



Ascott Residence Trust

A Leading Global Serviced Residence REIT

3Q 2016 Financial Results

20 October 2016



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

- Overview of Ascott REIT
- Financial Highlights
- Portfolio Performance
- Capital and Risk Management
- Portfolio Information
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Overview of Ascott REIT

A Leading Global Serviced Residence REIT

S\$1.9b¹ Market Capitalisation	S\$4.9b² Total Assets	11,619 Apartment Units	90 Properties	38 Cities in 14 Countries
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Notes:

Figures above as at 30 September 2016

1. Market capitalisation as at 19 October 2016
2. Excludes Ascott Orchard Singapore, which acquisition is targeted to be completed in 2017. If Ascott Orchard Singapore was included, the portfolio of Ascott REIT would be approximately S\$5.3 billion.



Financial Highlights

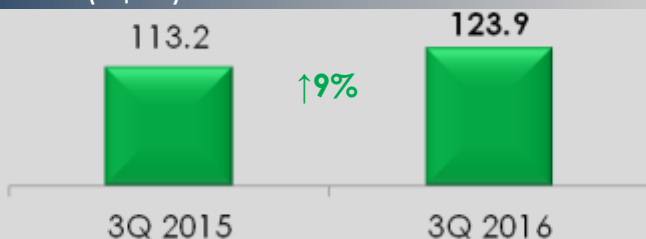
Ascott Raffles Place Singapore



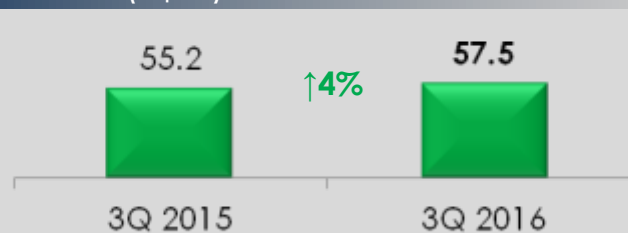
Financial Highlights for 3Q 2016

3Q 2016 vs 3Q 2015 Financial Performance

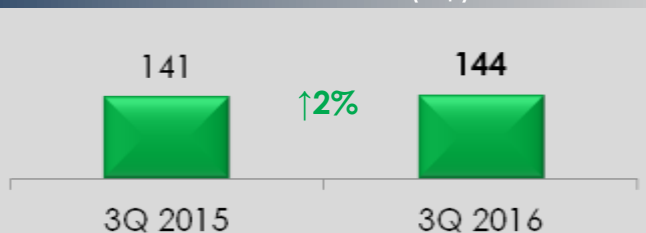
Revenue (\$m)



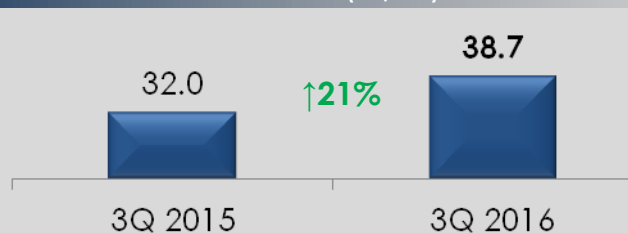
Gross Profit (\$m)



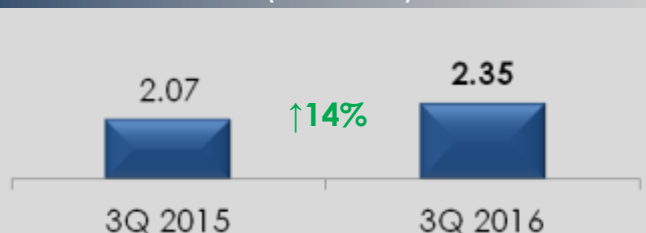
Revenue Per Available Unit (\$)



Unitholders' Distribution (\$m)



Distribution Per Unit (\$ cents)



Adjusted Distribution Per Unit (\$ cents)



Notes:

1. Unitholders' distribution in 3Q 2015 included a one-off item of approximately S\$1.2 million.
2. Unitholders' distribution in 3Q 2016 included realised exchange gain of S\$3.3 million arising from repayment of foreign currency bank loans with the divestment proceeds from Fortune Garden Apartments.

Overview of 3Q 2016

▪ Stronger Operational Performance

- Revenue and gross profit grew 9% and 4% respectively year-on-year mainly due to properties¹ acquired in 2015 and 2016.
- RevPAU increased 2% year-on-year mainly due to the properties² acquired in 2015 and 2016.

▪ Active Asset Management

- The second phase of refurbishment at Somerset Ho Chi Minh City which was completed in 3Q 2016 has uplifted ADR of refurbished apartment units by 26%.

• Prudent Capital Management

- Realised an exchange gain of S\$3.3 million in 3Q 2016 from the repayment of foreign currency bank loans with the divestment proceeds from Fortune Garden Apartments that has been remitted back to Singapore.
- Reduced effective borrowing rate from 2.5% p.a. to 2.4% p.a.
- Maintained 80% of the Group's borrowings on fixed interest rates.

Notes:

1. Citadines on Bourke Melbourne and a portfolio of four rental housing properties in Osaka, Japan as acquired on 31 July 2015, Element New York Times Square West as acquired on 19 August 2015 and Sheraton Tribeca New York Hotel as acquired on 29 April 2016.

2. Citadines on Bourke Melbourne, Element New York Times Square West and Sheraton Tribeca New York Hotel.

Portfolio Performance



Ascott Raffles Place Singapore

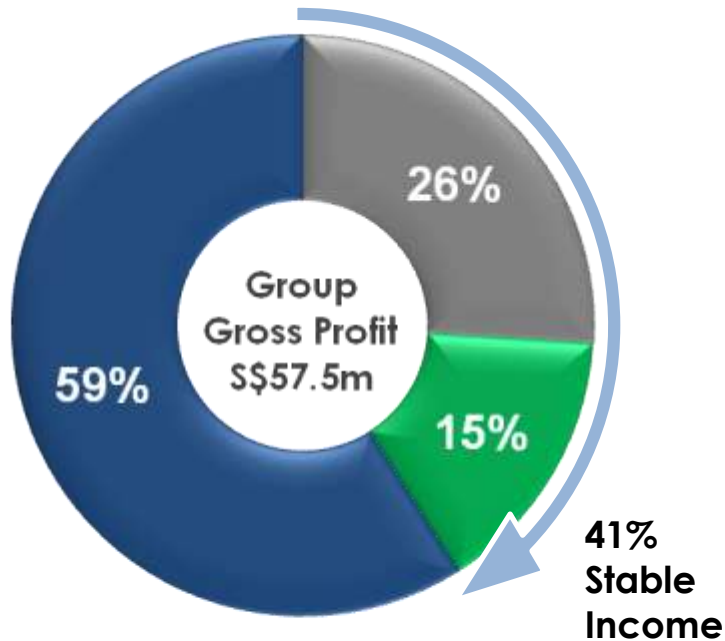
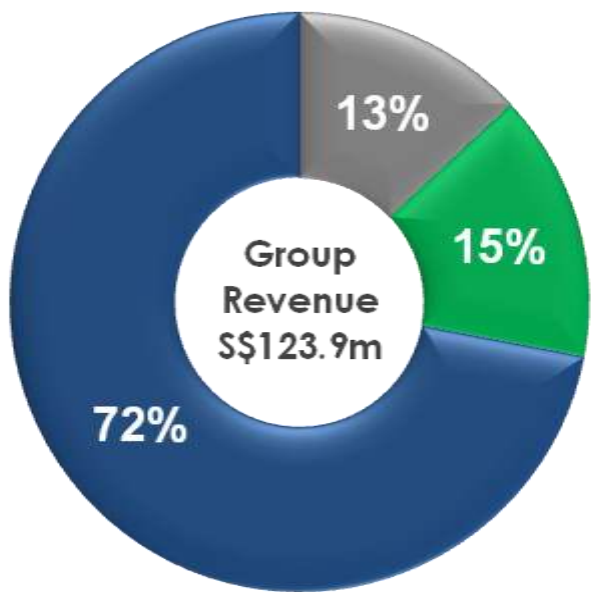


Portfolio Highlights

Revenue and Gross Profit (by category)

