









ASCOTT
RESIDENCE TRUST
A Member of CapitaLand

Ascott Residence Trust

Acquisition of Three Serviced Residence Properties in Greater Sydney, Australia

23 October 2014

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Content

1. Overview of the Acquisitions
2. Rationale for the Acquisitions
3. Overview of Funding Structure
4. Impact on Ascott REIT
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Overview of the Acquisitions



Ascott Raffles Place Singapore

Overview of the Acquisitions

Transaction Summary



Purchase Price of Properties	AUD 83.0 million (S$ 93.0 million[1])
Valuation of Properties	AUD 84.8 million[2] (S$ 94.9 million[1])
Blended EBITDA Yield	7.7%
FY2013 Pro Forma DPU Impact	0.7% accretion
Seller	Related companies of QSA Group Pty Ltd ("Quest")
Business Structure	Operating under fixed leases and franchise under the Quest brand



Quest Sydney Olympic Park



Quest Mascot


Quest Campbelltown

Notes:
1. *Based on exchange rate of AUD/S$ = 1.12*
2. *Valuation, appointed by DBS Trustee Limited, in its capacity as trustee of Ascott REIT, derived by Savills Valuation Pty Ltd as of 1 August 2014.*

Overview of Quest Sydney Olympic Park

Property Details

Location	Located within the Sports & Education Precinct of Sydney Olympic Park; ~16km from Sydney-CBD
No. of Units	140
Title	99-year leasehold expiring in October 2111
Lessee	Unrelated third party
Expiry of Fixed Lease	14-year term expiring in October 2026, with options to renew for another two 7-year terms – 4% annual increase[1]
Year of Opening	October 2012



Facade




Bedroom

Note:
1. *Subject to market review after Year 7 and upon each term of renewal*

Overview of Quest Mascot

Property Details

Location	~7km south of Sydney-CBD; ~2km from both Sydney Domestic and International Airports
No. of Units	91
Title	Freehold
Lessee	Unrelated third party
Expiry of Fixed Lease	10-year term expiring in January 2018, with options to renew for another five 5-year terms – 4% annual increase[1]
Year of Opening	January 2008



Facade




Living Area

Note:
1. *Subject to market review after Year 5 and upon each term of renewal*

Overview of Quest Campbelltown

Property Details

Location	~2.5km North-East from Campbelltown Business District; ~40km from Sydney-CBD
No. of Units	81
Title	Freehold
Lessee	Unrelated third party
Expiry of Fixed Lease	10-year term expiring in September 2020, with options to renew for another four 5-year terms – 4% annual increase[1]
Year of Opening	September 2010


