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# Ascott Residence Trust

## *3Q 2011 Financial Results*



**20 October 2011**



# Agenda

- **3Q 2011 Results Highlights**
- **Portfolio Performance**
- **Portfolio Information**
- **Capital and Risk Management**
- **Prospects**

## **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 the Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.*



# 3Q 2011 Results Highlights



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# 3Q 2011 vs 3Q 2010 Performance

|   | 3Q 2011 | 3Q 2010 | Change |
|---|---------|---------|--------|
| <b>Revenue (S\$m)</b>   | 73.0    | 46.5    | +57% ↑ |
| <b>Gross Profit (S\$m)</b>  | 40.0    | 21.1    | +90% ↑ |
| <b>Revenue Per Available Unit (S\$/day) – serviced residences</b> | 146     | 132     | +11% ↑ |

- Increase in revenue and gross profit mainly due to the additional revenue of S\$31.7 million and additional gross profit of S\$20.0 million from the 28 serviced residences acquired on 1 October 2010 (the “Acquisitions”), partially offset by the decrease in revenue of S\$4.7 million and gross profit of S\$1.2 million from the divestment of Ascott Beijing and Country Woods Jakarta (the “Divestments”).
- Gross profit margin increased from 45% in 3Q 2010 to 55% in 3Q 2011 due to higher margins for serviced residences on master leases, and better margins achieved by serviced residences on management contracts as a result of higher rental rates achieved and better cost management.
- On a same store basis, revenue decreased by S\$0.5 million to S\$41.3 million mainly due to the weaker performance from the Group’s serviced residences in Vietnam and Japan, partially offset by higher contribution from the serviced residences in Singapore. Gross profit, on a same store basis, increased by S\$0.1 million to S\$20.0 million.
- Increase in RevPAU mainly driven by the strong performance of the Singapore and United Kingdom serviced residences.



# 3Q 2011 vs 3Q 2010 Performance

|   | 3Q 2011 | 3Q 2010 | Change  |
|---|---------|---------|---------|
| <b>Unitholders' Distribution (S\$m)</b> | 25.3    | 12.0    | +112% ↑ |
| <b>Distribution Per Unit (S cents)</b>  | 2.23    | 1.85    | +21% ↑  |

- Distribution per Unit was higher mainly due to the yield accretive transaction (comprising the Acquisitions and divestment of Ascott Beijing on 1 October 2010) and better performance from the Singapore serviced residences.



# 3Q 2011 vs Forecast Performance

|   | 3Q 2011 | Forecast <sup>(1)</sup> | Change |
|---|---------|-------------------------|--------|
| <b>Revenue (S\$m)</b>   | 73.0    | 74.1                    | -1% ↓  |
| <b>Gross Profit (S\$m)</b>  | 40.0    | 39.5                    | +1% ↑  |
| <b>Revenue Per Available Unit (S\$/day) – serviced residences</b> | 146     | 138                     | +6% ↑  |

- Revenue was lower by S\$1.1 million as compared to the forecast as the forecast included a S\$1.1 million contribution from Country Woods Jakarta, which was divested on 29 October 2010. On a same store basis (excluding the revenue from Country Woods Jakarta), revenue for 3Q 2011 was at the same level as the forecast.
- Gross profit was higher by S\$0.5 million or 1% as compared to the forecast. On a same store basis (excluding the S\$0.3 million contribution from Country Woods Jakarta in the forecast), gross profit was higher by S\$0.8 million or 2%.

**Notes:**

(1) The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.



# 3Q 2011 vs Forecast Performance

|   | 3Q 2011 | Forecast <sup>(1)</sup> | Change |
|---|---------|-------------------------|--------|
| <b>Unitholders' Distribution (S\$m)</b> | 25.3    | 23.0                    | +10% ↑ |
| <b>Distribution Per Unit (S cents)</b>  | 2.23    | 2.03                    | +10% ↑ |

- Distribution per Unit was higher than the forecast due to higher gross profit mainly from Singapore serviced residences and lower finance costs. Finance costs were S\$2.2 million or 19% lower than the forecast mainly due to lower interest rates achieved as compared to the forecast.

**Notes:**

(1) The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.



# Portfolio Performance



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# Master Leases



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# Overview of Master Leases

- 20 out of Ascott Reit's 64 serviced residences are on master leases.
- These serviced residences contributed 25% of the Group's gross profit for 3Q 2011.
- These master leases have an average weighted remaining tenure of about 7 years.



