




ASCOTT
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Ascott Residence Trust

A Leading Global Serviced Residence REIT

Acquisition of an Extended-Stay Hotel Property in New York,
United States of America

2 July 2015

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Content

- 1 Overview of the Acquisition
- 2 Rationale for the Acquisition
- 3 Impact on Ascott REIT
- 4 Conclusion



Overview of the Acquisition

Ascott Raffles Place Singapore

Overview of the Acquisition

Transaction Summary



| | |
|--------------------------------------|---|
| Property | Element New York Times Square West (the “ Property ”) |
| Location | Centrally located in Times Square, Manhattan at 311 West 39th Street, New York, NY 10018 |
| No. of Units | 411 units |
| Gross Building Area | 181,610 sqft |
| Title | ~98-yr leasehold (expiring Oct 2112) |
| Brand | Franchised under the extended-stay ‘Element’ brand |
| Property Manager | LG-39 Management LLC, an unrelated third party |
| Year of Opening | Nov 2010 |
| Acquisition Price | US\$163.5m (S\$220.7m ¹) US\$398,000/key (S\$537,300 ¹ /key) |
| Valuation | US\$175.0m ² (S\$236.3m ¹) US\$426,000/key (S\$575,100 ¹ /key) |
| FY2014 Pro Forma EBITDA Yield | 6.2% ³ |
| FY2014 Pro Forma DPU Impact | 0.8% accretion |

Notes:


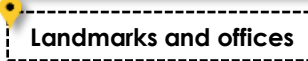
1. Based on exchange rate of US\$1.00 to S\$1.35
2. Valuation, appointed by DBS Trustee Limited, in its capacity as trustee of Ascott REIT, derived by Cushman & Wakefield, Inc. as of 14 May 2015
3. Based on acquisition price of US\$163.5m

Overview of the Acquisition

Location of the property

The Property is situated in Times Square West
Times Square is the commercial and cultural epicenter of Manhattan



Legend:  The Property
 Landmarks and offices

Times Square is one of New York City's most desirable submarkets

- Visited by over 40 million tourists annually, Times Square is the world's most popular tourist destination
- It contains New York's highest concentration of hotel rooms, entertainment venues, tourist attractions and restaurants
- More than 2.3 million people work in Manhattan daily, making it the busiest central business district in the U.S.

Overview of the Acquisition

Location of the property (cont'd)

The Property is situated in Times Square West
Times Square is the commercial and cultural epicenter of Manhattan



Legend: ★ The Property

Landmarks and offices

The Property is strategically located to serve both corporate and leisure demand

- The Property is surrounded by 2.7m square feet of retail space and 50m square feet of office space
- The Property is within blocks of 15 subway lines and three major commuter hubs

Rationale for the Acquisition



Rationale for the Acquisition

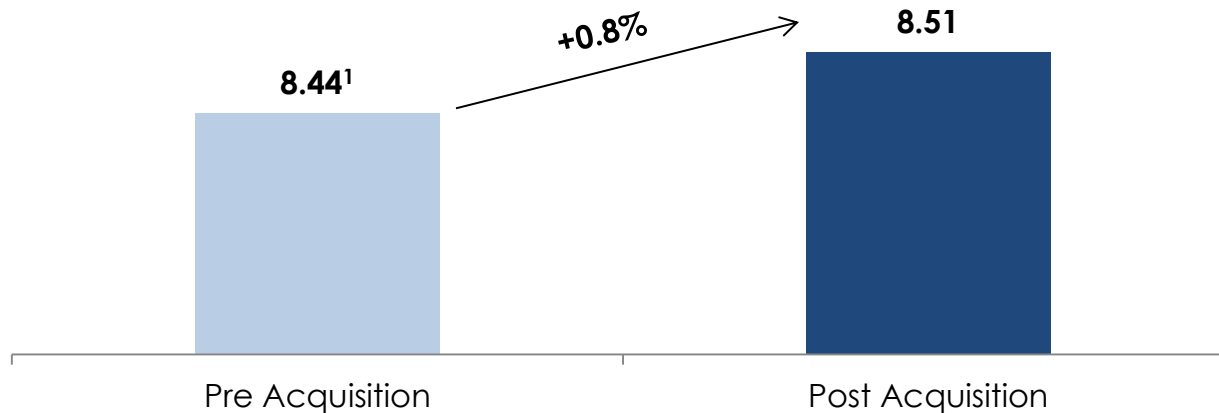
Key Rationale

- 1 Enhance DPU to Unitholders
- 2 Maiden investment into the United States of America (“**U.S.**”)
- 3 Prime location in Times Square area
- 4 High quality asset franchised under reputable brand and managed by experienced operator
- 5 Favourable performance of hospitality market in New York City (“**NYC**”)
- 6 Enhance geographical diversification

