ASCOTT RESIDENCE TRUST

ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2014

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ASCOTT RESIDENCE TRUST
2014 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

Summary of Group Results

	1Q 2014 S$'000	1Q 2013 S$'000	Better / (Worse) %
Revenue	80,365	69,166	16
Gross Profit	39,169	33,757	16
Unitholders' Distribution	26,654	27,604 (1)	(3)
Distribution Per Unit ("DPU") (cents)	1.75	2.25 (1)	(22)
<u>For Information Only</u>			
DPU (cents) (adjusted for Rights Issue)	1.75	2.20 (2)	(20)
DPU (cents) (adjusted for Rights Issue and exclude realised exchange gain)	1.75	1.67 (3)	5

(1) On 6 February 2013, 114,943,000 new units at an issue price of S$1.305 per unit were issued under an equity placement exercise. Unitholders' distribution was higher in 1Q 2013 as it included a realised exchange gain of S$8.1 million arising from repayment of foreign currency bank loans using the placement proceeds (pending its deployment to fund future potential acquisitions).

(2) DPU has been restated for the underwritten and renounceable 1-for-5 Rights Issue, through which 253,749,218 units were issued on 12 December 2013.

(3) Adjusted for the effects from the Rights Issue and excluded the realised exchange gain of S$8.1 million as mentioned in note (1) above.

INTRODUCTION

Ascott Residence Trust ("Ascott Reit") was established under a trust deed dated 19 January 2006 entered into between Ascott Residence Trust Management Limited (as manager of Ascott Reit) (the "Manager") and DBS Trustee Limited (as trustee of Ascott Reit) (the "Trustee").

Ascott Reit's objective is to invest 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. It has a portfolio of serviced residences and rental housing properties across Asia Pacific and Europe. Ascott Reit's investment policy covers any country in the world.

Ascott Reit was directly held by The Ascott Limited (formerly known as The Ascott Group Limited) up to and including 30 March 2006 (the "Private Trust"). On 31 March 2006 (the "Listing Date"), Ascott Reit was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") with an initial portfolio of 12 properties ("Initial Properties") with 2,068 apartment units in 7 cities across five countries (Singapore, China, Indonesia, the Philippines and Vietnam).

In the year 2010, Ascott Reit enhanced the geographical diversification of its portfolio by acquiring 26 properties in Europe.

In the year 2012, Ascott Reit acquired Citadines Kyoto, Ascott Raffles Place Singapore, Ascott Guangzhou and Madison Hamburg and divested Somerset Gordon Heights Melbourne. Ascott Reit also completed the divestment of Somerset Grand Cairnhill Singapore and simultaneously signed the put and call option agreement to acquire the New Cairnhill Serviced Residence when completed, which is expected to be in 4Q 2017.

In the year 2013, Ascott Reit acquired Somerset Heping Shenyang, Citadines Biyun Shanghai, Citadines Xinghai Suzhou and a portfolio of 11 rental housing properties in Japan (the "2013 Acquisitions"). On 23 December 2013, Ascott Reit entered into the sale and purchase agreement to acquire the New Cairnhill Serviced Residence following the satisfaction of the conditions under the New Cairnhill Serviced Residence put and call option agreement.

On 20 February 2014, Ascott Reit entered into a sale and purchase agreement to acquire a 195-unit serviced residence property in Dalian. The acquisition is expected to be completed by 31 July 2014. On 20 March 2014, Ascott Reit completed the acquisition of Infini Garden, a 389-unit rental housing property in Fukuoka, Japan.

S$42.2 million of the proceeds from the Rights Issue were used to repay borrowings advanced to Ascott Reit on 3 March 2014. As at 31 March 2014, S$211.1 million of the proceeds from the Rights Issue has been utilised. Such use is in accordance with the use of proceeds as previously announced. The balance of the proceeds from the Rights Issue is S$42.6 million and further announcements will be made when the balance of the proceeds is materially disbursed.

As at 31 March 2014, Ascott Reit's portfolio comprises 82 properties with 9,082 apartment units in 32 cities across 12 countries in Asia Pacific and Europe.

Ascott Reit makes distributions to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions are paid in Singapore dollar.