Revenue
3Q 2016

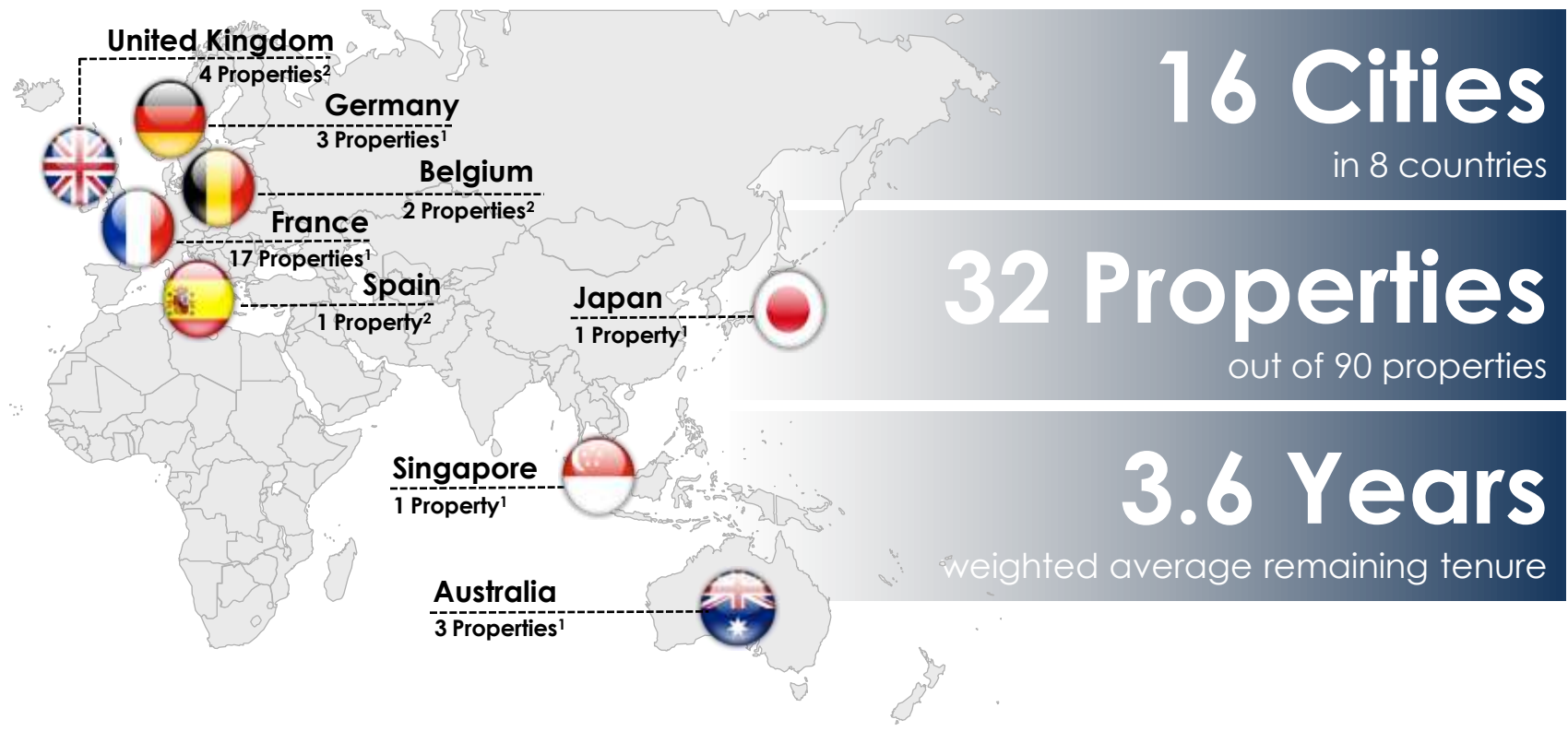
Gross Profit
3Q 2016



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

Income Stability

41% of the Group's gross profit for 3Q 2016 is contributed by master leases and management contracts with minimum guaranteed income



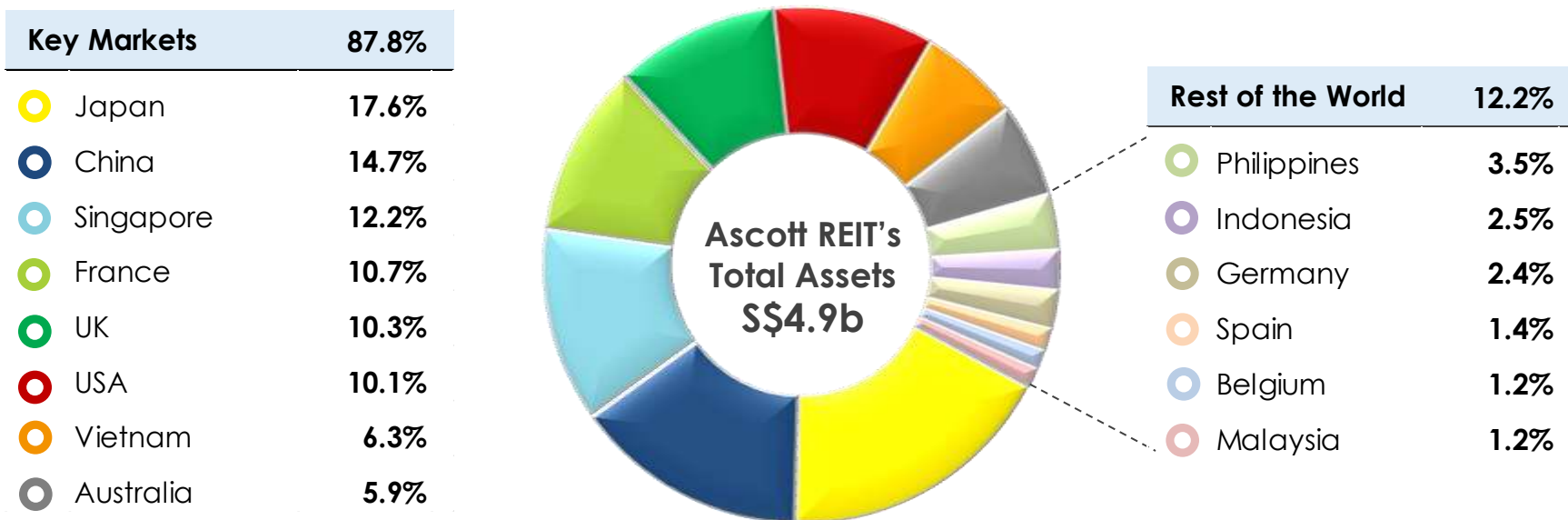
Notes:
 1. Properties under master leases
 2. Properties under management contracts with minimum guaranteed income



Geographical Diversification

Key Markets¹ contributed 86.8% of the Group's Gross Profit in 3Q 2016

Breakdown of Total Assets by Geography As at 30 September 2016



Portfolio diversified across property and economic cycles

Note:

1. Key markets relate to countries that contribute to more than 5% of Ascott REIT's total assets



Somerset Grand Central Dalian



Citadines Zhuankou Wuhan



Citadines Gaoxin Xi'an



Somerset Heping Shenyang



Ascott Guangzhou



Somerset Olympic Tower Property Tianjin



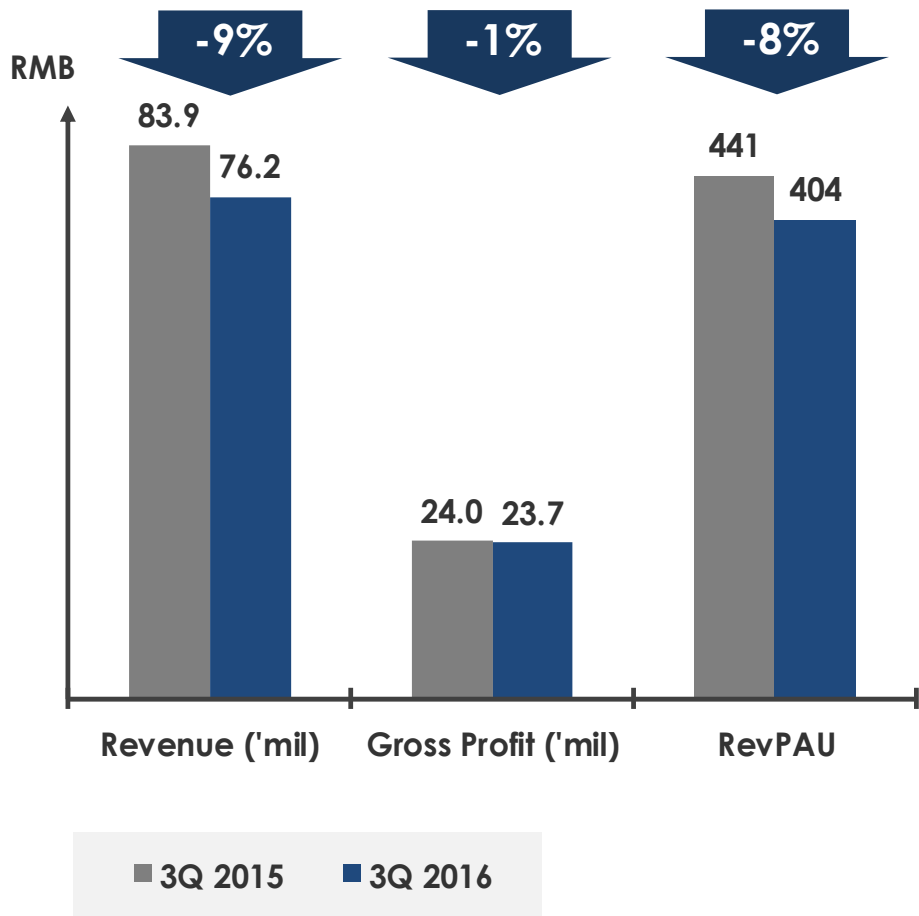
Citadines Xinghai Suzhou



Citadines Biyun Shanghai



Somerset Xu Hui Shanghai



Key Market Performance Highlights

- Revenue and RevPAU decreased mainly due to weaker demand in some of the regional cities.
- Gross profit decreased due to lower revenue, partially offset by lower business tax and depreciation expense.