Rationale for the Acquisition

1 Enhance DPU to unitholders

Distribution Per Unit (S cents)



FY2014 pro forma DPU will increase by 0.8% from 8.44 cents¹ to 8.51 cents post acquisition assuming acquisition is funded by debt and perpetual securities²

Notes:

1. Adjusted for the pro forma financial effects of the acquisition of the services residence properties in Australia and Japan and rental housing properties in Japan (as announced on 25 June 2015)
2. As announced on 23 June 2015

Rationale for the Acquisition

2 Maiden investment into the U.S.

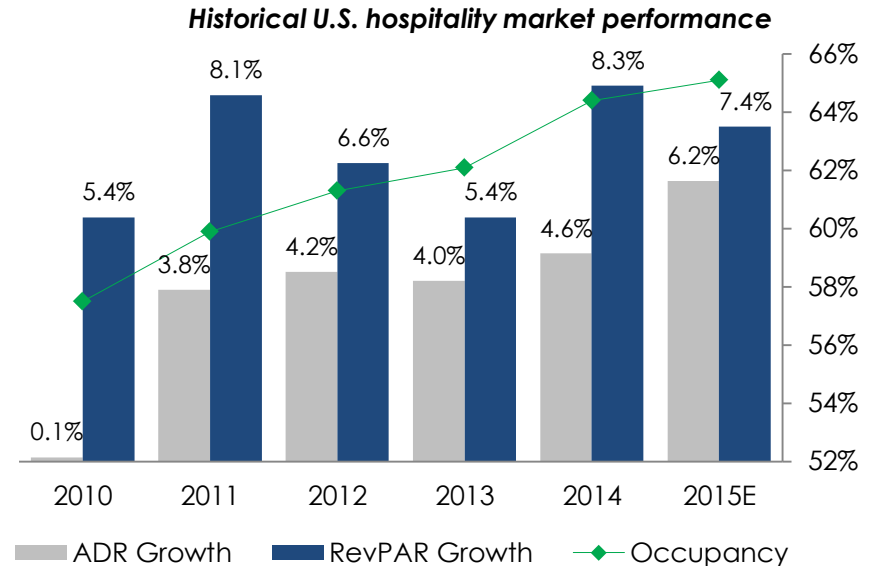
A good foothold to enter the high demand and highly contested accommodation and hospitality market of NYC in the U.S.

Recovery of the U.S. economy and forward momentum for economic growth remains strong

- The U.S. economy grew at a solid pace in the last three quarters of 2014, resulting in an annual growth rate of 2.4%¹
- Expected annual GDP growth rate of 2.5% in 2015²

Strong performance in the U.S. hospitality sector set to continue

- Market Revenue Per Available Room (“**RevPAR**”) is projected to grow at a solid 7.4%³ in 2015, mainly driven by ADR growth



Notes:

1. Source: U.S. Bureau of Economic Analysis
2. Source: International Monetary Fund
3. Source: PwC Hospitality Directions U.S. (January 2015)

Overview of the Acquisition

3 Prime location in Times Square area

Centrally located in Times Square, the Property is easily accessed by subway and bus and is surrounded by iconic landmarks and offices

- The Property is within blocks of 15 subway lines, three major commuter hubs, 50m sqft of office space and 2.7m sqft of retail space
- Companies located in Times Square area include New York Times, Ernst & Young, ABC News, Morgan Stanley, Barclays Capital, Nasdaq, Proskauer Rose, Viacom (including MTV Networks) and Reuters



