

ASCOTT REIT'S FY 2016 UNITHOLDERS' DISTRIBUTION RISES 9% TO RECORD HIGH OF S\$135 MILLION

Distribution per unit increases 4% to 8.27 cents

Singapore, 24 January 2017 – Ascott Residence Trust's (Ascott Reit) Unitholders' distribution for FY 2016 grew 9% to a record high of S\$135 million. Distribution per unit (DPU) rose 4% to 8.27 cents. The increase in Unitholders' distribution was mainly due to a net realised exchange gain of S\$8.8 million from the repayment of foreign currency bank loans with the divestment proceeds from Fortune Garden Apartments and repayment of shareholders' loan.

Revenue for FY 2016 increased 13% to S\$475.6 million and gross profit grew 9% to S\$222.2 million, mainly contributed by Ascott Reit's acquisitions in 2015 and 2016. Revenue per available unit (RevPAU) climbed 5% to S\$140.

Mr Bob Tan, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit achieved solid DPU growth and record-breaking distributable income for FY 2016. The strong performance was due to our acquisitions of quality assets over the last two years, and our active capital and asset management. We acquired Sheraton Tribeca New York Hotel last year and our two prime properties in New York enjoy high average occupancy of over 90%. The U.S. market was our top contributor to revenue in 2016 and it is now amongst our top five markets in terms of asset value."

"As a leading global serviced residence REIT with the most diversified portfolio in key cities around the world, Ascott Reit will continue to enhance its portfolio and focus on providing stable returns to Unitholders. We are actively seeking accretive acquisitions in gateway cities in markets such as Australia, Japan, Europe and the U.S. We will also look at divesting properties with limited growth potential and re-deploying the proceeds in higher yielding assets."

Mr Tan said: "In Singapore, Ascott Reit is the largest hospitality REIT with an asset size of S\$4.8 billion. Our acquisition of Ascott Orchard Singapore, which soft opened in December 2016, is on track to complete this year and it will further boost Ascott Reit's asset size to S\$5.2 billion."

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "In 4Q 2016, RevPAU for the United Kingdom grew 3%¹ due to stronger corporate demand and average occupancy remain stable at above 80%. More leisure travellers at our serviced residences in Japan also lifted RevPAU by 2%¹. Performance at our Vietnam properties is improving because of higher commercial rent and more guests on extended stay."

¹ Based on RevPAU in local currencies.

“We are constantly looking at ways to upgrade Ascott Reit’s properties to enhance guest experience and maximise returns to Unitholders. Average daily rates of the renovated apartments at Citadines Barbican London have increased and we expect to complete the refurbishment in May 2017. Somerset Ho Chi Minh City and Somerset Millennium Makati are also expected to complete refurbishment this year.”

Mr Tay added: “Through our proactive capital management strategy, Ascott Reit’s gearing lowered from 41% in 3Q 2016 to 39.8% in 4Q 2016. We have maintained 82% of our total borrowing on fixed interest rates to mitigate interest rate volatility. We will continue to tap the debt capital market to diversify our funding sources and secure longer term financing at an optimal cost.”

Summary of Results

FY 2016 vs. FY 2015

	FY 2016	FY 2015	Change (%)
Revenue (S\$ million)	475.6	421.1	+13
Gross Profit (S\$ million)	222.2	204.6	+9
Unitholders’ Distribution (S\$ million)	135.0	123.3	+9
DPU (S cents)	8.27	7.99	+4
DPU (S cents) (adjusted for equity placement)	8.31	7.99	+4
DPU (S cents) (adjusted for one-off item)	7.73	8.06	-4
DPU (S cents) (adjusted for equity placement and one-off item)	7.78	8.06	-3
Revenue Per Available Unit (RevPAU) S\$/day	140	133	+5

- Revenue for FY 2016 increased mainly due to the additional contribution of S\$75.9 million from Ascott Reit’s acquisitions in 2015 and 2016. The increase was partially offset by a decrease in revenue of S\$2.5 million from the divestment of six rental housing properties in 3Q 2015 and a decrease in revenue of S\$18.9 million from the existing properties.
- Unitholders’ distribution for FY 2016 included a net realised exchange gain of S\$8.8 million from the repayment of foreign currency bank loans with the divestment proceeds from Fortune Garden Apartments and repayment of shareholders’ loan.
- Unitholders’ distribution for FY 2015 included a one-off item of approximately S\$1.2 million.
- RevPAU grew 5% because of the acquisitions in 2015 and 2016.

4Q 2016 vs. 4Q 2015

	4Q 2016	4Q 2015	Change (%)
Revenue (S\$ million)	126.7	119.2	+6
Gross Profit (S\$ million)	58.2	56.8	+3
Unitholders' Distribution (S\$ million)	33.9	32.1	+6
DPU (S cents)	2.04	2.07	-1
DPU (S cents) (adjusted for one-off item)	1.93	2.07	-7
Revenue Per Available Unit (RevPAU) S\$/day	148	145	+2

- Revenue for 4Q 2016 increased mainly due to the additional revenue of S\$11.9 million from Ascott Reit's acquisition of Sheraton Tribeca New York Hotel in 2016. The increase was partially offset by a decrease in revenue of S\$4.4 million from the existing properties, mainly in China and United Kingdom (due to depreciation of pound against Singapore dollar).
- Unitholders' distribution for 4Q 2016 included a net realised exchange gain of S\$2.0 million arising from repayment of foreign currency bank loans with the divestment proceeds from Fortune Garden Apartments and repayment of shareholders' loan from the Group's subsidiaries.
- RevPAU grew 2% because of the higher average daily rate from Sheraton Tribeca New York Hotel as compared to the existing properties.

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.

Distribution	For 1 January 2016 to 22 March 2016 (following Ascott Reit's equity placement on 14 March 2016)	For 23 March 2016 to 30 June 2016	For 1 July 2016 to 31 December 2016
Distribution Rate	1.585 cents per unit	2.290 cents per unit	4.392 cents per unit
Last Day of Trading on "cum" Basis	17 March 2016	25 July 2016	27 January 2017
Ex-Date	18 March 2016	26 July 2016	31 January 2017

Book Closure Date	22 March 2016	28 July 2016	2 February 2017
Payment Date	27 April 2016	24 August 2016	28 February 2017

For Ascott Reit's FY 2016 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\$4.8 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 11,627 units in 38 cities across 14 countries in the Americas, Asia Pacific and Europe. Ascott Reit was awarded 'Best REIT (Asia)' by World Finance magazine at its Real Estate Awards in 2015.

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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