Somerset
Azabu East
Tokyo



Citadines
Shinjuku
Tokyo



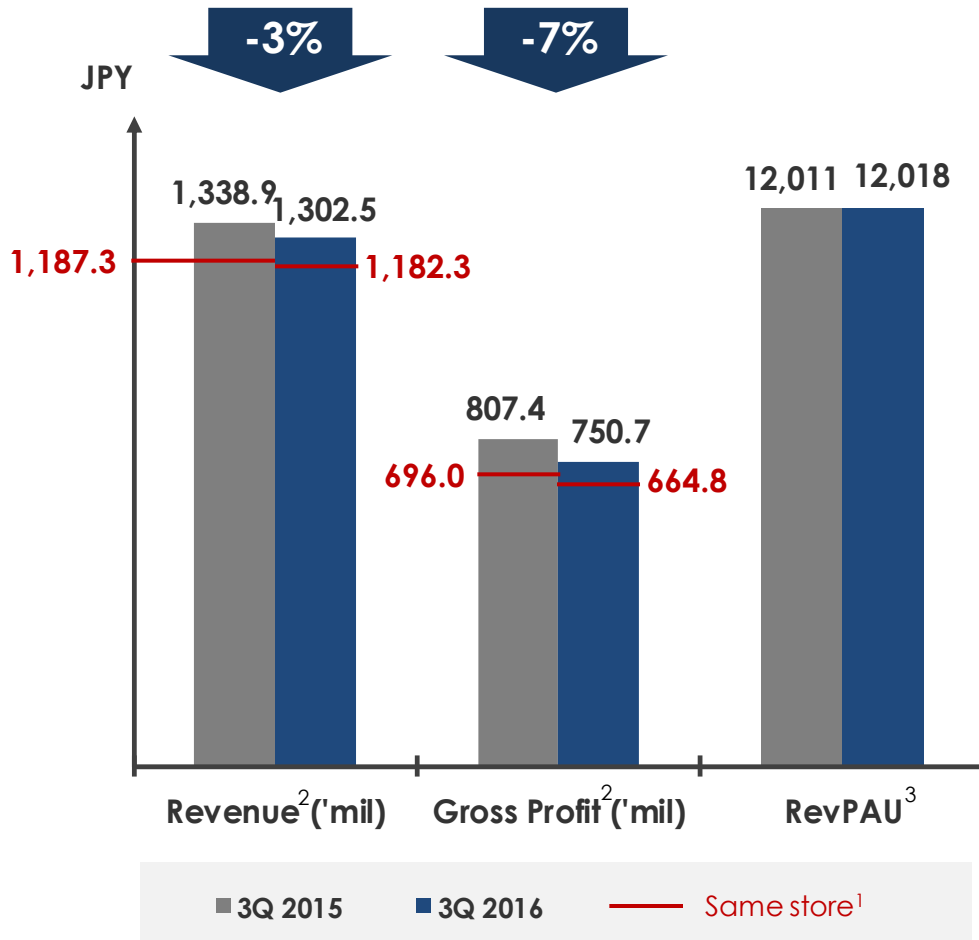
Citadines
Karasuma-Gojo
Kyoto



Citadines Central
Shinjuku Tokyo



29 rental housing
properties
in Japan



Key Market Performance Highlights

- Revenue decreased mainly due to the divestment of six rental housing properties in September 2015, partially offset by the acquisition of a portfolio of four rental housing properties in July 2015.
- On a same store basis, revenue and gross profit and RevPAU decreased mainly due to weaker demand from project groups.
- Gross profit decreased due to higher staff costs and repair and maintenance expenses.
- Occupancy for rental housing properties remained stable at 97% in 3Q 2016.

1. Excluding six rental housing properties which were divested on 30 September 2015 and four rental housing properties which were acquired on 31 July 2015
 2. Revenue and gross profit figures above relate to properties under master leases and management contracts
 3. RevPAU relates to serviced residences and excludes rental housing properties



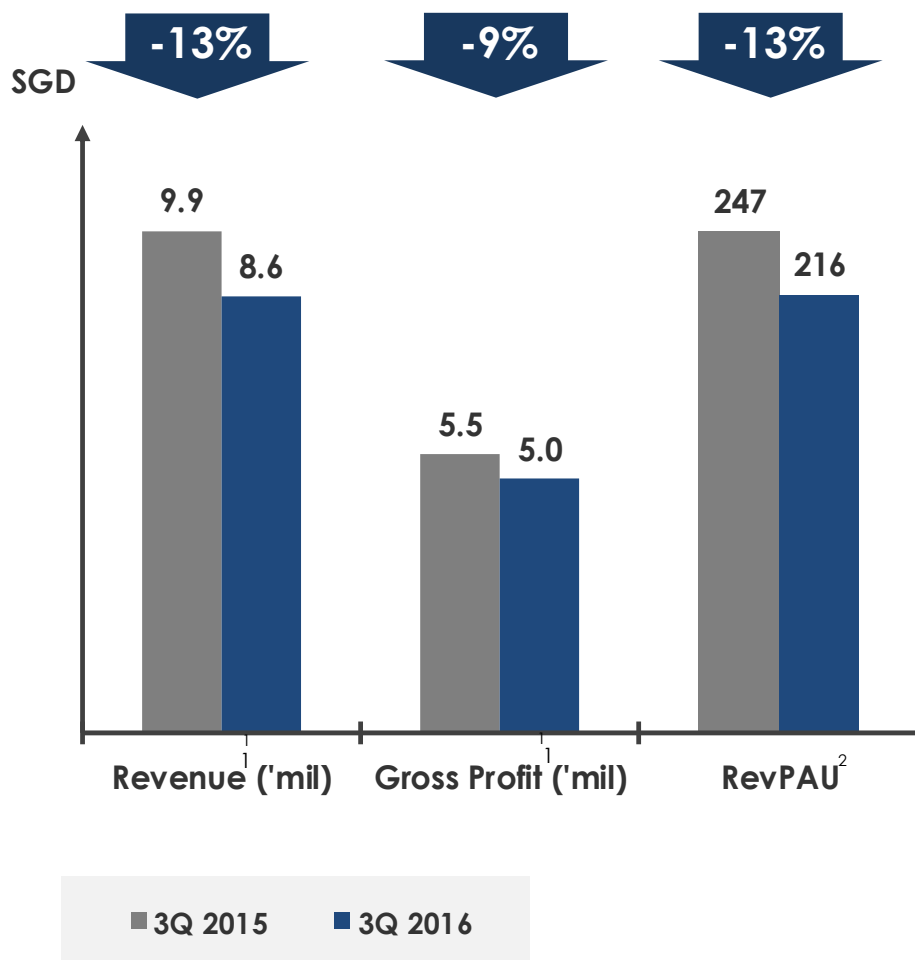
Somerset Liang Court Property Singapore



Citadines Mount Sophia Property Singapore



Ascott Raffles Place Singapore



Key Market Performance Highlights

- Revenue and RevPAU decreased mainly due to weaker corporate demand.
- Gross profit decreased due to lower revenue, partially offset by lower GST due to refund of GST in respect of prior periods in 3Q 2016.

Notes:

- Revenue and gross profit figures above relate to properties under master leases and management contracts
- Includes RevPAU of Ascott Raffles Place Singapore



United Kingdom



Citadines Barbican London



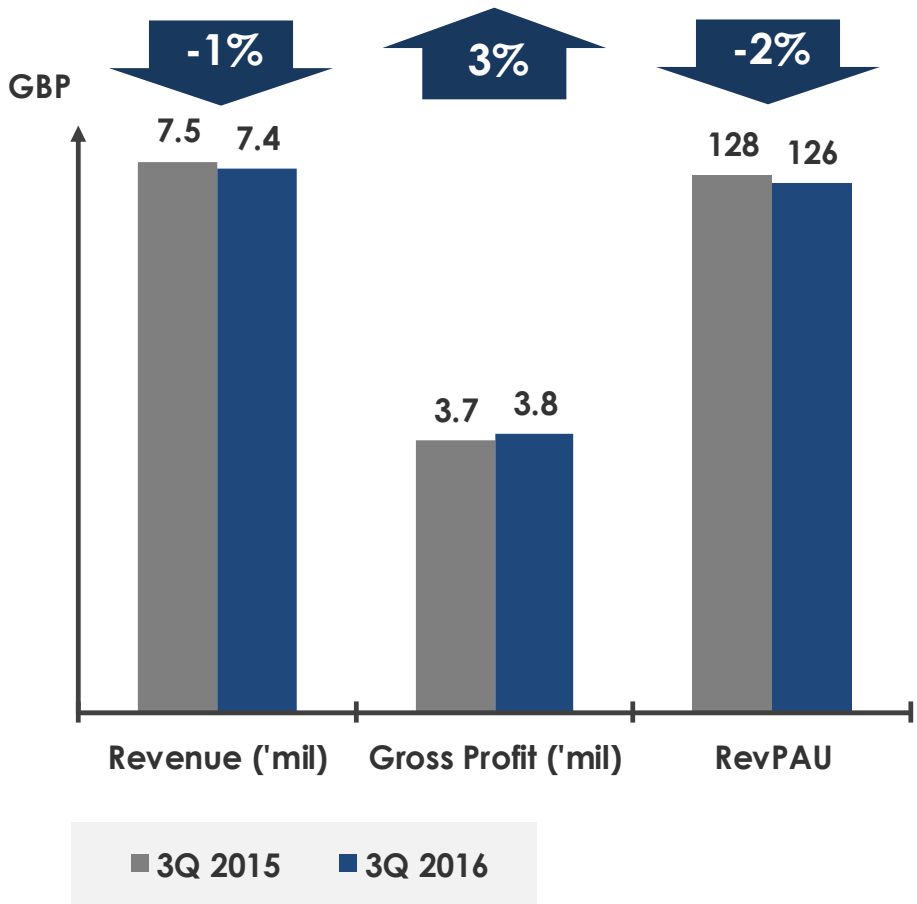
Citadines Holborn-Covent Garden London



Citadines Trafalgar Square London



Citadines South Kensington London



Key Market Performance Highlights

- Gross profit increased mainly due to lower provision of incentive fee, partially offset by lower revenue.
- The refurbishment of 129 apartment units at Citadines Barbican London will resume in 1Q 2017 and is expected to be completed in 2Q 2017.