# Master Leases



*Citadines  
Louvre  
Paris*

*Citadines  
Les Halles  
Paris*

*Citadines  
Place  
d'Italie  
Paris*

*Citadines  
Croisette  
Cannes*

*Citadines  
Arnulfpark  
Munich*

*Citadines  
Kurfursten-  
damm  
Berlin*

*Somerset  
Salcedo  
Property  
Makati*

|   | Revenue          |                  |                                | Gross Profit     |                  |                                |
|---|------------------|------------------|--------------------------------|------------------|------------------|--------------------------------|
|   | 3Q 2011<br>S\$'M | 3Q 2010<br>S\$'M | Forecast <sup>1</sup><br>S\$'M | 3Q 2011<br>S\$'M | 3Q 2010<br>S\$'M | Forecast <sup>1</sup><br>S\$'M |
| <b>France<sup>2</sup></b><br><i>(17 properties)</i>                 | 9.3              | -                | 9.5                            | 8.7              | -                | 8.9                            |
| <b>Germany<sup>2</sup></b><br><i>(2 properties)</i>                 | 0.9              | -                | 0.9                            | 0.9              | -                | 0.9                            |
| <b>Philippines</b><br><i>(Somerset Salcedo<br/>Property Makati)</i> | 0.2              | 0.2              | 0.2                            | 0.2              | 0.2              | 0.2                            |
| <b>Master Leases<br/>Total</b>                                      | 10.4             | 0.2              | 10.6                           | 9.8              | 0.2              | 10.0                           |

In the forecast, the indices used to determine the income from certain master leases were assumed to increase by 2%. Revenue and gross profit for 3Q 2011 were lower as the actual indices were lower than the forecast.

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> France and Germany portfolios were acquired on 1 October 2010. Information for 3Q 2010 is not applicable.



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# Management Contracts with Minimum Guaranteed Income



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# Overview of Management Contracts with Minimum Guaranteed Income

- 8 out of Ascott Reit's 64 serviced residences are on management contracts that provide minimum guaranteed income.
- These serviced residences contributed 21% of the Group's gross profit for 3Q 2011.
- These management contracts have an average weighted remaining tenure of about 7 years.

# United Kingdom<sup>1</sup>



*Citadines  
Barbican  
London*



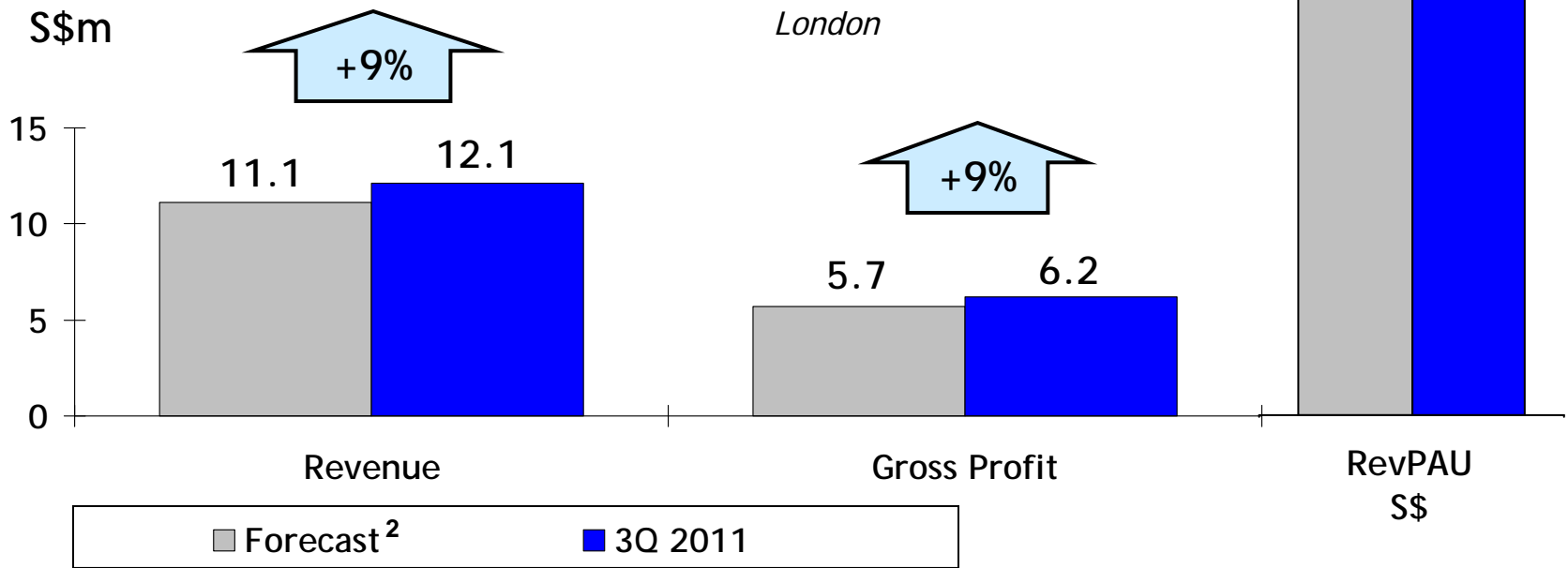
*Citadines  
Prestige  
Holborn-  
Covent  
Garden  
London*