- Legend:
- ★ The Property
 - 📍 Landmarks and offices
 - 🚉 Major commuter hubs

Overview of the Acquisition

4 High quality asset...

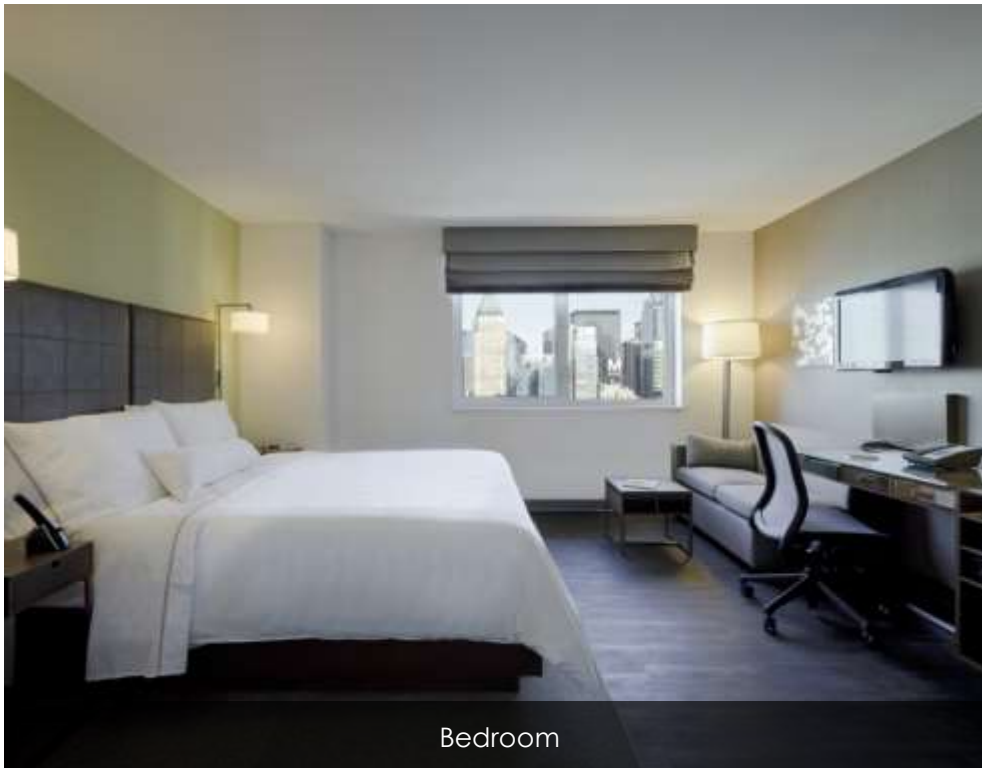
- The property is relatively new, having being built and started operations only in November 2010
- Property demonstrated strong operating performance achieving over 90% occupancy over 2012-2014



Overview of the Acquisition

4 High quality asset... (cont'd)

- High quality apartment units with fully-equipped kitchens, home entertainment systems, broadband or wireless internet access, security and CCTV surveillance



Overview of the Acquisition

4 High quality asset... (cont'd)

- Amenities include fitness center, business center, breakfast bar, meeting rooms, launderette and rooftop terrace



Overview of the Acquisition

- 4 ...franchised under reputable brand and managed by experienced operator

The Property will continue to be managed by third party operator and franchised under Starwood Hotels & Resorts' 'Element' brand



Element[®] – Starwood's Eco-Innovation lab and extended stay brand of hotels

- First launched in 2008, Element[®] is one of Starwood's newest brands
- Focus on healthy living for business clientele
- 18 Element[®] hotels in U.S., Canada, China and Germany

Ascott REIT remains open to acquiring quality assets under reputable brands managed by experienced third party operators