La Clef
Louvre Paris¹



Citadines
Les Halles
Paris



Citadines
Croisette
Cannes



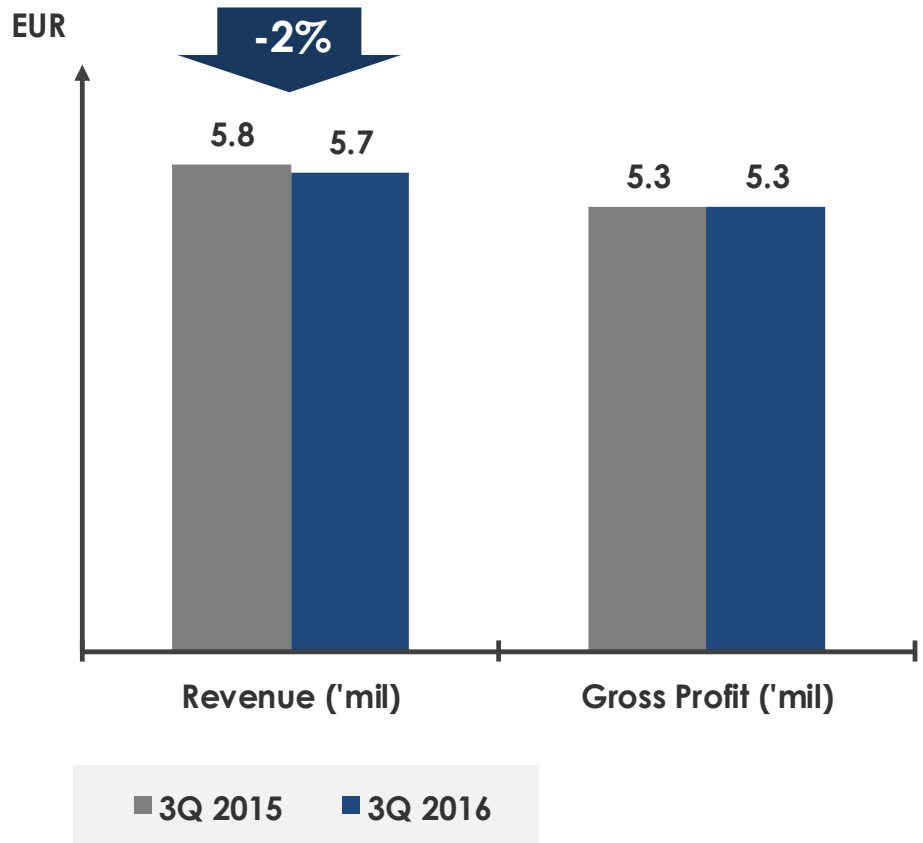
Citadines
Place d'Italie
Paris



Citadines
Tour Eiffel
Paris



Citadines
Austerlitz
Paris



Key Market Performance Highlights

- All the properties in France are underpinned by master leases hence operational risks are mitigated.

Note:
1. Formerly known as Citadines Suites Louvre Paris



Somerset
Grand Hanoi



Somerset
Hoa Binh Hanoi



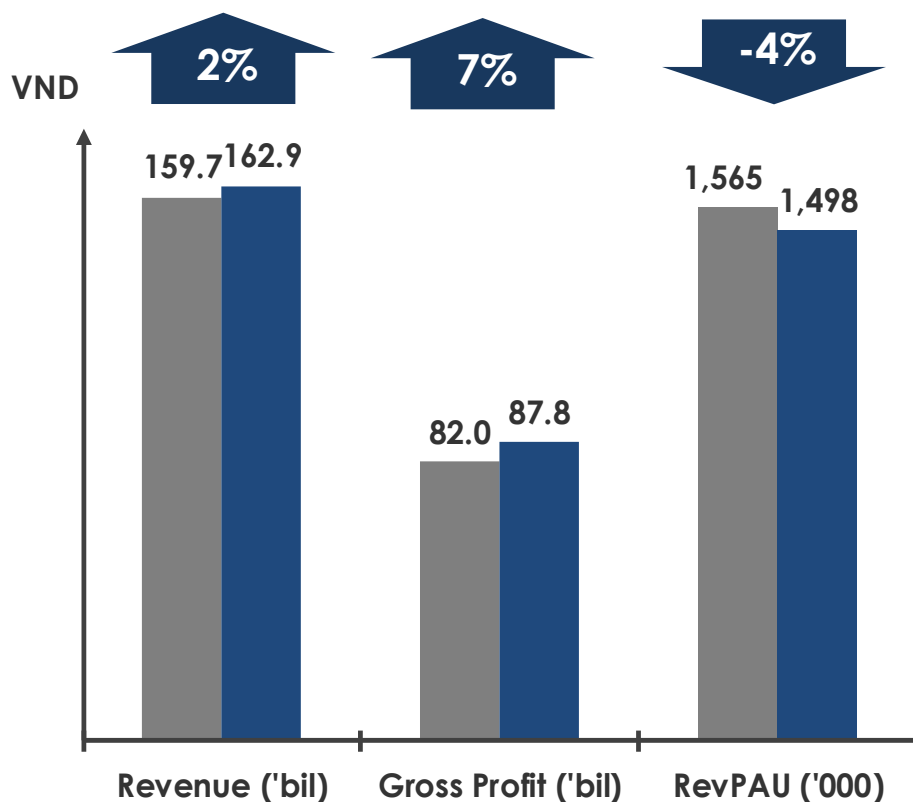
Somerset West
Lake Hanoi



Somerset Ho
Chi Minh City



Somerset
Chancellor Court
Ho Chi Minh City



■ 3Q 2015 ■ 3Q 2016

Key Market Performance Highlights

- Revenue increased mainly due to higher commercial rent, partially offset by ongoing refurbishment at Somerset Ho Chi Minh City. RevPAU decreased mainly due to ongoing refurbishment at Somerset Ho Chi Minh City.
- Gross profit increased due to higher revenue and lower depreciation expense.
- ADR of the refurbished apartment units at Somerset Ho Chi Minh City was uplifted by approximately 26% in the latest completed phase of refurbishment in 3Q 2016. The final phase of refurbishment is on track for completion in 1Q 2017.



Citadines on Bourke Melbourne



Citadines St Georges Terrace Perth



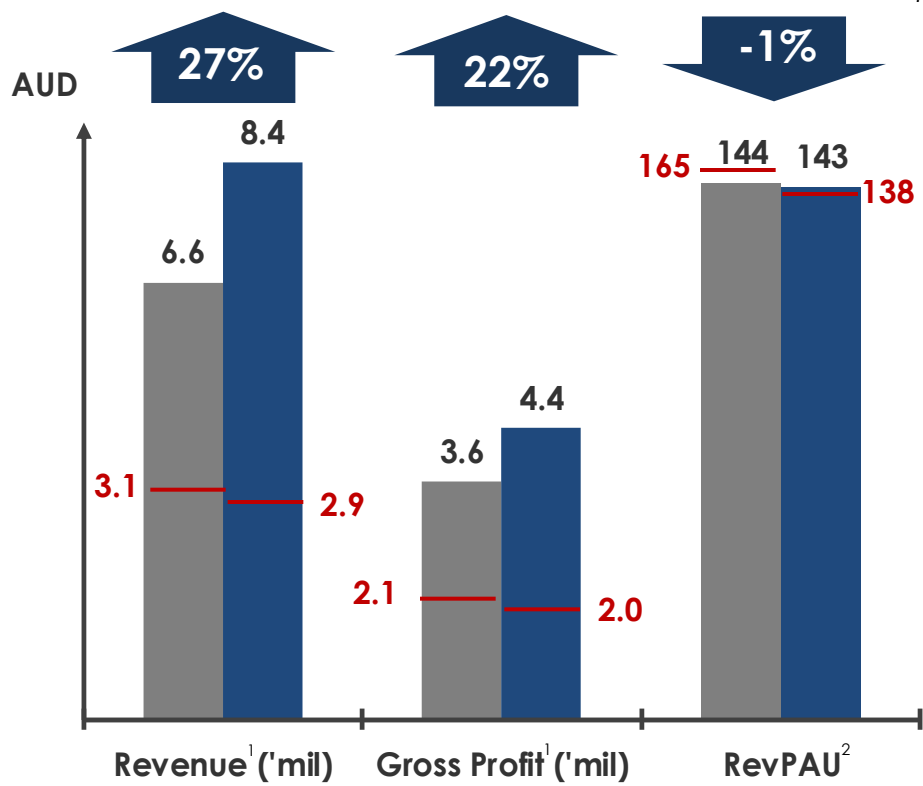
Quest Sydney Olympic Park



Quest Campbelltown



Quest Mascot



Key Market Performance Highlights

- Revenue and gross profit increased mainly due to the acquisition of Citadines on Bourke Melbourne in July 2015.

