

ASCOTT REIT STEPS UP GROWTH THROUGH ACQUISITIONS OF SEVEN QUALITY ASSETS IN AUSTRALIA AND JAPAN FOR S\$298.3 MILLION

Enters gateway cities of Melbourne and Osaka while strengthening foothold in Tokyo and Kyoto

Pro forma distribution income for FY 2014 to rise by S\$3.9 million

Singapore, 25 June 2015 – Ascott Residence Trust (Ascott Reit) is stepping up its growth by acquiring three quality serviced residences and four rental housing properties in Australia and Japan for S\$298.3 million at an EBITDA yield of 5.1%. These accretive acquisitions are expected to increase Ascott Reit's distribution income for FY 2014 by S\$3.9 million and distribution per unit by 2.9% from 8.20 cents to 8.44 cents on a pro forma basis.

Ascott Reit will acquire the 380-unit Citadines on Bourke Melbourne from The Ascott Limited (Ascott) for AUD158.5 million (S\$167.6 million¹). Ascott Reit will also acquire the remaining 40.0% interest in the 160-unit Citadines Shinjuku Tokyo² and 124-unit Citadines Karasuma-Gojo Kyoto³ for JPY3,040 million (S\$33.7 million⁴) and JPY1,440 million (S\$16.0 million⁴) respectively from Ascott. The three serviced residences will continue to be managed by Ascott. In addition, Ascott Reit will acquire four rental housing properties in Osaka for JPY7,300 million (S\$81.0 million⁴). Ascott currently holds an 18.9% stake in the four rental housing properties.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "These yield accretive acquisitions will expand Ascott Reit's portfolio in the stable and established markets of Australia and Japan where there is significant potential for us to grow. Australia is one of the top 10 global destinations for foreign direct investment and ease of doing business. International visitor arrival numbers of both Australia and Japan reached record high last year. Japan's government is aiming for 20 million visitors by the 2020 Tokyo Olympic Games and has also created special zones to attract foreign companies to set up offices. Hence, we expect strong demand for these properties which will further enhance Ascott Reit's portfolio."

Mr Lim added: "The seven prime assets with 1,152⁵ apartment units will broaden Ascott Reit's earning base and increase our scale to 11,368 apartment units in 95 properties across 39 cities, further diversifying our portfolio across key cities globally. Ascott Reit's asset size will also enlarge from S\$4.1 billion to S\$4.4 billion, bringing us closer to our target asset size of S\$6.0 billion by 2017. Ascott Reit will continue to deliver stable and growing distributions to Unitholders through accretive acquisitions, active asset management, and prudent capital and risk management."

¹ Based on exchange rate of AUD1.00 = S\$1.05727

² Ascott Reit acquired 60% interest in Citadines Shinjuku Tokyo from a third party in 2011

³ Ascott Reit acquired 60% interest in Citadines Karasuma-Gojo Kyoto from a third party in 2012

⁴ Based on exchange rate of JPY1.00 = S\$0.01109

⁵ Includes 284 units from Citadines Shinjuku Tokyo and Citadines Karasuma-Gojo Kyoto currently within Ascott Reit's portfolio due to its 60.0% interest in both properties

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "Japan assets have been delivering stellar operational performance for the past two years. Stronger operations of our serviced residences in Japan grew revenue per available unit (RevPAU) by 12.1%⁶ for FY 2013, 14.0%⁶ for FY 2014 and 16.8%⁶ for 1Q 2015. RevPAU for Australia increased 16.3%⁶ for FY 2014 due to higher demand for the newly renovated apartments at our serviced residence in Perth. The acquisitions will not only deepen Ascott Reit's presence in Tokyo and Kyoto, but also expand our portfolio to the dynamic cities of Melbourne and Osaka."

"As the capital city of Victoria and the second largest state in Australia, Melbourne accounts for approximately 22% of Australia's economic activities and has an average economic growth of 2.9% over the past decade. Known for its ease of doing business, convenient access to the Asia-Pacific region and the city's packed events calendar, we expect high accommodation demand from business and leisure visitors. With 380 apartments, Citadines on Bourke Melbourne is one of our biggest properties to date. The three Citadines-branded serviced residences with strategic locations in Melbourne, Tokyo and Kyoto have all enjoyed steady and strong occupancies."

Mr Tay added: "Osaka is the third largest city in Japan by population and many top global companies are based there. The rental housing properties have been achieving high annual occupancy averaging around 97% for the past three years. Coupled with the long tenant leases, these properties will provide good income stability for our Unitholders. We will continue to look at acquiring rental housing properties that are located in key cities in Japan as the economy continues to improve with the government cutting its effective corporate tax rate to attract investors."

In Australia, Ascott Reit currently owns one serviced residence in Perth (Citadines St Georges Terrace Perth) and three serviced residences under the Quest brand in Greater Sydney. In Japan, Ascott Reit currently owns three serviced residences (Somerset Azabu East Tokyo and 60.0% interest each in Citadines Shinjuku Tokyo and Citadines Karasuma-Gojo Kyoto) as well as 31 rental housing properties with 1,921 apartment units across seven major cities.

Ascott Reit will seek Unitholders' approval for the transactions at an extraordinary general meeting to be held on 24 July 2015.

About Citadines on Bourke Melbourne

Citadines on Bourke Melbourne is located in the heart of Melbourne's central business district. The serviced residence is in close proximity to major office towers and within walking distance to Melbourne's renowned theatre district, restaurants, cafés, high-end shopping area and parks. Citadines on Bourke Melbourne is a short five-minute walk from Parliament train station and Bourke Street tram stop, providing convenient access to the rest of the city. The serviced residence provides a range of studio, one- and two- bedroom apartments.

⁶ Based on revenue per available unit in local currencies

About Citadines Shinjuku Tokyo

Citadines Shinjuku Tokyo is centrally located, near the vibrant and trendy Shinjuku East area, about a five-minute walk from the Shinjuku Gyoemmae station and Shinjuku Sanhome station. The property's proximity to the Marunouchi, Toei Shinjuku and Fukutoshin subway lines provides excellent accessibility within Shinjuku and also to the business and retail districts such as Akasaka, Kasumigaseki, Roppongi and Ginza. Guests can enjoy shopping, dining and sight-seeing at the nearby shopping malls, supermarkets, restaurants and the Shinjuku Gyoen National Garden. The serviced residence offers 160 studio units.

About Citadines Karasuma-Gojo Kyoto

Citadines Karasuma-Gojo Kyoto is in a prime location with the Gojo subway station right outside the serviced residence, and the city's business district and tourist belt a short walk away. Kyoto's largest and most prestigious downtown shopping area, Shijo Street, and the Kyoto Shinkansen bullet train station are one stop away from the Gojo subway station. Guests can easily connect to the other cities in Japan from the bullet train station. Citadines Karasuma-Gojo Kyoto is also close to many shopping malls, supermarkets, restaurants, entertainment options and a short drive away from UNESCO heritage sites. The serviced residence features studio and one-bedroom apartments.

About rental housing properties in Osaka

The four rental housing properties are in close proximity to shopping malls, government offices, universities and hospitals. They are located within walking distance to subway stations, which provide easy access to the central business districts in Osaka. The four properties are the 110-unit S-Residence Hommachi Marks, 102-unit S-Residence Tanimachi 9 chome, 98-unit S-Residence Midoribashi Serio and 178-unit S-Residence Fukushima Luxe.

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 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 90 properties with 10,500 units in 37 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 Barcelona, Berlin, Brussels, Guangzhou, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Munich, Paris, Perth, Shanghai, Singapore and Tokyo.

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.

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.

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