Facade




Living Area

Note:
1. *Subject to market review after Year 5 and upon each term of renewal*

Rationale for the Acquisitions



Citadines Suites Louvre Paris

Rationale for the Acquisitions

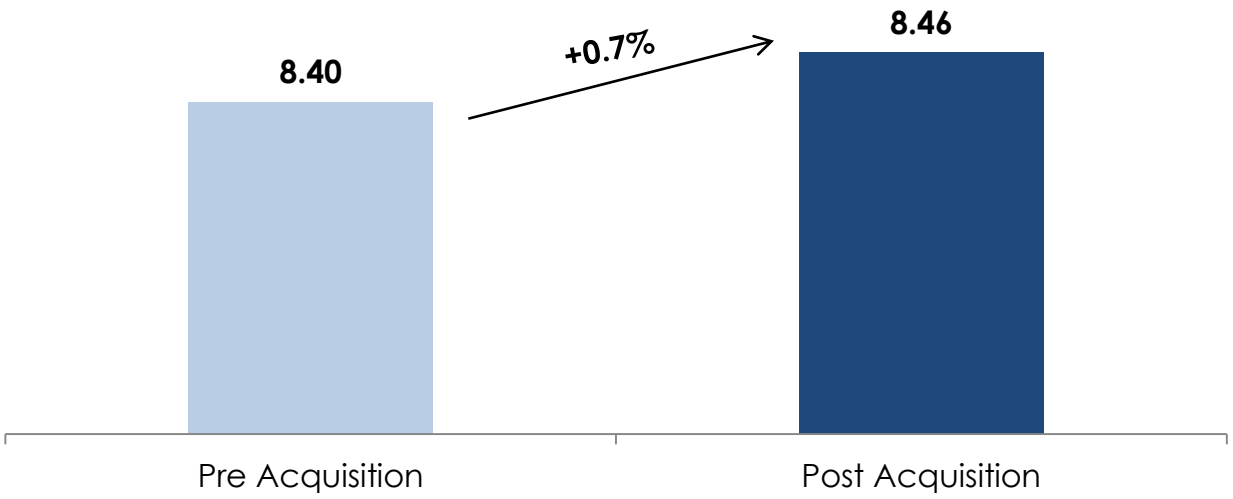
Key Rationale

1. Enhance DPU to Unitholders
2. Deepen presence in Australia
3. Entry into the resilient hospitality market of Greater Sydney, New South Wales ("NSW")
4. Improve stability of income stream

Rationale for the Acquisitions

1 Enhance DPU to Unitholders

Distribution Per Unit (S cents)



FY2013 pro forma DPU will increase by 0.7% from 8.40 cents to 8.46 cents post acquisition.

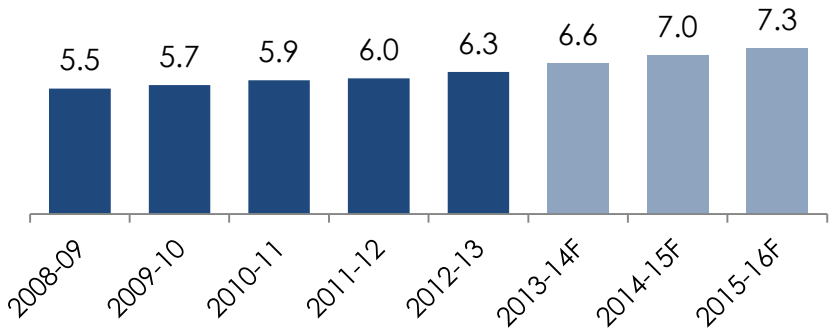
Rationale for the Acquisitions

2 Deepen presence in Australia

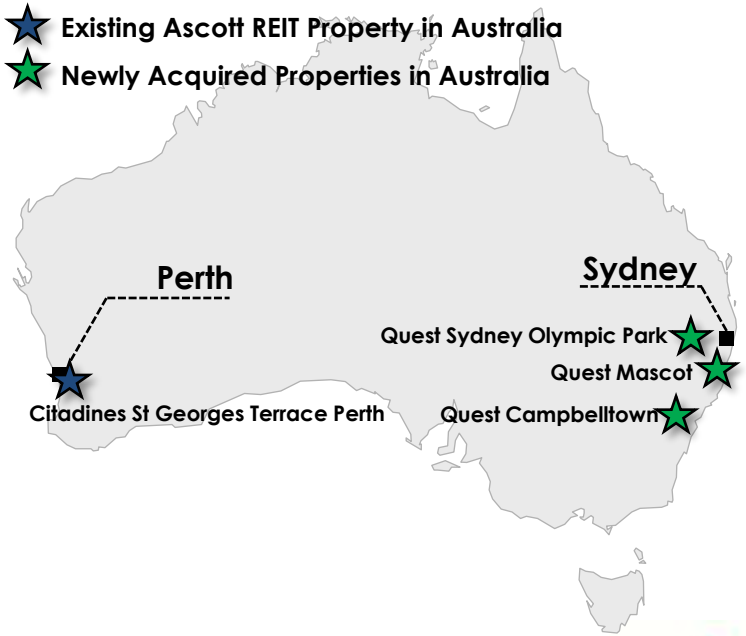
Deepen Ascott REIT's presence in the mature and stable market of Australia

— International visitor arrivals are forecasted to grow by 5% for FY2013/14.

— Across Australia, Revenue Per Available Room ("RevPAR") increased by 3% to S$132 in 2013 compared to 2012. RevPAR will continue to grow at 5% per year into 2016[1].