■ 3Q 2015 ■ 3Q 2016 — Same store³

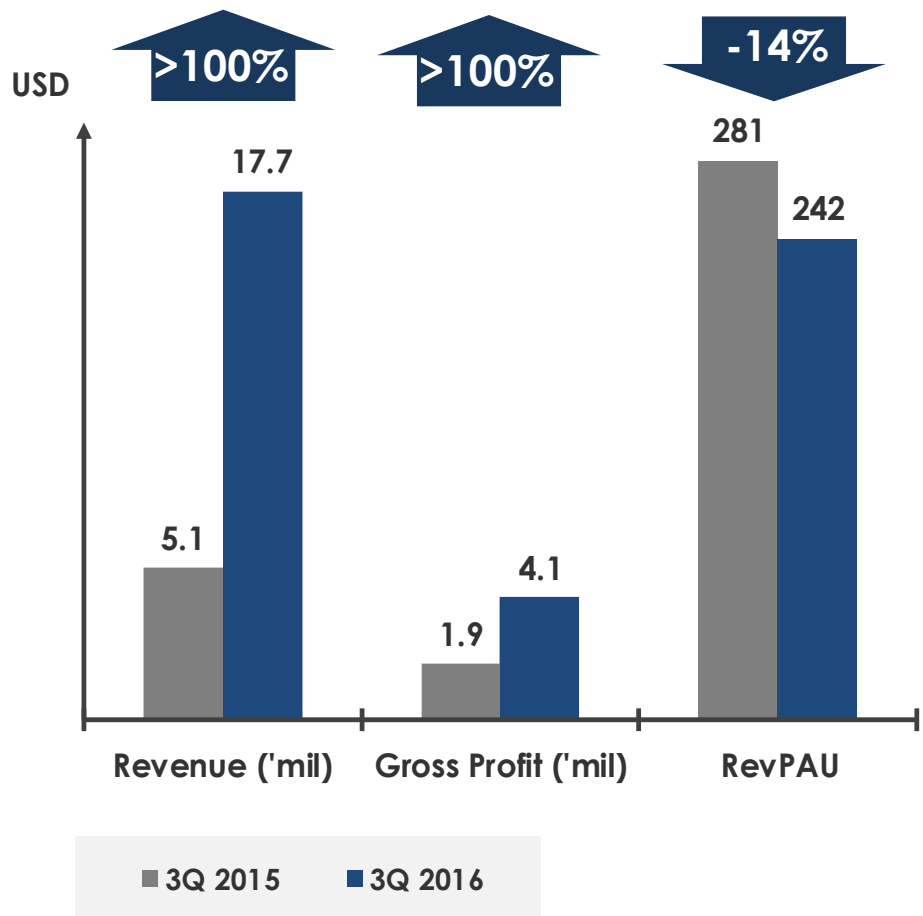
Notes:
 1. Revenue and gross profit figures above relate to properties under master leases and management contracts
 2. RevPAU relates to Citadines on Bourke Melbourne and Citadines St Georges Terrace Perth only.
 3. Citadines on Bourke Melbourne was acquired in July 2015.



The United States of America



Sheraton Tribeca New York Hotel Element New York Times Square West



Key Market Performance Highlights

- Revenue and gross profit increased mainly due to the full quarter contribution from Element New York Times Square West acquired in August 2015 and the acquisition of Sheraton Tribeca New York Hotel in April 2016.
- RevPAU decreased mainly due to lower ADR.

Capital and Risk Management



Ascott Raffles Place Singapore



Healthy Balance Sheet and Credit Metrics

Key Financial Indicators

	As at 30 September 2016	As at 30 June 2016
Gearing	41%	41%
Interest Cover	4.2X	4.1X
Effective Borrowing Rate	2.4%	2.5%
Total Debts on Fixed Rates	80%	80%
Weighted Avg Debt to Maturity (Years)	4.6	4.9
NAV/Unit	S\$1.30	S\$1.32
Ascott REIT's Issuer Rating by Moody's	Baa3	Baa3

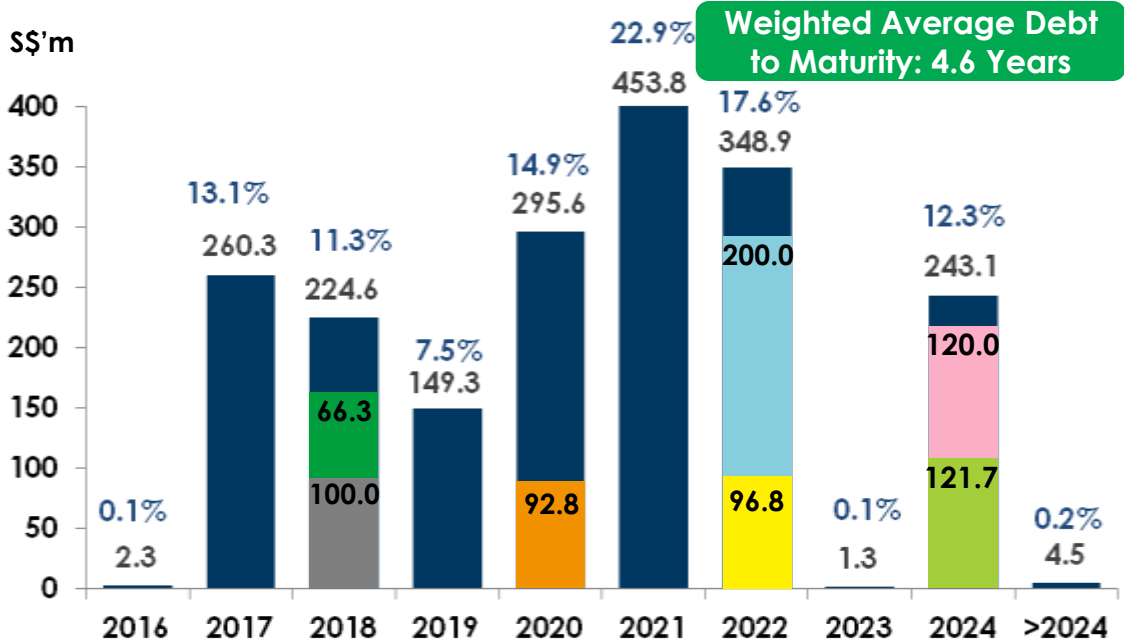


Capital and Risk Management

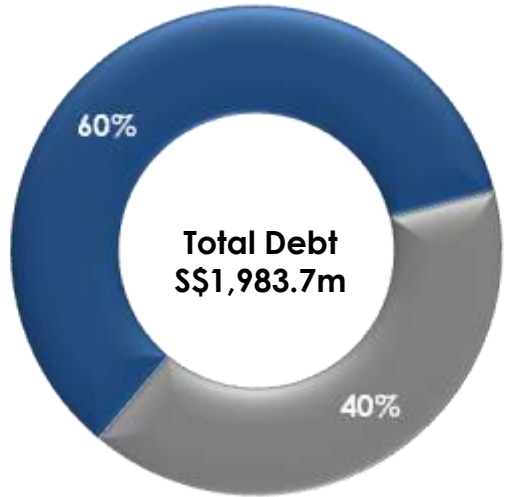


Debt Profile as at 30 September 2016

Debt Maturity Profile By Debt Type



Weighted Average Debt to Maturity: 4.6 Years



- Bank loans
- 2.01% p.a. fixed rate JPY5b MTN
- 4.30% p.a. fixed rate S\$100m MTN
- 1.65% p.a. fixed rate JPY7b MTN
- 4.21% p.a. fixed rate S\$200m MTN¹
- 1.17% p.a. fixed rate JPY7.3b MTN
- 2.75% p.a. fixed rate EUR80m MTN
- 4.00% p.a. fixed rate S\$120m MTN²

- Bank Loans
- Medium Term Notes ("MTN")

Ascott REIT seeks to diversify funding sources and secure long-term financing at an optimal cost.