*Citadines  
Prestige  
South  
Kensington  
London*



*Citadines  
Trafalgar  
Square  
London*



**Continued market improvement enabled the refurbished apartments to achieve higher occupancy and rental rates than that assumed in the forecast.**

<sup>1</sup> United Kingdom portfolio was acquired on 1 October 2010. Information for 3Q 2010 is not applicable.

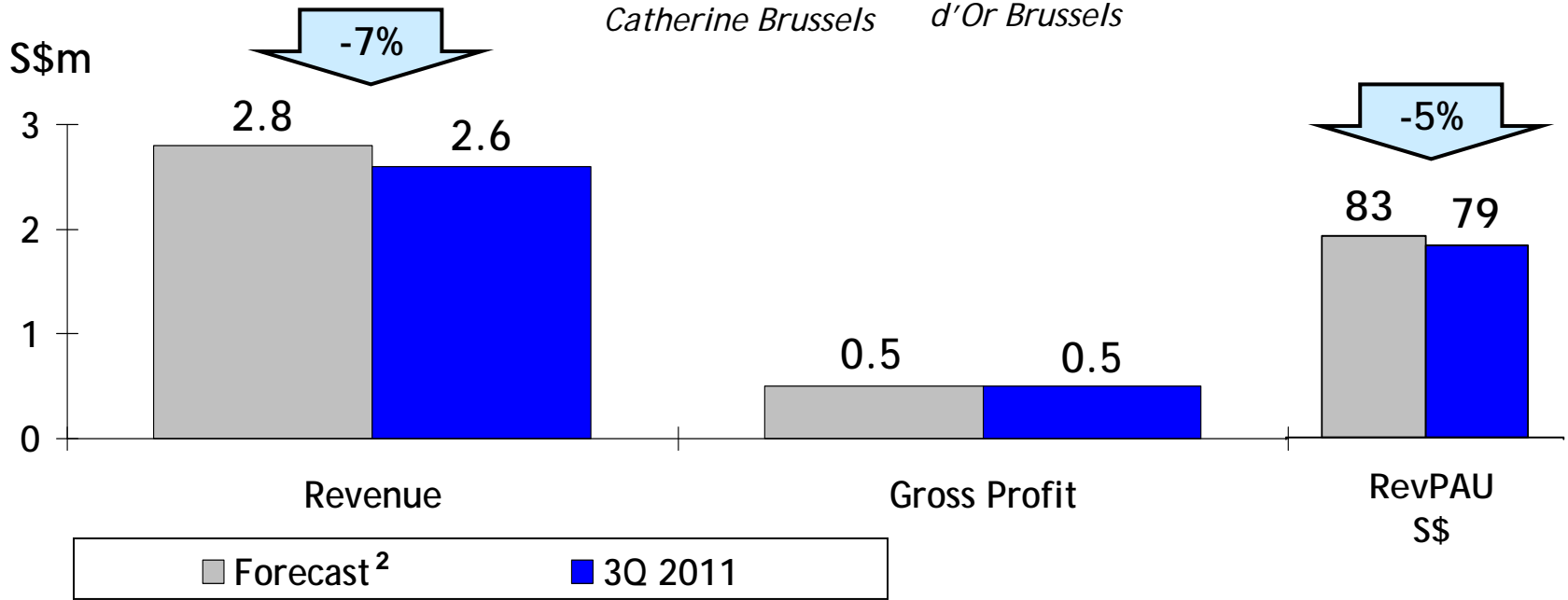
<sup>2</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.



*Citadines Sainte-Catherine Brussels*



*Citadines Toison d'Or Brussels*



**Decrease in revenue mainly due to the postponement of renovation for Citadines Sainte-Catherine Brussels. The forecast assumed that the property has renovated units for lease at higher rental rates in 3Q 2011. Gross profit was at the same level as the forecast mainly due to better cost management.**