1(a)(i) CONSOLIDATED STATEMENT OF TOTAL RETURN

	Note	GROUP 1Q 2014 S$'000	GROUP 1Q 2013 S$'000	Better / (Worse) %
Revenue	A.1	80,365	69,166	16
Direct expenses	A.2	(41,196)	(35,409)	(16)
Gross Profit	A.1	39,169	33,757	16
Finance income		696	608	14
Other operating income	A.3	1,033	153	575
Finance costs	A.4	(9,026)	(9,435)	4
Manager's management fees	A.5	(3,761)	(3,074)	(22)
Trustee's fee		(90)	(76)	(18)
Professional fees		(514)	(502)	(2)
Audit fees	A.5	(542)	(431)	(26)
Foreign exchange gain	A.6	2,935	2,310	27
Other operating expenses	A.7	(216)	(411)	47
Share of results of associate (net of tax)		(6)	(4)	(50)
Net income before changes in fair value of financial derivatives		**29,678**	**22,895**	**30**
Net change in fair value of financial derivatives	A.8	244	(17)	n.m.
Assets written off	A.9	(504)	-	(100)
Total return for the period before tax		**29,418**	**22,878**	**29**
Income tax expense		(5,374)	(5,328)	1
Total return for the period after tax		**24,044**	**17,550**	**37**
Attributable to:				
Unitholders		22,375	16,109	
Non-controlling interests		1,669	1,441	
Total return for the period		**24,044**	**17,550**	**37**

RECONCILIATION OF TOTAL RETURN FOR THE PERIOD ATTRIBUTABLE TO UNITHOLDERS TO TOTAL UNITHOLDERS' DISTRIBUTION

	Note	GROUP 1Q 2014 S$'000	GROUP 1Q 2013 S$'000	Better / (Worse) %
Total return for the period attributable to unitholders		22,375	16,109	
Net effect of non-tax deductible / chargeable items and other adjustments	A.10	4,279	11,495	
Total amount distributable to Unitholders for the period		**26,654**	**27,604**	**(3)**
Comprises:				
- from operations		(2,606)	6,319	
- from unitholders' contributions		29,260	21,285	
		26,654	**27,604**	**(3)**

1(a)(ii) Explanatory Notes to Consolidated Statement of Total Return

A.1 Revenue and Gross profit

Revenue for 1Q 2014 of S$80.4 million comprised S$16.0 million (20% of total revenue) from serviced residences on Master Leases, S$16.5 million (21%) from serviced residences on management contracts with minimum guaranteed income and S$47.9 million (59%) from serviced residences on management contracts.

Revenue for 1Q 2014 increased by S$11.2 million or 16% as compared to 1Q 2013. This was mainly contributed by the additional revenue of S$7.9 million from the 2013 Acquisitions and stronger contribution of S$4.3 million from the existing properties, mainly properties in United Kingdom, France, Germany and Vietnam. These increases were partially offset by the decrease in revenue of S$1.0 million from Somerset Grand Fortune Garden arising from the ongoing strata sale of units.

The Group achieved a REVPAU of S$124 for both 1Q 2014 and 1Q 2013.

Gross profit for 1Q 2014 of S$39.2 million comprised S$14.3 million (36% of total gross profit) from serviced residences on Master Leases, S$4.5 million (11%) from serviced residences on management contracts with minimum guaranteed income and S$20.4 million (53%) from serviced residences on management contracts.

As compared to 1Q 2013, gross profit increased by S$5.4 million or 16%. On a same store basis, gross profit increased by S$2.4 million.

Please refer to Para 8(a) for a more detailed analysis.

A.2 Direct expenses include the following items:

	GROUP 1Q 2014 S$'000	GROUP 1Q 2013 S$'000	Better / (Worse) %
Depreciation and amortisation	(3,668)	(3,271)	(12)
Staff costs	(9,005)	(7,672)	(17)

A.3 Other operating income

Other operating income for 1Q 2014 was higher as it included contracted compensation received from early termination of an office rental contract as well as insurance claim for a damaged generator.

A.4 Finance costs

The decrease in finance costs was mainly due to lower borrowings arising from the repayment of bank loans with the proceeds from the rights issue in 4Q 2013.

A.5 Manager's management fees / audit fees

The increase in the above expenses mainly arose due to the new properties injected into the portfolio in 2013 and March 2014.

A.6 Foreign exchange gain

The foreign exchange gain recognised in 1Q 2014 was mainly due to unrealised exchange gain on GBP and EUR denominated shareholders' loans extended to the Group's subsidiaries, as a result of the appreciation of EUR and GBP against SGD as at balance sheet date. This was offset by lower realised exchange gain. In Q1 2013, a realised exchange gain of S$8.1 million was recognised from repayment of foreign currency bank loans using the placement proceeds.

A.7 Other operating expenses

Other operating expenses were higher in 1Q 2013 due to provision for doubtful debts.

A.8 Net change in fair value of financial derivatives

This mainly relates to the fair value change of foreign currency forward contracts.

A.9 Assets written off

The assets written off in 1Q 2014 were in relation to the disposal of assets arising from the reconfiguration and refurbishment of Somerset Olympic Tower Tianjin and Somerset Hoa Binh Hanoi.