Rationale for the Acquisition

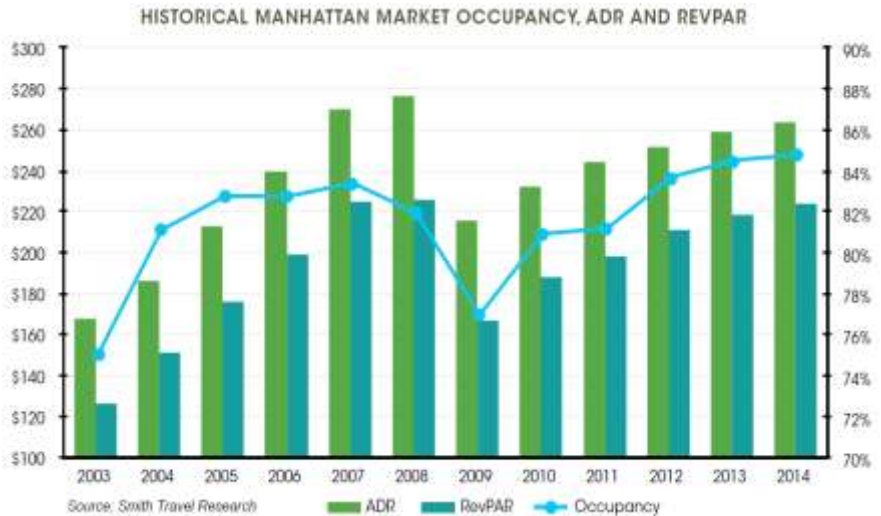
5 Favourable performance of hospitality market in NYC

Ascott REIT's maiden acquisition in the developed and strong hospitality market of NYC

- NYC has more Fortune 500 company HQs than any other city in world
- 56.4 million tourists visited NYC in 2014, 3.9% increase YoY – the most successful year in history¹

Hospitality fundamentals in Manhattan remain strong, allowing for the absorption of new supply

- As of December 2014, Manhattan trailing 12 months (“TTM”) occupancy has remained above 85.0% for 31 consecutive months, achieving an all-time high of 87.3% in December 2014 despite a 4.9% supply increase in Q4 2014²
- RevPAR is expected to regain its pre-recession peak in early 2016¹



Notes:

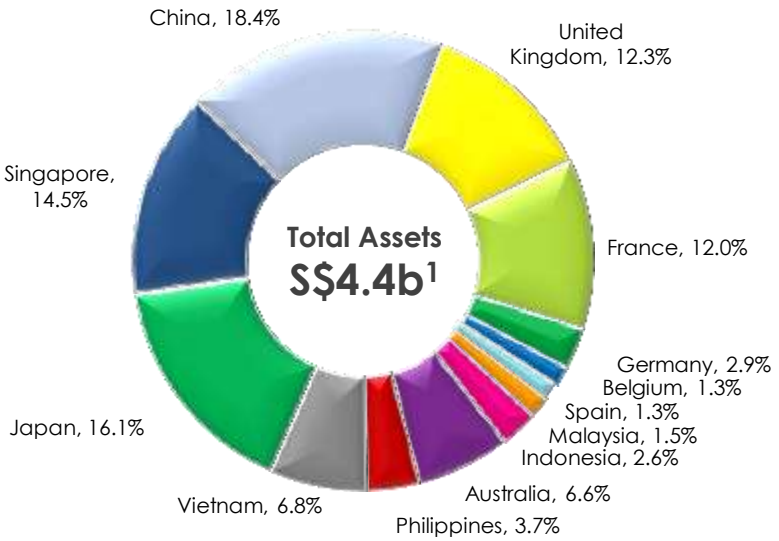
1. Source: Cushman & Wakefield NYC Lodging Market Overview (2Q 2015)
2. Source: STR Global