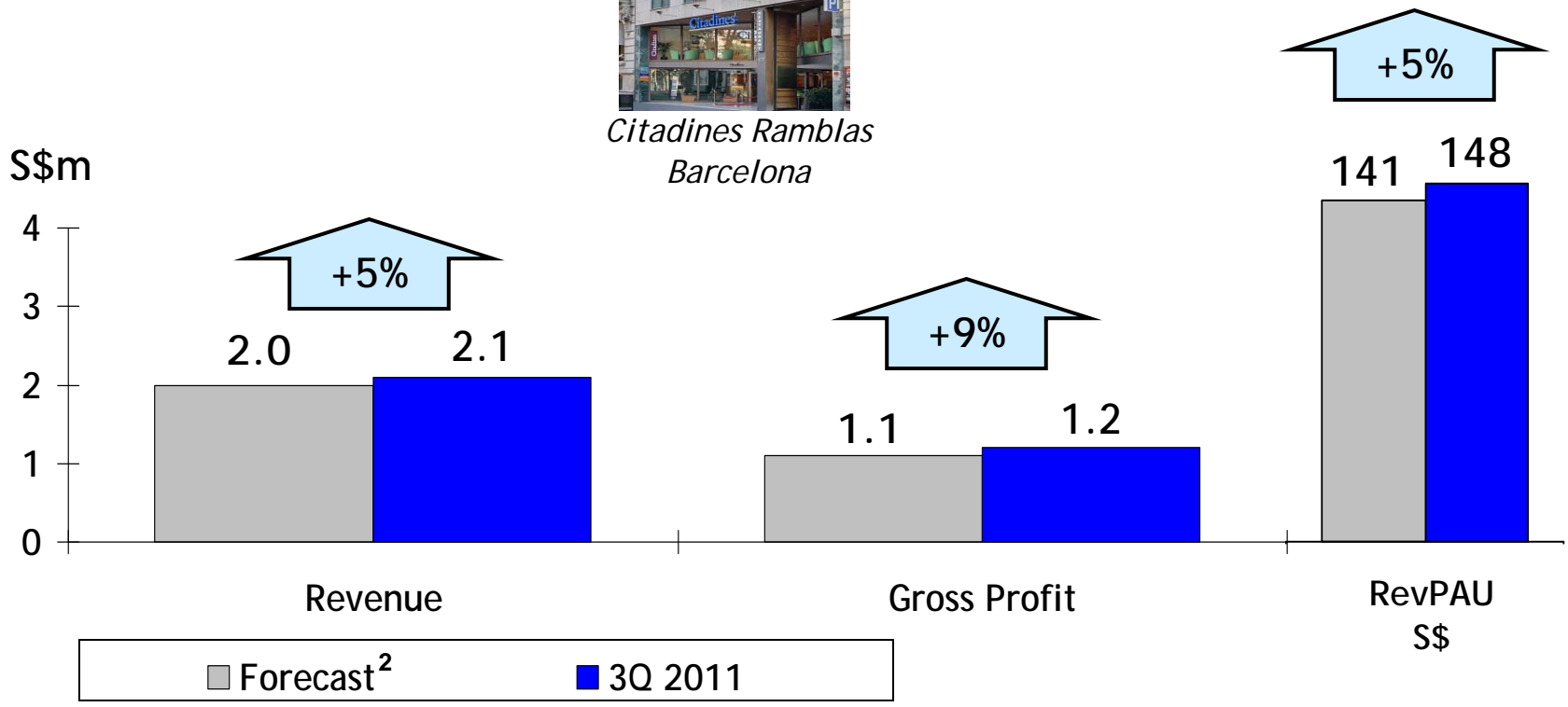
<sup>1</sup> Belgium portfolio was acquired on 1 October 2010. Information for 3Q 2010 is not applicable.

<sup>2</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.