A.10 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following:

	GROUP 1Q 2014 S$'000	GROUP 1Q 2013 S$'000	Better / (Worse) %
Depreciation and amortisation	3,668	3,271	(12)
Manager's management fee payable / paid partially in units	2,893	2,456	(18)
Trustee's fees*	16	15	(7)
Unrealised foreign exchange (gain) / loss	(2,412)	6,108	139
Net change in fair value of financial derivatives	(244)	17	n.m.
Assets written off	504	-	(100)
Deferred tax expense	367	33	n.m.
Effect of non-controlling interests arising from the above	(204)	(227)	(10)

* This relates to the Singapore properties only and is not tax deductible.

(b)(i) STATEMENT OF FINANCIAL POSITION

	Note	GROUP 31/03/14 S$'000	GROUP 31/12/13 S$'000	REIT 31/03/14 S$'000	REIT 31/12/13 S$'000
Non-Current Assets					
Plant and equipment		53,237	53,242	8,087	8,108
Serviced residence properties	B.1	3,290,550	3,177,020	556,407	556,392
Interest in subsidiaries		-	-	273,456	241,718
Interest in associate		3,047	3,030	3,540	3,516
Financial derivatives	B.2	460	929	460	929
Deposits		20,250	20,250	20,250	20,250
Deferred tax assets		3,801	3,673	-	-
		3,371,345	**3,258,144**	**862,200**	**830,913**
Current Assets					
Asset held for sale		87,033	87,033	-	-
Inventories		375	365	-	-
Trade receivables		11,147	11,718	1,160	1,456
Other receivables and deposits	B.3	34,987	20,219	1,724,131	1,702,219
Cash and bank balances	B.4	158,428	204,518	36,406	91,654
		291,970	**323,853**	**1,761,697**	**1,795,329**
Total Assets		**3,663,315**	**3,581,997**	**2,623,897**	**2,626,242**
Non-Current Liabilities					
Interest bearing liabilities	B.5	(1,180,422)	(1,146,833)	(504,292)	(470,218)
Financial derivatives	B.2	(12,454)	(11,271)	(10,903)	(10,017)
Deferred tax liabilities		(68,435)	(67,854)	-	-
		(1,261,311)	**(1,225,958)**	**(515,195)**	**(480,235)**
Current Liabilities					
Trade payables		(3,155)	(4,366)	(226)	(15)
Other payables		(114,101)	(107,842)	(401,908)	(393,544)
Interest bearing liabilities	B.5	(107,404)	(50,251)	(1,934)	-
Financial derivatives	B.2	(742)	(954)	(693)	(938)
Provision for taxation		(5,835)	(5,496)	(439)	(263)
		(231,237)	**(168,909)**	**(405,200)**	**(394,760)**
Total Liabilities		**(1,492,548)**	**(1,394,867)**	**(920,395)**	**(874,995)**
Net Assets		**2,170,767**	**2,187,130**	**1,703,502**	**1,751,247**
Represented by:					
Unitholders' funds	1(d)(i)	2,074,781	2,093,080	1,703,502	1,751,247
Non-controlling interests	1(d)(i)	95,986	94,050	-	-
Total Equity	1(d)(i)	**2,170,767**	**2,187,130**	**1,703,502**	**1,751,247**

1(b)(ii) Explanatory Notes to Statement of Financial Position

B.1 Serviced residence properties

The increase in the Group's serviced residences as at 31 March 2014 was mainly due to the acquisition of the Japan property on 20 March 2014 and foreign currency differences arising from translating the Group's overseas serviced residences as a result of the strengthening of foreign currencies, particularly EUR and GBP, against Singapore dollar.

B.2 Financial derivatives

The financial derivatives relate to the fair value of interest rate swaps, entered into to hedge interest rate risk, and fair value of foreign currency forward contracts, entered into to hedge distribution income.

B.3 Other receivables and deposits

The increase in other receivables and deposits as at 31 March 2014 was mainly due to the deposit paid upon the execution of the sale and purchase agreement for the acquisition of a serviced residence property in Dalian.

B.4 Cash and bank balances

The decrease in the Group's cash and bank balances as at 31 March 2014 was mainly due to distribution paid to unitholders and acquisition of subsidiary, partially offset by cash generated from operations.