Source: Tourism Research Australia



Note:
1. *Deloitte Tourism & Hotel Market Outlook February 2014*

Rationale for the Acquisitions

2 Deepen presence in Australia

Sponsor's collaboration with Quest will enable Ascott REIT to tap into a bigger pool of properties

— The sponsor, The Ascott Limited, has concurrently entered into a strategic partnership with Quest to invest up to AUD 500 million in new properties that Quest will secure for its franchise network in Australia over five years.

— This provides Ascott REIT with a pipeline of potential acquisitions through ROFR.

Background of Quest

The largest serviced apartment provider with 112 properties in Australia.

A leading player in the Australian market with more than 80% of their customers are corporate travellers from some of Australia's biggest companies.

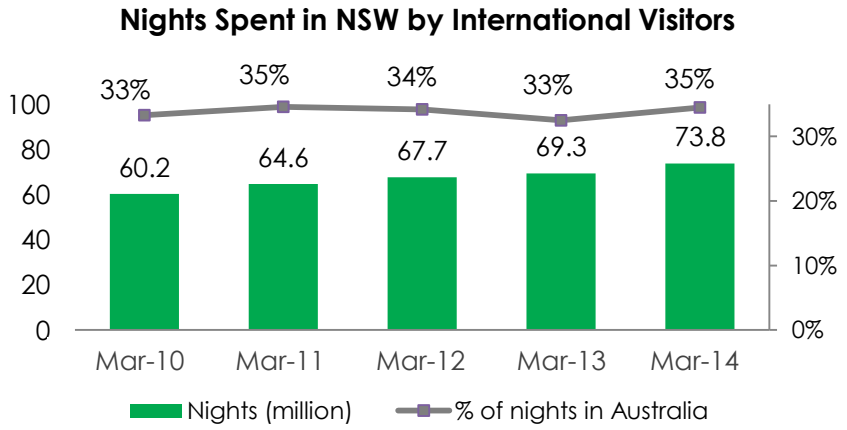
Rationale for the Acquisitions

3 Entry into the resilient hospitality market of Greater Sydney, NSW

Ascott REIT's maiden acquisition into Greater Sydney, NSW – an established and developed hospitality market

- NSW is ranked as the Number 1 state within Australia for visitation in Australia, by visitor numbers, room nights and expenditure.
- Historically, total visitors into NSW consistently account for above 51%-52% of total visitors into Australia.
- Nearly 3.1 million international overnight visitors spent a total of 73.8 million nights in NSW in year ending March 2014, representing an increase of 6% year-on-year.





Source: Tourism Research Australia

Rationale for the Acquisitions

3 Entry into the resilient hospitality market of Greater Sydney, NSW

Map of Greater Sydney



Visitor nights in Sydney are forecast to continue to reach record highs

— During FY2013/14, visitor nights are predicted to increase by 7% to reach 85.8 million nights – considerably higher than the national growth rate of +1%.

Strong resilience of the Sydney hospitality market

— Sydney hospitality market has performed strongly over the last 12 months.

— RevPAR is up by 4% year-on-year, the Average Daily Rate ("ADR") is up 3% over the same timeframe, and occupancy levels remain the highest recorded nationally at 78%.