Citadines Ramblas  
Barcelona



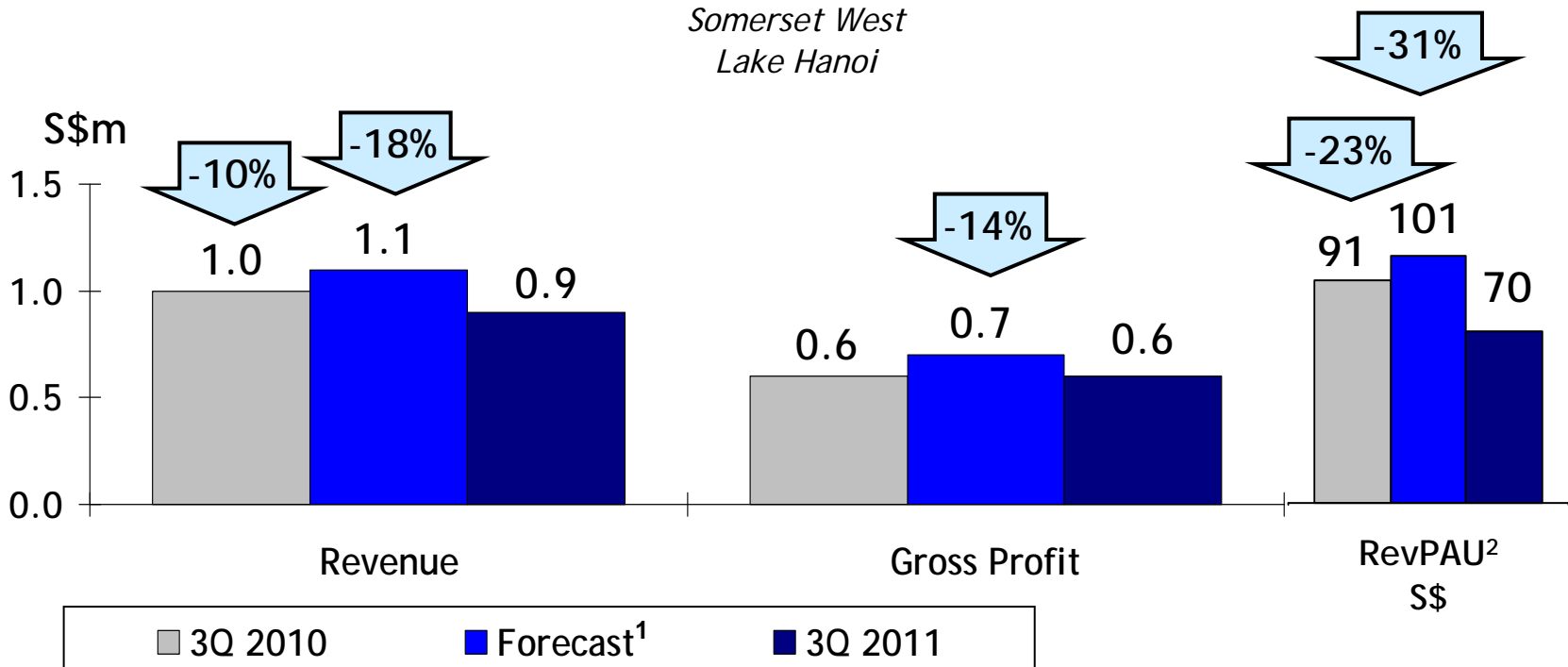
**Revenue for 3Q 2011 included a top-up by the property manager of S\$0.1 million as assumed in the forecast.**

<sup>1</sup> Spain portfolio was acquired on 1 October 2010. Information for 3Q 2010 is not applicable.

<sup>2</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.



Somerset West  
Lake Hanoi



As compared to the forecast, revenue and gross profit decreased due to weaker performance and a lower USD exchange rate than that assumed in the forecast. Revenue for 3Q 2011 included a yield protection amount of S\$0.3 million as assumed in the forecast.

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> RevPAU for 3Q 2010 has been adjusted to be consistent with current period's presentation.