B.5 Interest bearing liabilities

	GROUP		REIT	
	31/03/14 S$'000	**31/12/13 S$'000**	**31/03/14 S$'000**	**31/12/13 S$'000**
Amount repayable in one year or less or on demand				
- Secured	105,749	50,319	-	-
- Unsecured	1,934	-	1,934	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(279)	(68)	-	-
	107,404	50,251	1,934	-
Amount repayable after one year				
- Secured	876,166	812,984	508,896	445,291
- Unsecured	311,900	338,635	-	27,285
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(7,644)	(4,786)	(4,604)	(2,358)
	1,180,422	1,146,833	504,292	470,218
Total	**1,287,826**	**1,197,084**	**506,226**	**470,218**

Details of collateral

The borrowings of the Group are generally secured by:

- Mortgage on subsidiaries' serviced residences and the assignment of the rights, titles and interests with respect to the serviced residences
- Assignment of rental proceeds from the serviced residences and insurance policies relating to the serviced residences
- Pledge of shares of some subsidiaries
- Corporate guarantee from the Reit

Capital management

As at 31 March 2014, the Group's gearing was 35.9 percent, well below the 60 percent gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. The average cost of debts was 3.0 percent per annum, with an interest cover of 4.7 times. S$1,041.1 million or 80 percent of the Group's borrowings are on fixed interest rates with S$52.7 million due for refinancing in the next 12 months.

Out of the Group's total borrowings, 4 percent falls due in 2014, 21 percent falls due in 2015, 25 percent falls due in 2016, 7 percent falls due in 2017, and the balance falls due after 2017.

The Manager adopts a proactive capital management strategy and has commenced discussions to refinance the loan facilities due in 2014 and 2015, ahead of their maturity dates.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	1Q 2014 S$'000	1Q 2013 S$'000
Operating Activities		
Total return for the period before tax	29,418	22,878
Adjustments for:		
Depreciation and amortisation	3,668	3,271
Loss / (gain) on disposal of plant and equipment	4	(5)
Assets written off	504	-
Finance costs	9,026	9,435
Finance income	(696)	(608)
Provision for doubtful debts (reversal) / addition	(82)	204
Manager's management fees payable / paid partially in units	2,893	2,456
Foreign exchange (gain) / loss - unrealised	(2,412)	6,108
Net change in fair value of financial derivatives	(244)	17
Share of loss of associate	6	4
Operating profit before working capital changes	**42,085**	**43,760**
Changes in working capital	(7,363)	(6,934)
Cash generated from operations	**34,722**	**36,826**
Income tax paid	(5,719)	(4,367)
Cash flows from operating activities	**29,003**	**32,459**
Investing Activities		
Acquisition of plant and equipment	(3,223)	(1,256)
Acquisition of serviced residence properties, net of cash acquired	(22,066)	-
Capital expenditure on serviced residence properties	(4,521)	(14,334)
Expenses incurred for divestment of serviced residence properties	-	(836)
Deposit paid for acquisition of an investment property	(11,820)	-
Interest received	696	608
Proceeds from sale of plant and equipment	35	22
Cash flows from investing activities	**(40,899)**	**(15,796)**
Financing Activities		
Distribution to unitholders	(56,302)	(48,433)
Interest paid	(6,374)	(7,189)
Payments on finance lease	(949)	(849)
Proceeds from issue of new units	-	150,001
Payment of issue expenses	-	(1,843)
Proceeds from bank borrowings	104,833	13,215
Repayment of bank borrowings	(75,861)	(109,440)
Cash flows from financing activities	**(34,653)**	**(4,538)**
(Decrease) / increase in cash & cash equivalents	**(46,549)**	**12,125**
Cash and cash equivalents at beginning of the period	**204,518**	**125,181**
Effect of exchange rate changes on balances held in foreign currencies	459	(1,075)
Cash and cash equivalents at end of the period	**158,428**	**136,231**

1(d)(i) **STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS**

	Note	GROUP 1Q 2014 S$'000	GROUP 1Q 2013 S$'000	REIT 1Q 2014 S$'000	REIT 1Q 2013 S$'000
Unitholders' Contribution					
Balance as at beginning of period		1,547,895	1,187,024	1,547,895	1,187,024
Issue of new units					
- equity placement on 6 February 2013		-	150,001	-	150,001
- payment of manager's management fees in units		3,052	2,767	3,052	2,767
- Issue expenses		-	(2,093)	-	(2,093)
Distribution to Unitholders		(45,921)	(30,888)	(45,921)	(30,888)
Balance as at end of period		**1,505,026**	**1,306,811**	**1,505,026**	**1,306,811**
Operations					
Balance as at beginning of period		615,777	463,359	212,960	225,835
Total return for the period attributable to Unitholders		22,375	16,109	6,726	(19,023)
Distribution to Unitholders		(10,381)	(17,545)	(10,381)	(17,545)
Balance as at end of period		**627,771**	**461,923**	**209,305**	**189,267**
Foreign Currency Translation Reserve					
Balance as at beginning of period		(61,641)	(90,420)	-	-
Translation differences relating to financial statements of foreign subsidiaries		14,203	(11,219)	-	-
Balance as at end of period		**(47,438)**	**(101,639)**	-	**-**
Capital Reserve					
Balance as at beginning and end of period		**1,818**	**1,753**	-	**-**
Hedging Reserve					
Balance as at beginning of period		(10,769)	(14,343)	(9,608)	(15,071)
Change in fair value of financial derivatives		(1,627)	2,464	(1,221)	1,550
Balance as at end of period		**(12,396)**	**(11,879)**	**(10,829)**	**(13,521)**
Unitholders' Funds	**1(b)(i)**	**2,074,781**	**1,656,969**	**1,703,502**	**1,482,557**
Non-controlling Interests					
Balance as at beginning of period		94,050	93,597	-	-
Total return for the period		1,669	1,441	-	-
Translation differences relating to financial statements of foreign subsidiaries		267	(2,084)	-	**-**
Balance as at end of period	**1(b)(i)**	**95,986**	**92,954**	-	**-**
Equity	**1(b)(i)**	**2,170,767**	**1,749,923**	**1,703,502**	**1,482,557**