Notes:

- S\$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 1.82% p.a. over the same tenure
- S\$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 2.15% p.a. over the same tenure



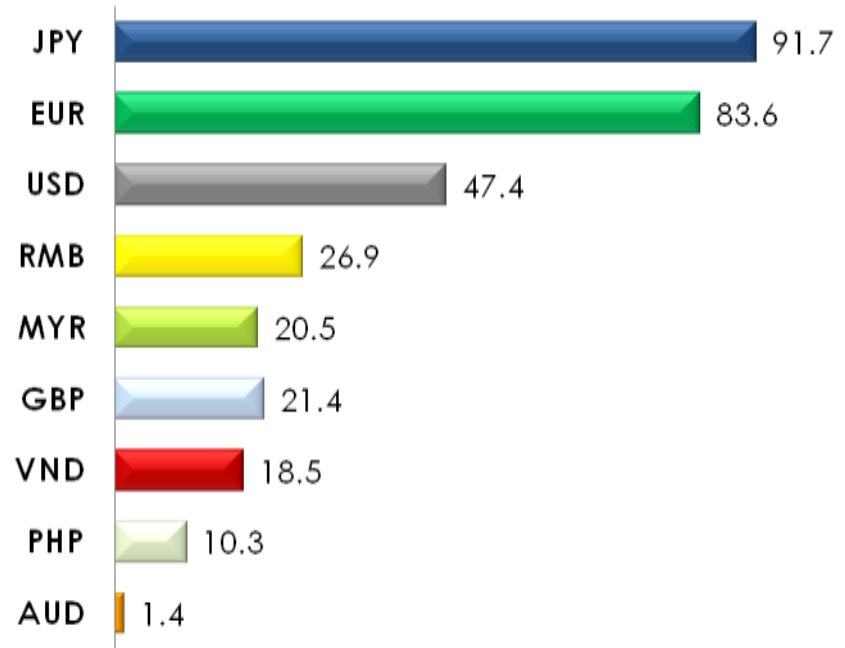
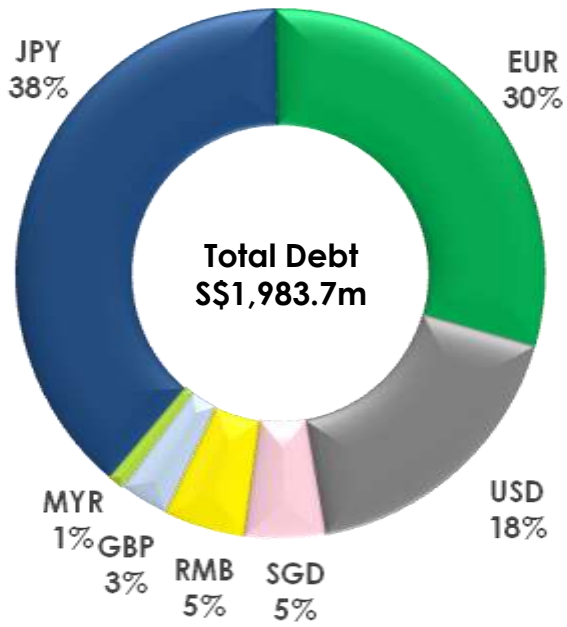


Capital and Risk Management

Foreign Currency Risk Management

Debt By Currency (%)
As at 30 September 2016

Balance Sheet Hedging (%)
As at 30 September 2016



Ascott REIT adopts a natural hedging strategy to the extent possible.



Capital and Risk Management

Foreign Currency Risk Management

Currency	Gross Profit YTD Sep 2016 (%)	Exchange Rate Movement From 31 Dec 2015 to 30 Sep 2016 (%)
EUR	21.1	3.3
JPY	17.4	2.0
USD	11.6	-2.6
GBP	10.8	-9.0
VND	9.8	-1.6
RMB	8.7	-5.2
SGD	8.5	-
AUD	8.3	-0.1
PHP	2.8	-2.1
MYR	1.0	1.4
Total	100.0	-0.9

We have entered into foreign currency forward contracts to hedge distribution income derived in EUR and JPY. On a portfolio basis, 30% of FY 2016 foreign currency distribution income had been hedged.

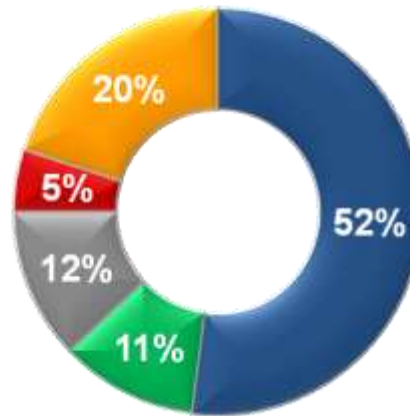
Portfolio Information

SOMERSET

Somerset Liang Court Singapore

Focus on Long Stay Segments

Breakdown of Apartment Rental Income¹ by Length of Stay



- 1 week or less
- Less than 1 month
- 1 to 6 months
- 6 to 12 months
- More than 12 months

Average length of stay is about 4 months

Note:

1. Apartment rental income for YTD September 2016. Information for properties on master leases are not included.



Outlook

Ascott Raffles Place Singapore

In October 2016, the International Monetary Fund trimmed its global growth forecast further from 3.2% to 3.1% for 2016 as it expects the world economy to remain on course for muted growth this year. Notwithstanding the weak global growth outlook, demand for the serviced residences in Ascott REIT's balanced portfolio is expected to remain resilient. With its diversified portfolio and extended-stay business model, Ascott REIT will continue to deliver stable income and returns to its Unitholders.

Ascott Orchard Singapore, which Ascott REIT has entered into a forward contract to acquire upon completion, has recently obtained its temporary occupation permit in October 2016 and is on track for delivery in 2017. The Group continues to look out for accretive acquisition opportunities in the key gateway cities of Australia, Japan, Europe and United States of America.

Phased refurbishments at Somerset Ho Chi Minh City and Ascott Makati have been completed in 3Q 2016. We expect to complete the refurbishments at Somerset Ho Chi Minh City, Somerset Millennium Makati and Citadines Barbican London in 2017. The Group will continue to refurbish Ascott REIT's properties to enhance guest experience and maximise returns to Unitholders. As part of its strategy to optimise returns to Unitholders, Ascott REIT will continue to review its portfolio to identify opportunities to unlock the underlying value of properties with limited growth potential and re-deploy proceeds into higher yielding properties.

The Group realised an exchange gain of S\$3.3 million in 3Q 2016 from the repayment of foreign currency bank loans with the divestment proceeds from Fortune Garden Apartments that has been remitted back to Singapore. The remaining proceeds which are being remitted back to Singapore will be used to repay bank loans.

In view of the possibility of higher interest rates, the Group has been proactive in many of its capital management initiatives. As of 30 September 2016, the Group has kept 80% of its total borrowings on fixed interest rates to mitigate the effects of interest rate volatility and the Group's effective borrowing rate has remained stable at 2.4% per annum. We have also taken a proactive approach to manage the impact of exchange rate volatility on our earnings by entering into foreign currency forward contracts to hedge approximately 30% of the Group's anticipated FY2016 Unitholder's distribution derived in foreign currencies. We will continue to monitor the Group's exposure to interest rates and exchange rates risks and we will remain vigilant to changes in the credit environment.

Appendix



Citadines Mount Sophia



Completed Asset Enhancement Initiative

Somerset Ho Chi Minh City (Phase 2)



Capex incurred

US\$7.8m¹ (S\$11.3m)

Capex work being done

Renovation of 66 apartment units

Period of renovation

1Q 2016 to 3Q 2016

ADR uplift for renovated units

Approximately 26%



Pre-refurbishment



Post-refurbishment

Note:

1. Includes the final phase of refurbishment project.

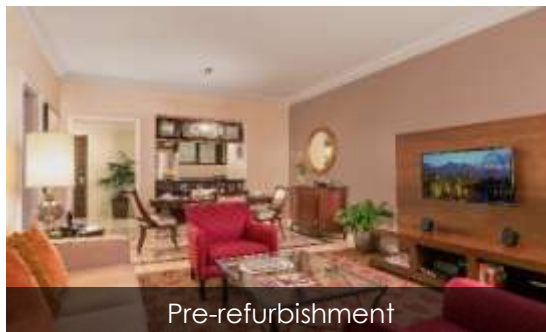


Completed Asset Enhancement Initiative

Ascott Makati (Phase 1)



Capex incurred	US\$26.1m ¹ (S\$37.8m)
Capex work being done	<ul style="list-style-type: none"> - Renovation of 177 units, café, business centres and public area - Upgrade mechanical and electrical infrastructure
Period of renovation	4Q 2015 to 3Q 2016



Pre-refurbishment



Post-refurbishment

Note:

1. For the entire refurbishment project.



Ongoing Asset Enhancement Initiatives

Properties		Costs	Time Period
1	Somerset Millennium Makati - Renovation of 113 apartment units	US\$1.0m (S\$1.5m)	2Q 2016 to 1Q 2017
2	Somerset Ho Chi Minh City (Phase 3) - Renovation of remaining 72 apartment units	US\$7.8m ¹ (S\$11.3m)	3Q 2016 to 1Q 2017
3	Citadines Barbican London - Phased renovation of 129 apartment units	£3.9m (S\$8.3m)	1Q 2017 to 2Q 2017
Total		S\$21.1m	

Note:

1. Includes the second phase of refurbishment project which was completed in 3Q 2016.



Master Leases (3Q 2016 vs 3Q 2015)



La Clef
Louvre Paris¹



Citadines
Les Halles Paris



Citadines
Croisette
Cannes



Citadines
Arnulfpark
Munich



Ascott
Raffles Place
Singapore



Quest Sydney
Olympic Park

Revenue ('mil)

Gross Profit ('mil)

	3Q 2016	3Q 2015		3Q 2016	3Q 2015	
Australia (AUD) 3 Properties	1.8	1.7	↑	1.7	1.6	↑
France (EUR) 17 Properties	5.7	5.8	↓	5.3	5.3	-
Germany (EUR) 3 Properties	1.5	1.5	-	1.4	1.2	↑
Japan (JPY) 1 Property ²	133.3	187.4	↓	104.5	146.9	↓
Singapore (SGD) Ascott Raffles Place Singapore	2.0	2.5	↓	1.8	2.2	↓

Notes:

- Formerly known as Citadines Suites Louvre Paris.
- Five rental housing properties in Japan were divested on 30 September 2015.