Rationale for the Acquisition

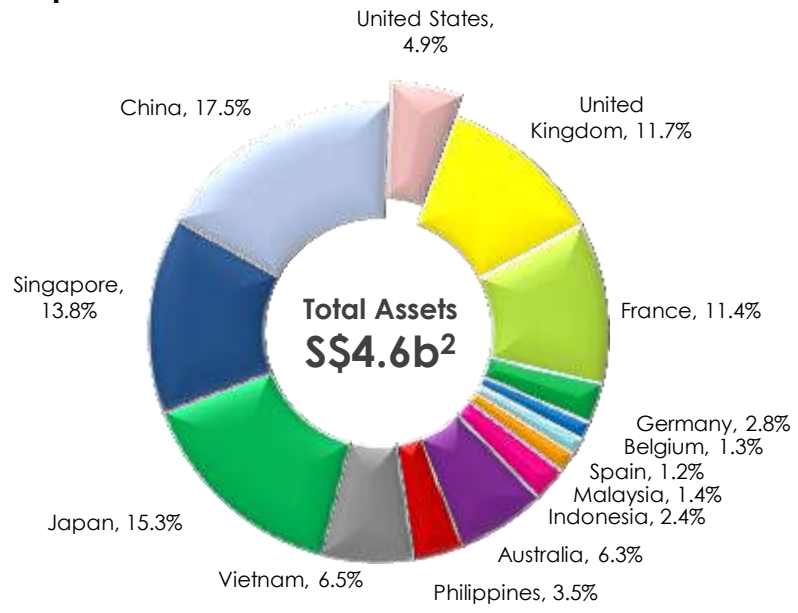
6 Enhance geographical diversification

Breakdown of Ascott REIT's Assets by Geography

Pre Acquisition¹



Post Acquisition



Post acquisition, Ascott REIT's portfolio will be diversified across a geographical spread of 40 cities in 14 countries and across property and economic cycles.

Notes:

1. As at 31 December 2014, including the acquisition of the services residence properties in Australia and Japan and rental housing properties in Japan (as announced on 25 June 2015); Excludes the New Cairnhill SR, which acquisition is targeted to be completed in 2017. If the New Cairnhill SR was included, the portfolio of Ascott REIT would be approximately S\$4.8 billion.
2. Excludes the New Cairnhill SR, which acquisition is targeted to be completed in 2017. If the New Cairnhill SR was included, the portfolio of Ascott REIT would be approximately S\$5.0 billion.

Impact on Ascott REIT

Ascott Raffles Place Singapore

Impact on Ascott REIT

Pro Forma Financial Effects

| | Pre Acquisition ¹ | Post Acquisition ² |
|---------------------------------|------------------------------|-------------------------------|
| DPU | 8.44 cents | 8.51 cents |
| Net Asset Value Per Unit | \$1.38 | \$1.39 |
| Gearing | 39.5% | 40.1% |

Notes:

1. Adjusted for the pro forma financial effects of the acquisition of the services residence properties in Australia and Japan and rental housing properties in Japan (as announced on 25 June 2015)
2. Ascott REIT intends to finance the proposed acquisitions with debt financing and the issuance of perpetual securities as announced on 23 June 2015

Conclusion



Citadines Mount Sophia

Acquisition of an Extended-Stay Hotel Property in New York, United States of America

1

Enhance DPU to unitholders

- FY2014 pro forma DPU will increase by 0.8% from 8.44 cents¹ to 8.51 cents post acquisition assuming acquisition is funded by debt financing and the issuance of perpetual securities²

2

Maiden investment into the United States of America

- The U.S. economy grew at a solid pace in the last three quarters of 2014
- Market RevPAR is projected to grow at a solid 7.4% in 2015, mainly driven by ADR growth

3

Prime location in Times Square area

- Centrally located in Times Square, the Property is easily accessed by subway and bus and is surrounded by iconic landmarks and offices

Notes:

1. Adjusted for the pro forma financial effects of the acquisition of the services residence properties in Australia and Japan and rental housing properties in Japan (as announced on 25 June 2015)
2. As announced on 23 June 2015

Conclusion (cont'd)

Acquisition of an Extended-Stay Hotel Property in New York, United States of America

4 High quality asset franchised under reputable brand and managed by experienced operator

- Property demonstrated strong operating performance achieving over 90% occupancy over 2012-2014
- Ascott REIT remains open to partner experienced third party operators under reputable brands

5 Favourable performance of hospitality market in New York City

- An estimated 56.4m tourists visited New York City in 2014, 3.9% increase YoY
- Manhattan TTM occupancy has remained above 85.0% for 31 consecutive months, achieving an all-time high of 87.3% in December 2014

6 Enhance geographical diversification

- Post acquisition, Ascott REIT's portfolio will be diversified across a geographical spread of 40 cities in 14 countries and across property and economic cycles

Conclusion (cont'd)