# Management Contracts



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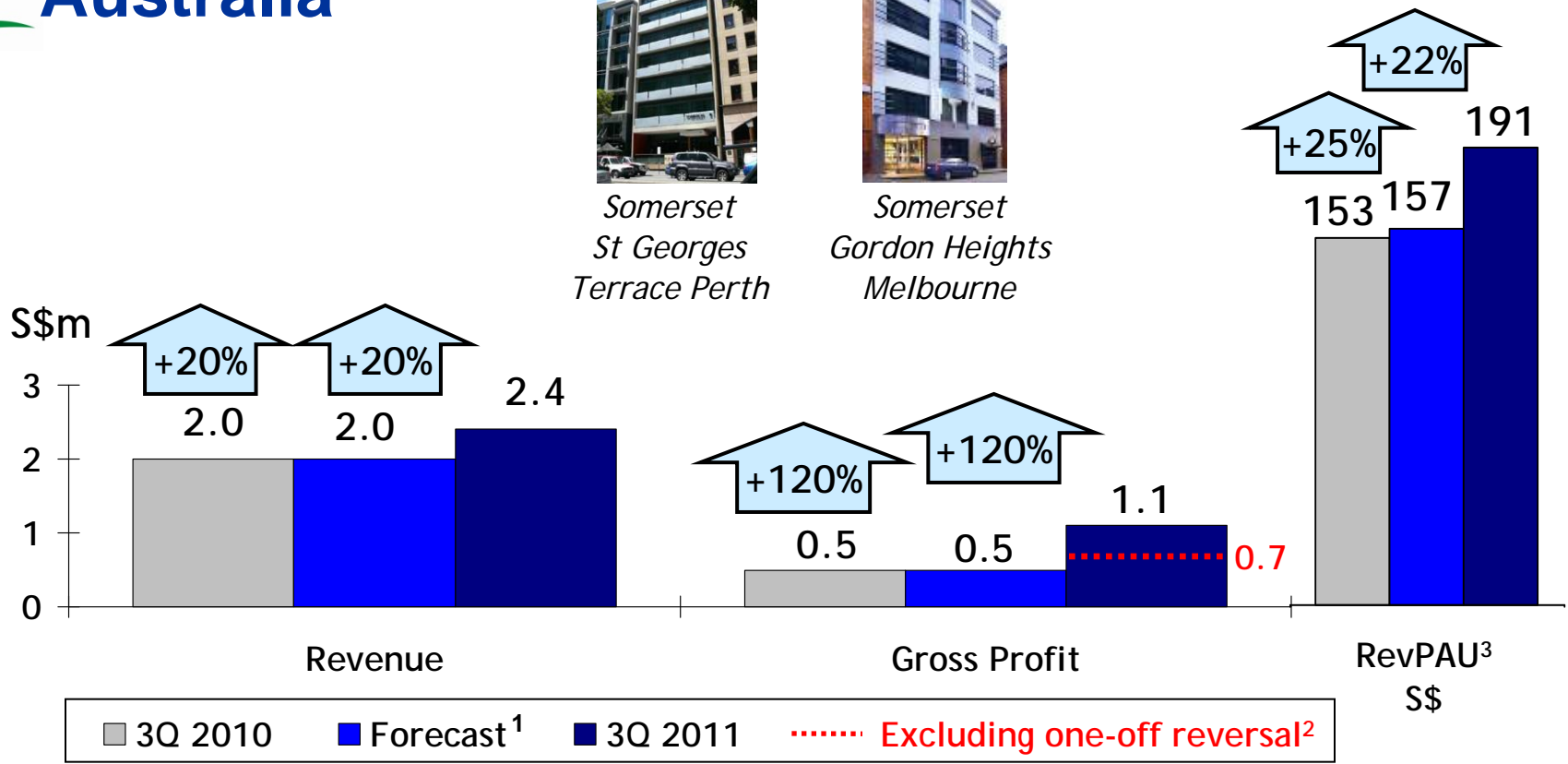
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Somerset  
St Georges  
Terrace Perth



Somerset  
Gordon Heights  
Melbourne



Revenue and RevPAU increased mainly due to the strengthening of AUD against SGD, higher demand in Perth as a result of increased business from the oil and gas, and mining industries and the upcoming Commonwealth Heads of Government Meeting.

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> Accrual of costs no longer required.

<sup>3</sup> RevPAU for 3Q 2010 has been adjusted to be consistent with current period's presentation.