1(d)(ii) **Details of any change in the units**

	REIT 1Q 2014 '000	REIT 1Q 2013 '000
Balance as at beginning of period	1,522,495	1,142,819
Issue of new units :		
- equity placement on 6 February 2013	-	114,943
- partial payment of manager's management fees	2,576	2,036
Balance as at end of period	**1,525,071**	**1,259,798**

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation required by an accounting standard, what has changed, as well as the reasons for the change

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2014. The adoption of new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

6. Earnings per unit ("EPU") and distribution per unit ("DPU") for the financial period

In computing the EPU, the weighted average number of units for the period is used for the computation.

In computing the DPU, the number of units as at the end of each period is used for the computation.

Earnings per unit (EPU)	1Q 2014	1Q 2013
Number of units in issue at end of period ('000)	1,525,071	1,259,798
Weighted average number of units for the period ('000)	1,524,069	1,237,266 [(1)]
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	1.47	1.30 [(1)]

The diluted EPU is the same as the basic EPU as there were no dilutive instruments in issue during the period.

Note 1: The figures have been restated for the effects from the Rights Issue. The EPU for 1Q 2013, previously announced, was 1.33 cents.

Distribution per unit (DPU)	1Q 2014	1Q 2013 1 Jan 2013 to 5 Feb 2013	1Q 2013 6 Feb 2013 to 31 Mar 2013	1Q 2013 1 Jan 2013 to 31 Mar 2013
Number of units in issue at end of period ('000)	1,525,071	1,142,819	1,259,798	1,259,798
DPU (cents) – Basic and diluted	1.75	0.617 (2)	1.633	2.25 (3)

The diluted DPU is the same as the basic DPU as there were no dilutive instruments in issue during the period.

Note 2: This pertains to the advanced distribution for the period from 1 January 2013 to 5 February 2013, prior to the date on which the placement units were issued.

Note 3: Excluding the effects from the Rights Issue and realised exchange gain, the DPU for 1Q 2013 would be 1.67 cents.

7. Net asset value ("NAV") backing per unit based on issued units at the end of the period

	GROUP 31/03/14	GROUP 31/12/13	REIT 31/03/14	REIT 31/12/13
NAV per unit (S$)	1.36	1.37	1.12	1.15

8. GROUP PERFORMANCE REVIEW

8(a) Revenue and Gross Profit Analysis – 1Q 2014 vs. 1Q 2013 (Local Currency ("LC"))

		Revenue[1]				Gross Profit[1]				REVPAU Analysis[2]		
		1Q 2014	1Q 2013	Better/ (Worse)		1Q 2014	1Q 2013	Better/ (Worse)		1Q 2014	1Q 2013	Better/ (Worse)
		LC'm	LC'm	LC'm	%	LC'm	LC'm	LC'm	%	LC/day	LC/day	%
Master Leases												
France	EUR	5.9	5.7	0.2	4	5.4	5.3	0.1	2	-	-	-
Germany	EUR	1.4	1.2	0.2	17	1.3	1.2	0.1	8	-	-	-
Singapore	S$	2.1	2.2	(0.1)	(5)	1.7	1.8	(0.1)	(6)	-	-	-
Japan	JPY	99.2	-	99.2	n.m.	83.6	-	83.6	n.m.	-	-	-
Management contracts with minimum guaranteed income												
Belgium	EUR	1.6	1.4	0.2	14	0.1	0.1	-	-	49	44	11
Spain	EUR	0.6	0.7	(0.1)	(14)	0.1	0.2	(0.1)	(50)	48	47	2
United Kingdom	GBP	5.5	4.9	0.6	12	1.6	1.7	(0.1)	(6)	96	85	13
Vietnam	VND[1]	17.3	17.0	0.3	2	11.6	11.3	0.3	3	1,230	1,335	(8)
Management contracts												
Australia	AUD	1.1	1.2	(0.1)	(8)	0.3	0.4	(0.1)	(25)	141	146	(3)
China	RMB	53.6	35.3	18.3	52	14.7	10.7	4.0	37	464	572	(19)
Indonesia	USD	3.2	3.0	0.2	7	1.2	0.8	0.4	50	85	80	6
Japan	JPY	675.0	467.3	207.7	44	390.8	213.7	177.1	83	9,553	8,120	18
Philippines	PHP	263.5	271.9	(8.4)	(3)	84.7	102.4	(17.7)	(17)	4,491	5,156	(13)
Singapore	S$	6.5	6.1	0.4	7	2.8	2.4	0.4	17	205	193	6
Vietnam	VND[1]	152.1	149.0	3.1	2	89.6	83.6	6.0	7	1,650	1,562	6