Overview of Ascott REIT's Portfolio Post Acquisition

\$4.6b¹

Total Assets

11,779

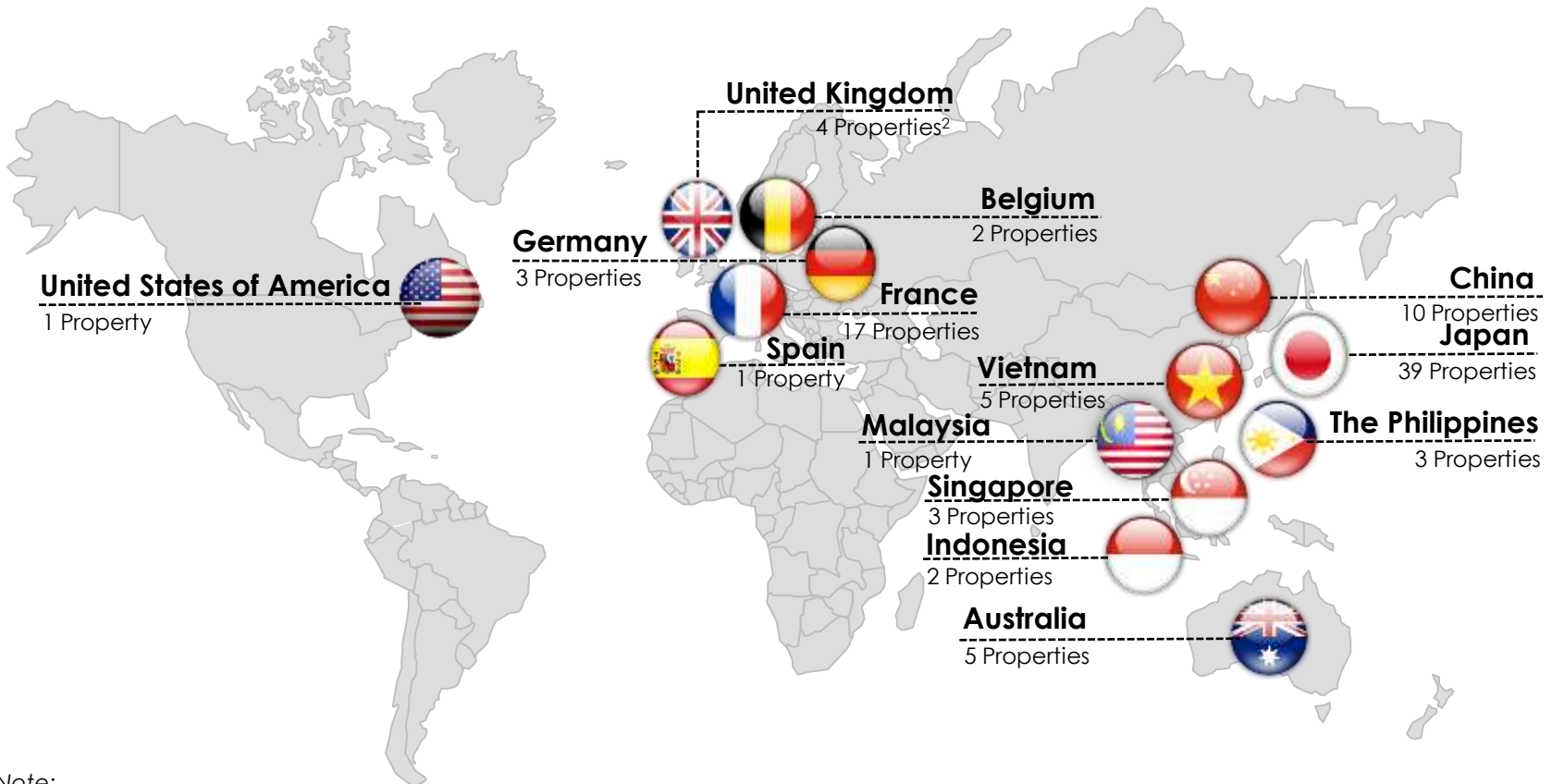
Apartment Units

96

Properties

40

Cities in 14 Countries



Note:

1. Excludes the New Cairnhill SR, which acquisition is targeted to be completed in 2017. If the New Cairnhill SR was included, the portfolio of Ascott REIT would be approximately \$5.0 billion.




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Thank You