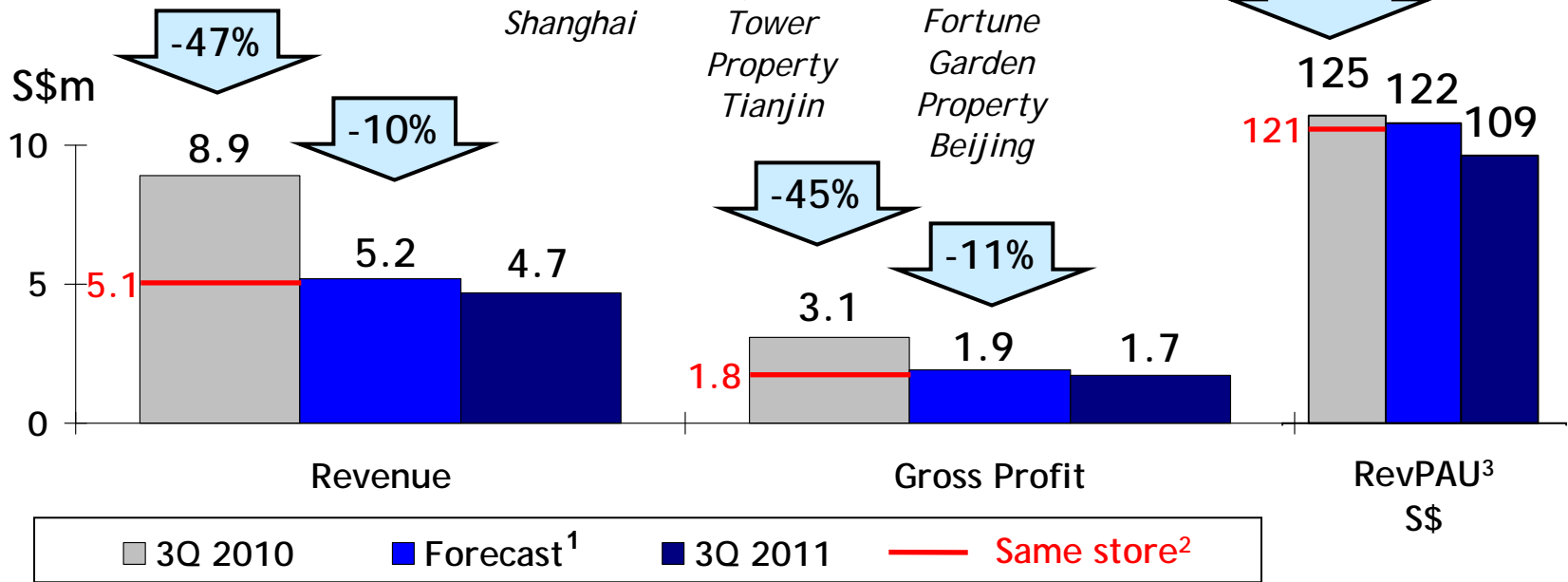
Somerset  
Xu Hui  
Shanghai



Somerset  
Olympic  
Tower  
Property  
Tianjin



Somerset  
Grand  
Fortune  
Garden  
Property  
Beijing



Lower performance in Shanghai due to strong performance achieved during the Shanghai World Expo in 3Q 2010. Lower performance in Tianjin due to the on-going renovation. Better performance in Beijing due to higher demand from project groups.

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

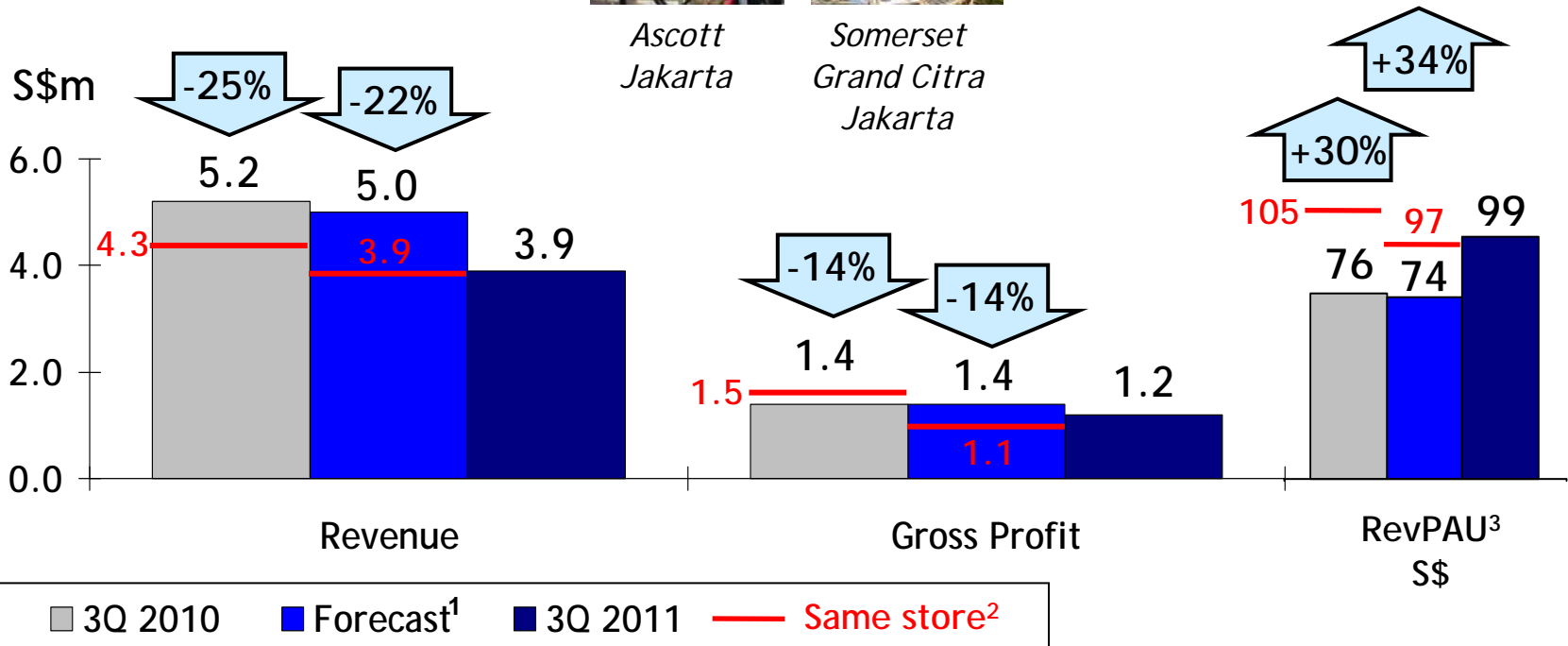
<sup>2</sup> Excludes Ascott Beijing divested on 1 October 2010.