[1] Revenue and Gross Profit figures are stated in millions, except for VND which are stated in billions.
[2] REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for VND are stated in thousands.

8(a) Revenue and Gross Profit Analysis – 1Q 2014 vs. 1Q 2013 (S$)

	Revenue				Gross Profit				REVPAU Analysis[1]		
	1Q 2014	1Q 2013	Better/ (Worse)		1Q 2014	1Q 2013	Better/ (Worse)		1Q 2014	1Q 2013	Better/ (Worse)
	S$'m		S$m	%	S$'m		S$'m	%	S$/day	S$/day	%
Master Leases											
France	10.2	9.4	0.8	9	9.4	8.7	0.7	8	-	-	-
Germany	2.5	2.0	0.5	25	2.2	1.9	0.3	16	-	-	-
Singapore	2.1	2.2	(0.1)	(5)	1.7	1.8	(0.1)	(6)	-	-	-
Japan	1.2	-	1.2	n.m.	1.0	-	1.0	n.m.	-	-	-
Sub-total	**16.0**	**13.6**	**2.4**	**18**	**14.3**	**12.4**	**1.9**	**15**	**-**	**-**	**-**
Management contracts with minimum guaranteed income											
Belgium	2.7	2.3	0.4	17	0.2	0.2	-	-	85	72	18
Spain	1.1	1.1	-	-	0.2	0.3	(0.1)	(33)	83	77	8
United Kingdom	11.7	9.5	2.2	23	3.4	3.3	0.1	3	203	164	24
Vietnam	1.0	1.0	-	-	0.7	0.7	-	-	74	79	(6)
Sub-total	**16.5**	**13.9**	**2.6**	**19**	**4.5**	**4.5**	**-**	**-**	**146**	**122**	**20**
Management contracts											
Australia	1.3	1.5	(0.2)	(13)	0.4	0.6	(0.2)	(33)	159	186	(15)
China	11.1	6.9	4.2	61	3.1	2.1	1.0	48	96	112	(14)
Indonesia	4.0	3.7	0.3	8	1.5	0.9	0.6	67	108	98	10
Japan	8.3	6.5	1.8	28	4.8	2.9	1.9	66	118	111	6
Philippines	7.5	8.2	(0.7)	(9)	2.4	3.1	(0.7)	(23)	127	156	(19)
Singapore	6.5	6.1	0.4	7	2.8	2.4	0.4	17	205	193	6
Vietnam	9.2	8.8	0.4	5	5.4	4.9	0.5	10	99	92	8
Sub-total	**47.9**	**41.7**	**6.2**	**15**	**20.4**	**16.9**	**3.5**	**21**	**117**	**125**	**(6)**
Group	**80.4**	**69.2**	**11.2**	**16**	**39.2**	**33.8**	**5.4**	**16**	**124**	**124**	**-**

[1] REVPAU for Japan refers to serviced residences and excludes rental housing.

Group

Please refer to para 1(a)(ii)(A.1) for analysis of the Group's revenue and gross profit.

Analysis By Country

A. Master Leases

France

Revenue increased by EUR 0.2 million in 1Q 2014 as compared to 1Q 2013 mainly due to higher indexation and pre-determined increase in lease income. In line with the increase in revenue, gross profit increased by EUR 0.1 million.

In SGD terms, revenue and gross profit increased by 9% and 8% respectively as compared to 1Q 2013. This was mainly due to stronger performance and appreciation of EUR against SGD.

Germany

Revenue increased by EUR 0.2 million in 1Q 2014 as compared to 1Q 2013 mainly due to higher indexation. In line with the increase in revenue, gross profit increased by EUR 0.1 million.