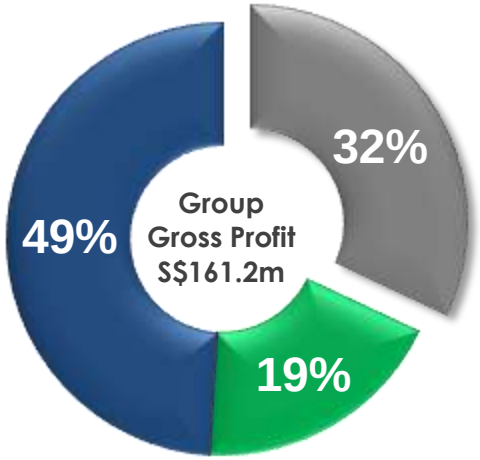
Source: Tourism Research Australia

Rationale for the Acquisitions

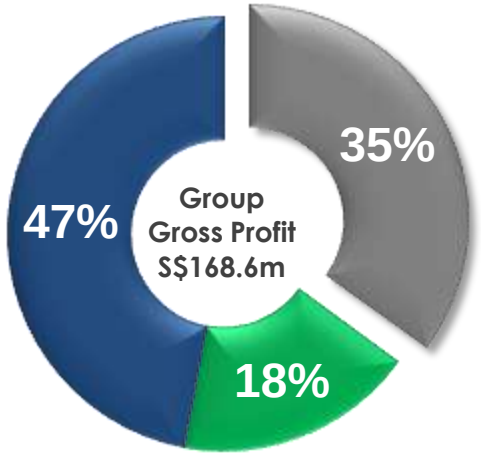
4 Improve stability of income stream

Breakdown of Gross Profit[1]

Pre Acquisition



Post Acquisition



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

Contribution from fixed lease income to overall portfolio's gross profit will grow from 32% to 35%.

Note:
1. *Based on FY2013 pro forma*

Overview of Funding Structure



Ascott Raffles Place Singapore

Overview of Funding Structure

Fully funded from issuance of perpetual securities[1]



Quest Sydney Olympic Park

S$44.8m



Quest Mascot

S$26.9m



Quest Campbelltown

S$21.3m

Transaction Expenses

S$6.6m[2]

Total use of proceeds: S$99.6m

Acquisition of properties to be entirely funded by perpetual securities proceeds.

Notes:
Based on exchange rate of AUD/S$ = 1.12
1. *Ascott REIT issued S$150 million perpetual securities at 5% p.a. on 17 October 2014*
2. *Including acquisition fees, applicable stamp duties, legal and other professional fees and expenses*

Impact on Ascott REIT

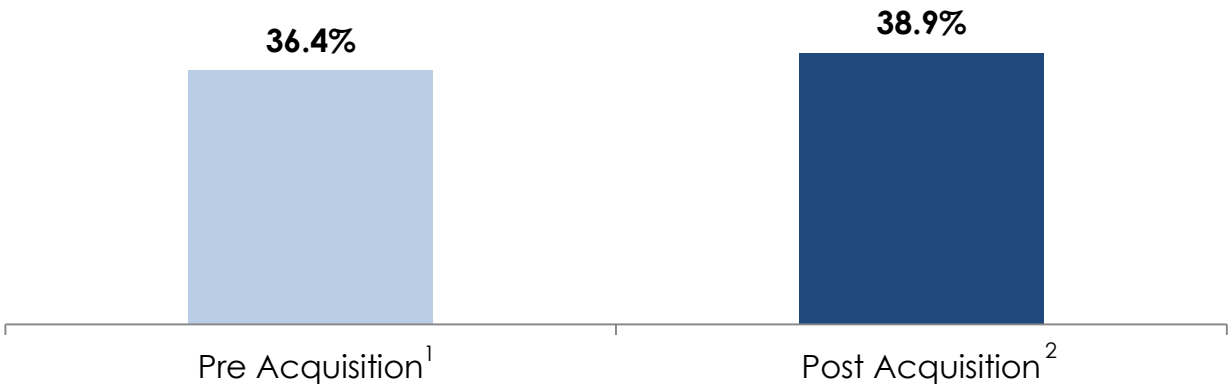


Ascott Raffles Place Singapore

Impact on Ascott REIT

Healthy Balance Sheet

Gearing (%)



- Gearing remains well within 60% gearing limit under MAS Property Fund Appendix.

NAV Per Unit (S$)

- NAV Per Unit remains unchanged at S$1.37[3] post acquisition.

Notes:

1. *As at 30 June 2014*
2. *As at 30 June 2014, including acquisition of Somerset Ampang Kuala Lumpur, Citadines Zhuankou Wuhan and Citadines Gaoxin Xi'an (as completed on 18 August 2014), a hotel property in Tokyo, Japan (as completed on 16 October 2014), three serviced residence properties in Australia (as announced on 23 October 2014) as well as issuance of S$150 million perpetual securities at 5% p.a. on 17 October 2014.*
3. *As compared to NAV Per Unit as at 31 December 2013*