Management Contracts with Minimum Guaranteed Income (3Q 2016 vs 3Q 2015)

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	3Q 2016	3Q 2015		3Q 2016	3Q 2015		3Q 2016	3Q 2015	
Belgium (EUR) 2 Properties	1.5	2.3	↓	0.4	0.6	↓	46	69	↓
Spain (EUR) 1 Property	1.4	1.4	-	0.7	0.7	-	112	111	↑
United Kingdom (GBP) 4 Properties	7.4	7.5	↓	3.8	3.7	↑	126	128	↓



Management Contracts (3Q 2016 vs 3Q 2015)

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	3Q 2016	3Q 2015		3Q 2016	3Q 2015		3Q 2016	3Q 2015	
Australia (AUD)	6.6	4.9	↑	2.7	2.0	↑	143	144	↓
China (RMB)	76.2	83.9	↓	23.7	24.0	↓	404	441	↓
Indonesia (USD)	3.4	3.4	-	1.4	1.3	↑	88	89	↓
Japan (JPY)¹	1,169.2	1,151.5	↑	646.2	660.5	↓	12,018	12,011	↑
Malaysia (MYR)	4.9	5.2	↓	1.8	1.2	↑	259	271	↓
Philippines (PHP)	168.7	229.7	↓	43.4	71.5	↓	3,347	3,781	↓
Singapore (SGD)	6.6	7.4	↓	3.2	3.3	↓	203	229	↓
United States of America (USD)	17.7	5.1	↑	4.1	1.9	↑	242	281	↓
Vietnam (VND)²	162.9	159.7	↑	87.8	82.0	↑	1,498	1,565	↓

Notes:

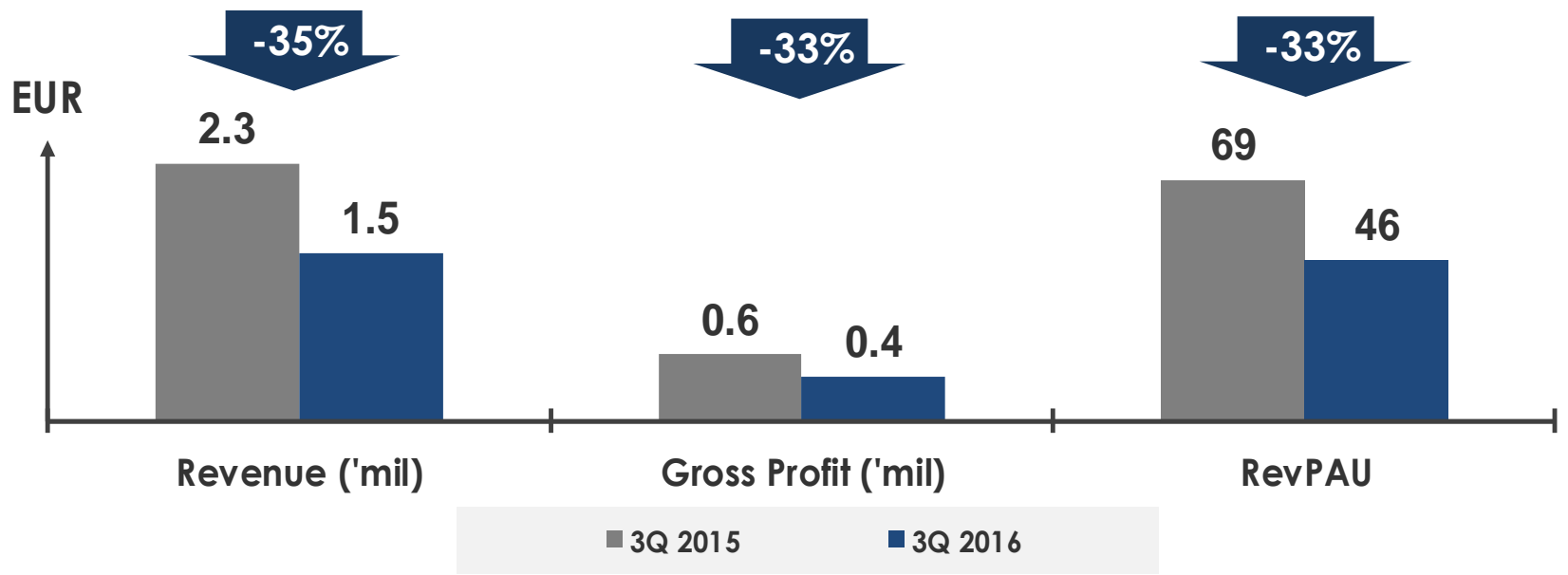
1. RevPAU for Japan refers to serviced residences and excludes rental housing.
2. Revenue and gross profit figures for VND are stated in billions. RevPAU figures are stated in thousands.



Citadines
Sainte-Catherine
Brussels



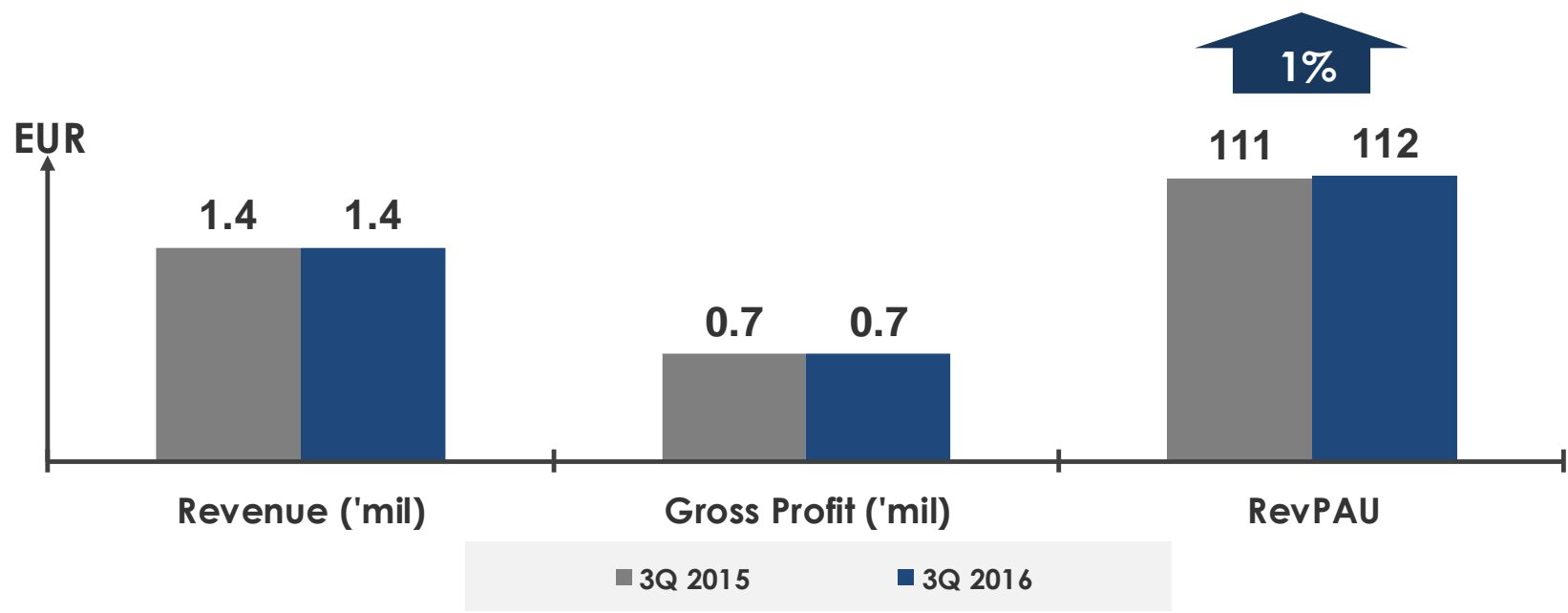
Citadines
Toison d'Or
Brussels



Revenue, gross profit and RevPAU decreased mainly due to weaker demand following terror attacks in March 2016.