In SGD terms, revenue and gross profit increased by 25% and 16% respectively as compared to 1Q 2013. This was mainly due to stronger performance and appreciation of EUR against SGD.

Singapore

Both revenue and gross profit decreased by S$0.1 million in 1Q 2014 as compared to 1Q 2013. This was mainly due to the ongoing refurbishment of Ascott Raffles Place during the quarter.

Japan

Revenue and gross profit were JPY 99.2 million (S$1.2 million) and JPY 83.6 million (S$1.0 million) respectively in 1Q 2014. This was contributed by the five rental housing properties, which were acquired on 28 June 2013, and Infini Garden acquired on 20 March 2014.

B. Management contracts with minimum guaranteed income

Belgium

Revenue increased by EUR 0.2 million or 14% in 1Q 2014 as compared to 1Q 2013. REVPAU increased by 11% from EUR 44 in 1Q 2013 to EUR 49 in 1Q 2014. The increase was mainly due to strong demand from project groups and higher rental rates from the refurbished apartments at Citadines Toison d'Or Brussels.

Gross profit remained at the same level as 1Q 2013 due to higher staff costs and marketing expense.

In SGD terms, revenue increased by S$0.4 million or 17% due to stronger underlying performance and appreciation of EUR against SGD. Gross profit remained at the same level as 1Q 2013 due to higher expenses.

Spain

Both revenue and gross profit decreased by EUR 0.1 million in 1Q 2014 as compared to 1Q 2013. Revenue and gross profit for 1Q 2013 included a top-up by the property manager of EUR 0.1 million. Excluding the top-up by the property manager, both revenue and gross profit remained at the same level as 1Q 2013.

In SGD terms, excluding the top-up by the property manager, revenue increased by S$0.1 million due to appreciation of EUR against SGD while gross profit remained at the same level.

United Kingdom

Revenue increased by GBP 0.6 million or 12% in 1Q 2014 as compared to 1Q 2013. REVPAU increased by 13% from GBP 85 in 1Q 2013 to GBP 96 in 1Q 2014. The increase was mainly due to stronger market demand.

Gross profit decreased by GBP 0.1 million due to higher property tax and marketing expense.

In SGD terms, revenue increased by S$2.2 million or 23% due to stronger underlying performance and appreciation of GBP against SGD. Gross profit, in SGD terms, increased by S$0.1 million or 3%.

Vietnam

Both revenue and gross profit increased by VND 0.3 billion in 1Q 2014 as compared to 1Q 2013 mainly due to higher yield protection amount.

In SGD terms, both revenue and gross profit remained at the same level as 1Q 2013. Revenue and gross profit for 1Q 2014 included a yield protection amount of S$0.4 million.

C. Management contracts

Australia

Both revenue and gross profit decreased by AUD 0.1 million in 1Q 2014 as compared to 1Q 2013. REVPAU decreased by 3% from AUD 146 in 1Q 2013 to AUD 141 in 1Q 2014. This was mainly due to the ongoing refurbishment of Citadines St Georges Terrace, which has been completed in January 2014, and weaker market demand.

In SGD terms, revenue and gross profit decreased by 13% and 33% respectively as compared to 1Q 2013. This was mainly due to weaker underlying performance and the depreciation of AUD against SGD.

China

Revenue and gross profit increased by RMB 18.3 million or 52% and RMB 4.0 million or 37% respectively as compared to 1Q 2013. The increase was mainly due to contribution from the three properties acquired on 28 June 2013 as well as stronger performance from existing properties (excluding Somerset Grand Fortune Garden, which had commenced strata sale of units since October 2013). REVPAU decreased by 19% from RMB 572 in 1Q 2013 to RMB 464 in 1Q 2014 due to the acquired properties, which had a lower ADR.

Excluding the contribution from the acquisitions and Somerset Grand Fortune Garden for 1Q 2013, both revenue and gross profit increased as compared to 1Q 2013 due to stronger market demand.

In SGD terms, revenue and gross profit increased by S$4.2 million or 61% and S$1.0 million or 48% respectively. The increase was mainly due to contribution from the acquired properties and appreciation of RMB against SGD.

Indonesia

Revenue increased by USD 0.2 million or 7% in 1Q 2014 as compared to 1Q 2013 due to higher rental rates from the refurbished apartments at Ascott Jakarta. REVPAU increased by 6% from USD 80 in 1Q 2013 to USD 85 in 1Q 2014. Gross profit increased by USD 0.4 million or 50% in 1Q 2014 mainly due to higher revenue and lower staff costs. Gross profit in 1Q 2013 included a one-off provision for post employment benefits.

In SGD terms, revenue increased by S$0.3 million or 8% due to stronger underlying performance and the appreciation of USD against SGD. Gross profit, in SGD terms, increased by S$0.6 million or 67% due to higher revenue, lower expenses and appreciation of USD against SGD.

