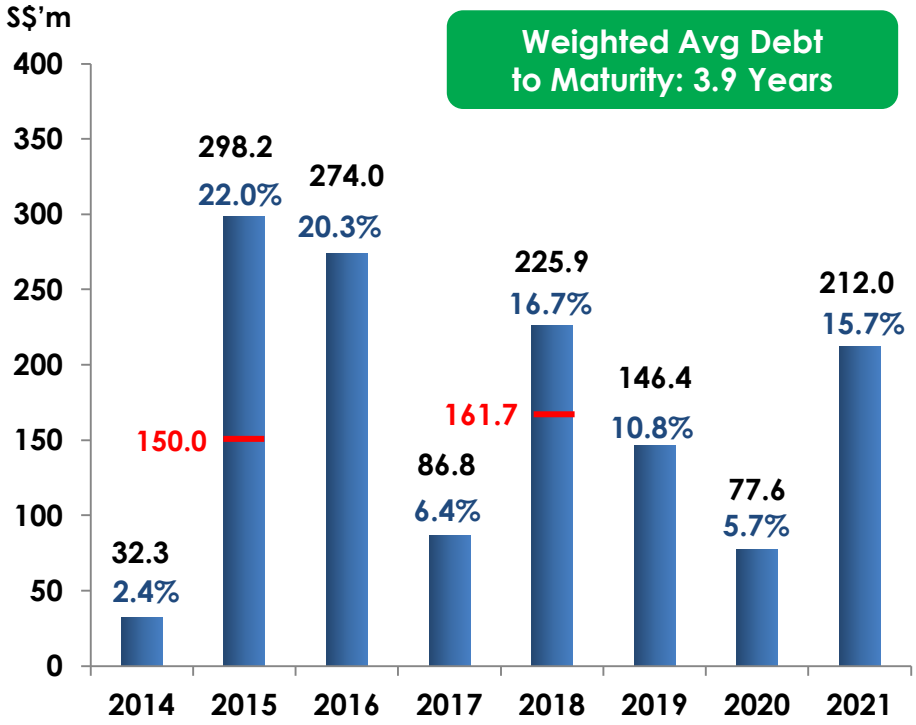
Key Financial Indicators

	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**

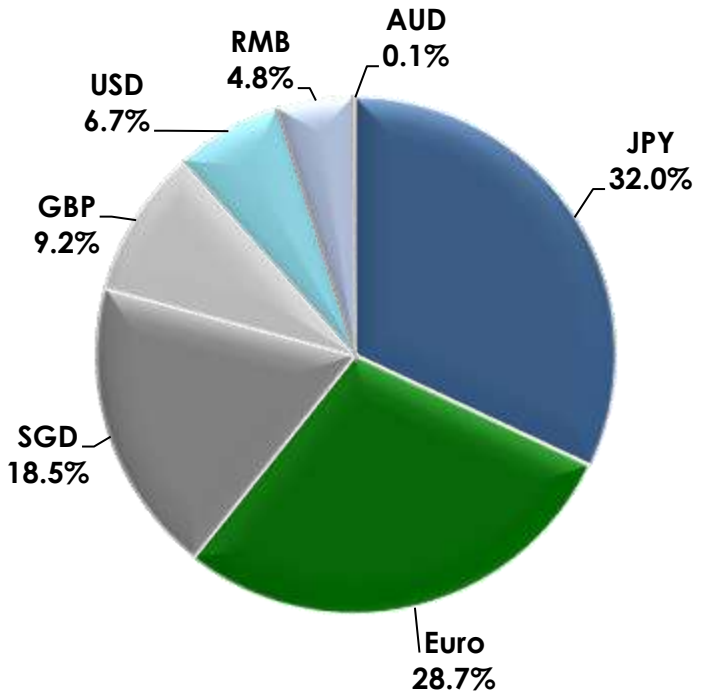
Debt Profile

Proactive Capital Management

Debt Maturity Profile As at 30 Jun 2014



Debt by Currency As at 30 Jun 2014



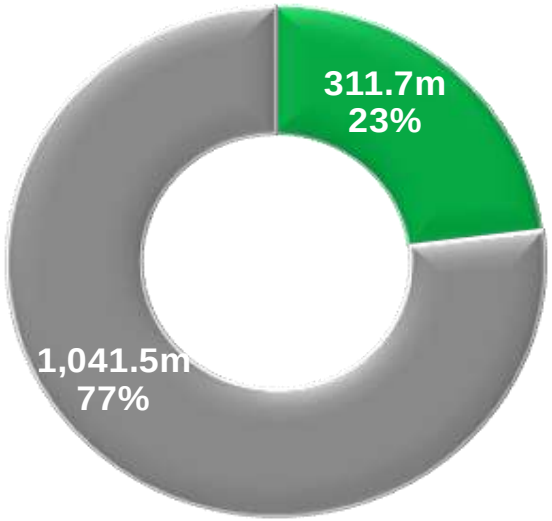
Ascott REIT's Total Debt = S$1,353.2 million

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

Debt Profile

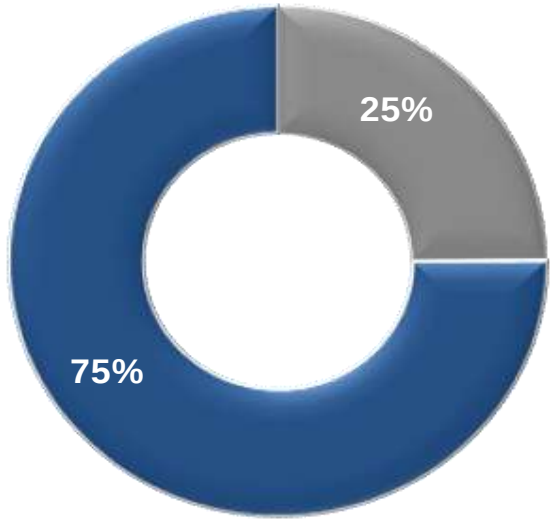
Proactive Capital Management

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

Well-Diversified Portfolio

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.

Outlook



Citadines Suites Louvre Paris

Outlook

1 Actively seek accretive acquisition	▪ Announced S$370.9m[1] worth of acquisitions in China, Japan and Malaysia for YTD 2014 ▪ Continue to seek accretive acquisitions in China, Japan Malaysia, Australia and Europe
2 Focus on value creation for portfolio	▪ Completed AEI in five properties in 1H 2014, namely Ascott Jakarta, Ascott Raffles Place Singapore, Citadines St Georges Terrace, Citadines Prestige Ramblas Barcelona and Citadines Toison d'Or Brussels ▪ Continue to create new value through AEI for certain properties in China, Vietnam and United Kingdom in 2H 2014
3 Maintain disciplined and prudent capital management	▪ 75% of total borrowing are on fixed interest rates as at 30 June 2014 ▪ Continue to remain vigilant to changes in macro and credit environment that may impact Ascott REIT's financing plans

Note:

1. *Acquisition of Infini Garden and Somerset Grand Central Dalian were completed in March 2014 and June 2014 respectively, including the acquisition of Somerset Ampang Kuala Lumpur, Citadines Zhuankou Wuhan and Citadines Gaoxin Xi'an as approved by unitholders on 31 July 2014, which is subjected to completion.*











ASCOTT
RESIDENCE TRUST
A Member of CapitaLand

Q&A