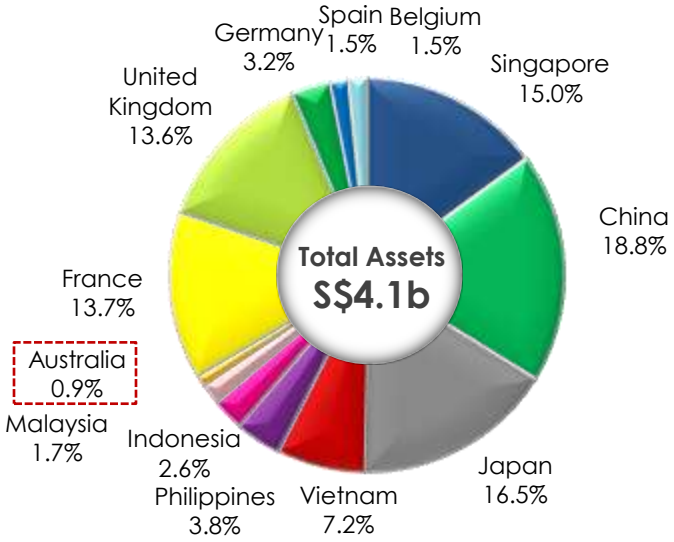
Impact on Ascott REIT

Geographical Diversification

Breakdown of Ascott REIT's Assets by Geography

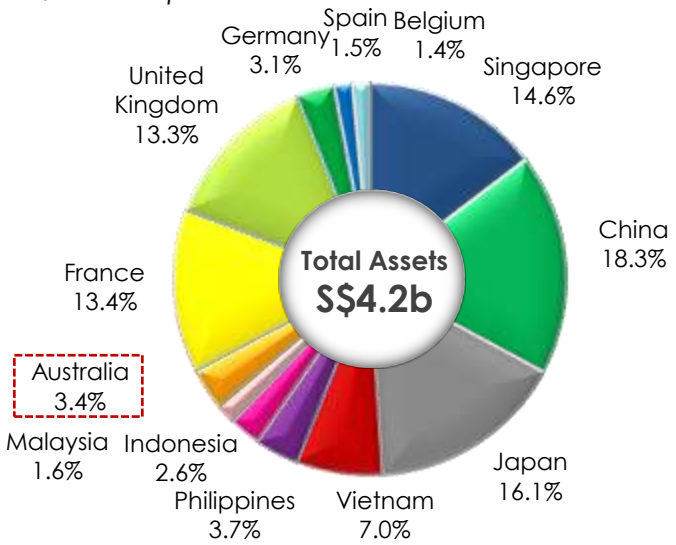
Pre Acquisition[1]

- *66.5% in Asia Pacific,*
- *33.5% in Europe*



Post Acquisition

- *67.3% in Asia Pacific,*
- *32.7% in Europe*



Presence in Australia will grow from 0.9% to 3.4% post acquisition.

Note:

1. *As at 30 June 2014 and including the acquisition of Somerset Ampang Kuala Lumpur, Citadines Zhuankou Wuhan and Citadines Gaoxin Xi'an (completed on 18 August 2014) as well as a hotel property in Tokyo (as announced on 16 October 2014).*

Conclusion



Citadines Mount Sophia

Conclusion

Acquisition of Three Serviced Residence Properties in Greater Sydney, Australia

1 Enhance DPU to Unitholders	▪ FY2013 pro forma DPU accretion of 0.7% from 8.40 cents to 8.46 cents.
2 Deepen presence in Australia	▪ International visitor arrivals into Australia are forecasted to grow by 5% for FY2013/14 and RevPAR expected to increase by 5% per year into 2016. ▪ Sponsor's collaboration with Quest provides Ascott REIT with a pipeline of potential acquisitions through ROFR.
3 Entry into the resilient hospitality market of Greater Sydney, NSW	▪ NSW is ranked as the Number 1 state within Australia for visitation in Australia, by visitor numbers, room nights and expenditure. ▪ Sydney hospitality market has performed strongly over the last 12 months.
4 Improve stability of income stream	▪ Contribution from fixed lease income to overall portfolio's gross profit will grow from 32% to 35%.











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Thank You