Japan

Revenue and gross profit increased by JPY 207.7 million or 44% and JPY 177.1 million or 83% respectively as compared to 1Q 2013. The increase was mainly due to the contribution from six rental housing properties acquired on 28 June 2013. REVPAU increased by 18% from JPY 8,120 in 1Q 2013 to JPY 9,553 in 1Q 2014.

Excluding the contribution from the acquisitions, revenue increased by 13% due to stronger demand from the corporate and leisure sectors. Gross profit increased by 34% due to higher revenue, coupled with lower operation and maintenance expense and marketing expense.

In SGD terms, revenue and gross profit increased by S$1.8 million or 28% and S$1.9 million or 66% respectively. The increase was mainly due to contribution from the newly acquired properties, partially offset by depreciation of JPY against SGD.

The Philippines

Revenue in 1Q 2014 decreased by PHP 8.4 million or 3% as compared to 1Q 2013 mainly due to reduction in corporate accommodation budgets. REVPAU decreased by 13% from PHP 5,156 in 1Q 2013 to PHP 4,491 in 1Q 2014.

Gross profit in 1Q 2014 decreased by PHP 17.7 million or 17% as compared to 1Q 2013, mainly due to lower revenue and higher staff costs and property tax.

In SGD terms, both revenue and gross profit decreased by S$0.7 million due to weaker underlying performance and depreciation of PHP against SGD.

Singapore

Both revenue and gross profit increased by S$0.4 million in 1Q 2014 as compared to 1Q 2013. REVPAU increased by 6% from S$193 in 1Q 2013 to S$205 in 1Q 2014. The increase was mainly due to stronger demand from project groups.

Vietnam

Revenue increased by VND 3.1 billion or 2% in 1Q 2014 as compared to 1Q 2013. The increase in revenue was mainly due to stronger demand from project groups, partially offset by lower office rental income. REVPAU increased by 6% from VND 1,562,000 in 1Q 2013 to VND 1,650,000 in 1Q 2014.

Gross profit increased by VND 6.0 billion or 7% due to higher revenue and lower operation and maintenance expense.

In SGD terms, revenue and gross profit increased by S$0.4 million or 5% and S$0.5 million or 10% respectively, due to stronger underlying performance and appreciation of VND against SGD.

9. OUTLOOK AND PROSPECTS

The International Monetary Fund ("IMF") forecasts global growth to average 3.6% in 2014, an increase from 3.0% in 2013. In line with IMF's outlook, we expect our business to benefit from the improving global economy.

Following the successful completion of the rights issue on 12 December 2013, Ascott Reit announced in 1Q 2014 the acquisition of two properties worth approximately S$200 million. They are the 195-unit serviced residence in Dalian, China and the 389-unit rental housing property in Fukuoka, Japan. We will continue to actively seek acquisitions in key gateway cities in China, Japan, Malaysia, Australia and Europe.

Ascott Reit will continue to undertake asset enhancement initiatives in China, Singapore, United Kingdom and Vietnam this year which will be completed in phases. These refurbishments will enhance the experience for our guests and is expected to maximise returns for unitholders.

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

10. DISTRIBUTIONS

10(a) **Current financial period**
Any distributions declared for the current financial period? No

10(b) **Corresponding period of the preceding financial period**
Any distributions declared for the corresponding period of the immediate preceding financial period? Yes
Period of distribution : Distribution for 1 January 2013 to 5 February 2013

Distribution Type	Distribution Rate (cents)
Taxable Income	0.157
Capital	0.460
Total	**0.617**

In connection with the equity placement exercise on 6 February 2013, Ascott Reit made, in lieu of the scheduled semi-distribution, an advanced distribution of Ascott Reit's distributable income for the period from 1 January 2013 to 5 February 2013 (prior to the date on which the placement new units are issued).

10(c) Book closure date : Not applicable

10(d) Date payable : Not applicable

11. General mandate for Interested Person Transactions ("IPT")

The Group has not obtained a general mandate from unitholders for IPT.

12. Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and REIT (comprising the statements of financial position as at 31 March 2014 and the results of the business, consolidated statement of total return, consolidated statement of cash flows and statement of changes in equity for the three months ended 31 March 2014, together with their accompanying notes), to be false or misleading in any material aspect.

On behalf of the Board
Ascott Residence Trust Management Limited

Lim Jit Poh Director	Tay Boon Hwee, Ronald Director

This release 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 other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
Ascott Residence Trust Management Limited
(Company registration no. 200516209Z)
As Manager of Ascott Residence Trust

Kang Siew Fong / Regina Tan
Joint Company Secretaries
Singapore
24 April 2014