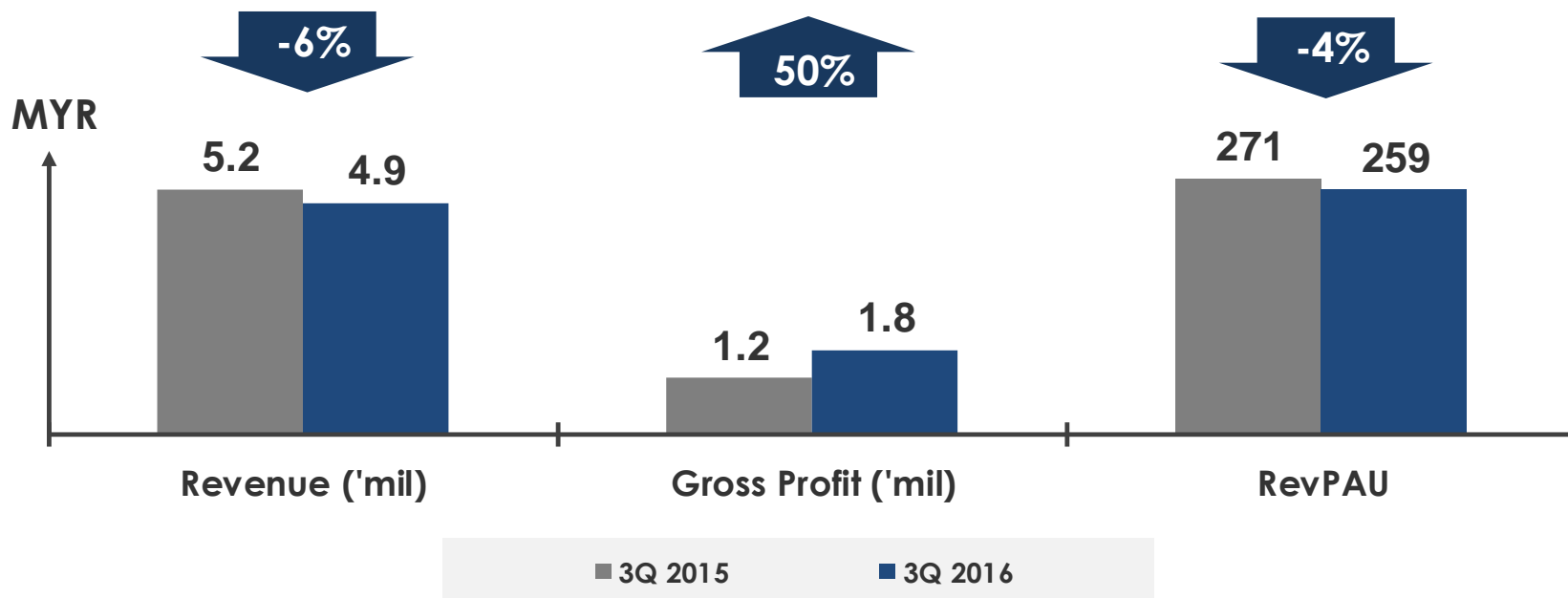
Citadines Ramblas
Barcelona



Revenue, gross profit and RevPAU remained fairly stable.



Somerset Ampang
Kuala Lumpur



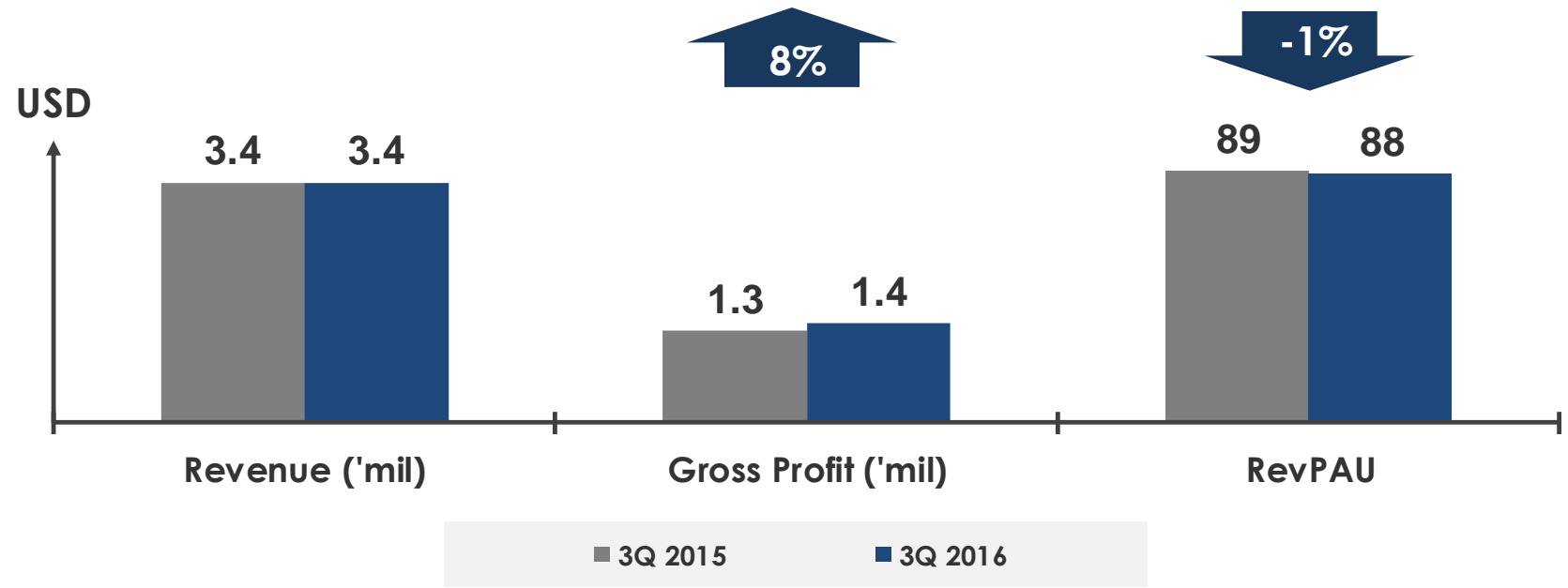
Revenue and RevPAU decreased due to weaker demand from oil and gas industries. Gross profit increased due to lower depreciation expense and marketing expense.



Ascott Jakarta



Somerset Grand Citra Jakarta



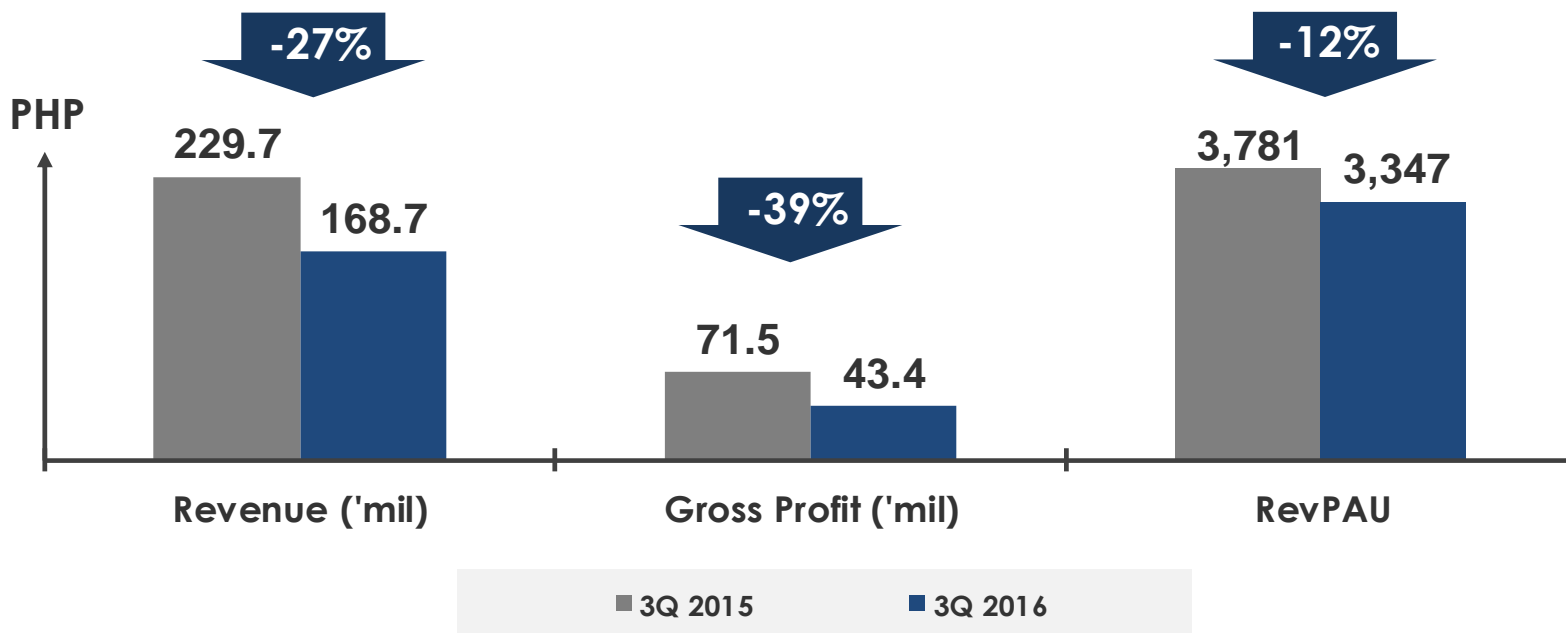
Gross profit increased due to lower staff costs and utility expense.



Ascott Makati



Somerset
Millennium Makati



Revenue, gross profit and RevPAU decreased mainly due to ongoing refurbishment at Ascott Makati, reduced room inventory at Somerset Millennium and weaker demand from corporate accounts.