

ASCOTT REIT'S 4Q 2015 REVENUE RISES 26% DRIVEN BY ITS NEW YORK ACQUISITION

2015 acquisitions amount to S\$609 million

Singapore, 26 January 2015 – Ascott Residence Trust's (Ascott Reit) revenue for 4Q 2015 rose 26% to S\$119.2 million compared to 4Q 2014. This was mainly due to the additional revenue from its S\$609 million worth of acquisitions in 2015, with the biggest boost from its first acquisition in New York. Its acquisitions in 4Q 2014 and stronger operating performance from existing properties also contributed to the revenue growth. Revenue per available unit (RevPAU) grew 17% to S\$145 and gross profit increased 24% to S\$56.8 million.

Unitholders' distribution for 4Q 2015 was S\$32.1 million while distribution per unit (DPU) was 2.07 cents, 18% higher than the adjusted DPU of 1.76 cents for 4Q 2014 which excluded one-off items of approximately S\$6.1 million.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "In 2015, Ascott Reit's aggressive acquisitions of quality assets significantly drove up its revenue. Our maiden acquisition in Times Square of New York was the biggest contributor, signifying strong demand in key gateway cities in the United States of America. We also acquired one serviced residence in Melbourne, four rental housing properties in Osaka, and the remaining stakes in two serviced residences in Tokyo and Kyoto. All these acquisitions, which amounted to S\$609 million, were funded through various sources without any equity fundraising. As part of our active asset management, Ascott Reit divested six rental housing properties in the regional cities of Japan and one property in the Philippines for a total of S\$60 million. This will enable us to reinvest the proceeds in other higher yielding assets to enhance Unitholders' returns."

Mr Lim added: "Ascott Reit is on track to achieve its target of S\$6 billion by 2017. It is currently the largest hospitality REIT in Singapore with an asset size of S\$4.7 billion, and it will grow to S\$5.1 billion when its acquisition of the Cairnhill development is completed, which is expected to be in 2017. We will continue to actively seek accretive acquisitions in key cities of markets such as Australia, Japan, Europe and the United States of America."

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "In 4Q 2015, RevPAU for several of our markets grew due to stronger demand from corporate clients. Indonesia was our top performer with RevPAU rising 18%¹ and RevPAU for Vietnam increased 8%¹. We have seen strong recovery for Vietnam for the last two quarters and the market is expected to continue to improve. Japan's RevPAU rose 8%¹ as there was increased demand from corporate and leisure travellers for our serviced residences."

¹ Based on revenue per available unit in local currencies.

“We continued to create value for our properties and improve customer experience through refurbishments. For example, our renovated apartments at Somerset Xu Hui Shanghai saw higher demand, leading to a 35% jump in average daily rates. Average daily rates for our upgraded apartments at Somerset Ho Chi Minh City went up by 27%. Ascott Makati’s first phase of renovation is ongoing and the refurbishment of Citadines Barbican London will begin this quarter, and they are expected to be completed in 2Q 2016. We are constantly looking at ways to enhance our properties to maximise returns for Unitholders.”

Mr Tay added: “As part of our capital management strategy, we successfully issued S\$250 million fixed rate perpetual securities in 2015 with orders exceeding S\$1 billion. Proceeds from the issuance of perpetual securities were deployed to finance the acquisitions in Australia and the United States of America. In addition, we issued two tranches of seven-year fixed rate notes amounting to S\$200 million and JPY7.3 billion respectively under our S\$1 billion Medium Term Note Programme. We will continue to tap diversified funding sources to increase our financial flexibility as we pursue more growth opportunities.”

Summary of Results

4Q 2015 vs. 4Q 2014

	4Q 2015	4Q 2014	Change (%)
Revenue (S\$ million)	119.2	95.0	+26%
Gross Profit (S\$ million)	56.8	45.7	+24%
Unitholders’ Distribution (S\$ million)	32.1	33.1	-3%
DPU (S cents)	2.07	2.16	-4%
DPU (S cents) (adjusted for one-off items)	2.07	1.76	+18%
Revenue Per Available Unit (RevPAU) S\$/day	145	124	+17%

- Revenue for 4Q 2015 increased mainly due to the additional revenue of S\$24.0 million from Ascott Reit’s acquisitions in 2015 and 2014, as well as S\$1.0 million from the existing properties. The increase was partially offset by the decrease in revenue of S\$0.8 million from the divestment of six rental housing properties in Japan in 3Q 2015.
- Unitholders’ distribution in 4Q 2014 included one-off items of approximately S\$6.1 million. DPU for 4Q 2014 would be 1.76 cents if it was adjusted for the one-off items.
- Excluding the acquisitions, RevPAU for 4Q 2015 increased by 2% as compared to 4Q 2014 due to stronger performance from the properties in China, Indonesia and Vietnam.

FY 2015 vs. FY 2014

	FY 2015	FY 2014	Change (%)
Revenue (S\$ million)	421.1	357.2	+18%
Gross Profit (S\$ million)	204.6	180.2	+14%
Unitholders' Distribution (S\$ million)	123.3	125.6	-2%
DPU (S cents)	7.99	8.20	-3%
DPU (S cents) (adjusted for one-off items)	8.06	7.61	+6%
Revenue Per Available Unit (RevPAU) S\$/day	133	128	+4%

- Revenue for FY 2015 increased mainly due to the additional revenue of S\$66.1 million from Ascott Reit's acquisitions in 2015 and 2014. The increase was partially offset by the decrease in revenue of S\$1.1 million from the divestment of six rental housing properties in 3Q 2015, a decrease in revenue of S\$0.7 million from the existing properties and a decrease in revenue of S\$0.4 million due to the expiry of the deed of yield protection for Somerset West Lake Hanoi.
- Unitholders' distribution for FY 2015 included a one-off item of approximately S\$1.2 million relating to the interest incurred on the S\$250 million perpetual securities issued in June 2015 for the period prior to utilisation of the proceeds in 3Q 2015. DPU for FY 2015 would be 8.06 cents if the one-off item was excluded.
- Unitholders' distribution for FY 2014 included one-off items of approximately S\$9.1 million. DPU for FY 2014 would be 7.61 cents if it was adjusted for the one-off items.
- Excluding the acquisitions, RevPAU notched up by 1%

Distribution

- Ascott Reit's distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year.
- For the period of 1 January 2015 to 30 June 2015, Unitholders received their distribution of 3.847 cents per unit on 28 August 2015.
- For the period of 1 July 2015 to 31 December 2015, Unitholders will receive their distribution of 4.138 cents per unit on 29 February 2016. The Book Closure Date is 3 February 2016.

Distribution Period	1 July 2015 to 31 December 2015
Distribution Rate	4.138 cents per unit
Last Day of Trading on "cum" Basis	29 January 2016
Ex-Date	1 February 2016

Book Closure Date	3 February 2016
Distribution Payment Date	29 February 2016

For Ascott Reit’s FY 2015 financial statement and presentation slides, please visit www.ascottreit.com.

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\$4.7 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit’s international portfolio comprises 89 properties with 11,298 units in 38 cities across 14 countries in the Americas, Asia Pacific and Europe.

Ascott Reit’s serviced residences are mostly operated under the Ascott, Citadines and Somerset brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Guangzhou, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, 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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