<sup>3</sup> RevPAU for 3Q 2010 has been adjusted to be consistent with current period's presentation.



Ascott  
Jakarta

Somerset  
Grand Citra  
Jakarta



**On a same store basis, revenue decreased as compared to 3Q 2010 due to weakening of USD against SGD. In USD terms, revenue was at the same level as 3Q 2010.**

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> Excludes Country Woods Jakarta divested on 29 October 2010.

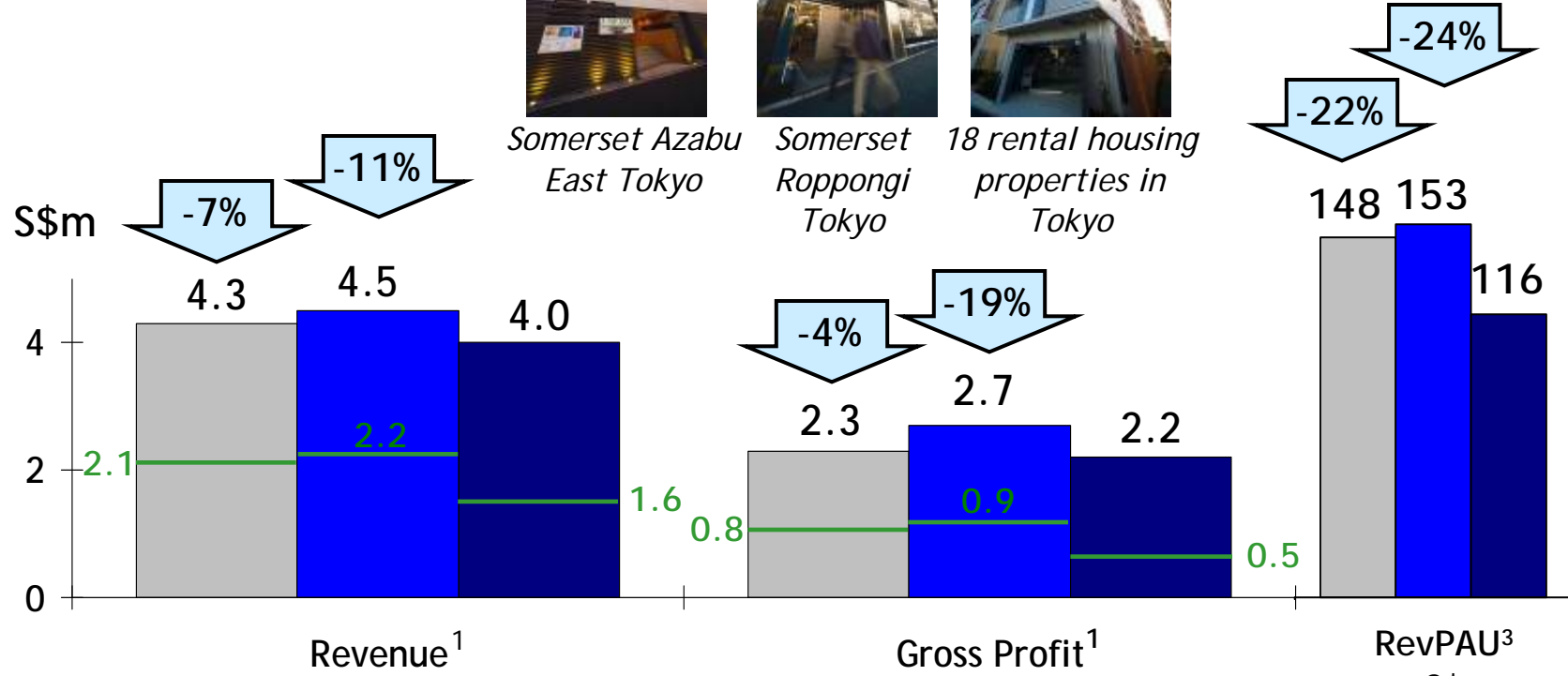
<sup>3</sup> RevPAU for 3Q 2010 has been adjusted to be consistent with current period's presentation.



Somerset Azabu East Tokyo

Somerset Roppongi Tokyo

18 rental housing properties in Tokyo



■ 3Q 2010   
 ■ Forecast<sup>2</sup>   
 ■ 3Q 2011   
 — Serviced residence contribution

Revenue decreased due to weaker performance of the serviced residences, partially offset by stronger performance from the rental housing properties. Revenue from the rental housing properties was higher than 3Q 2010 on higher occupancy of 94% at lower rental rates.

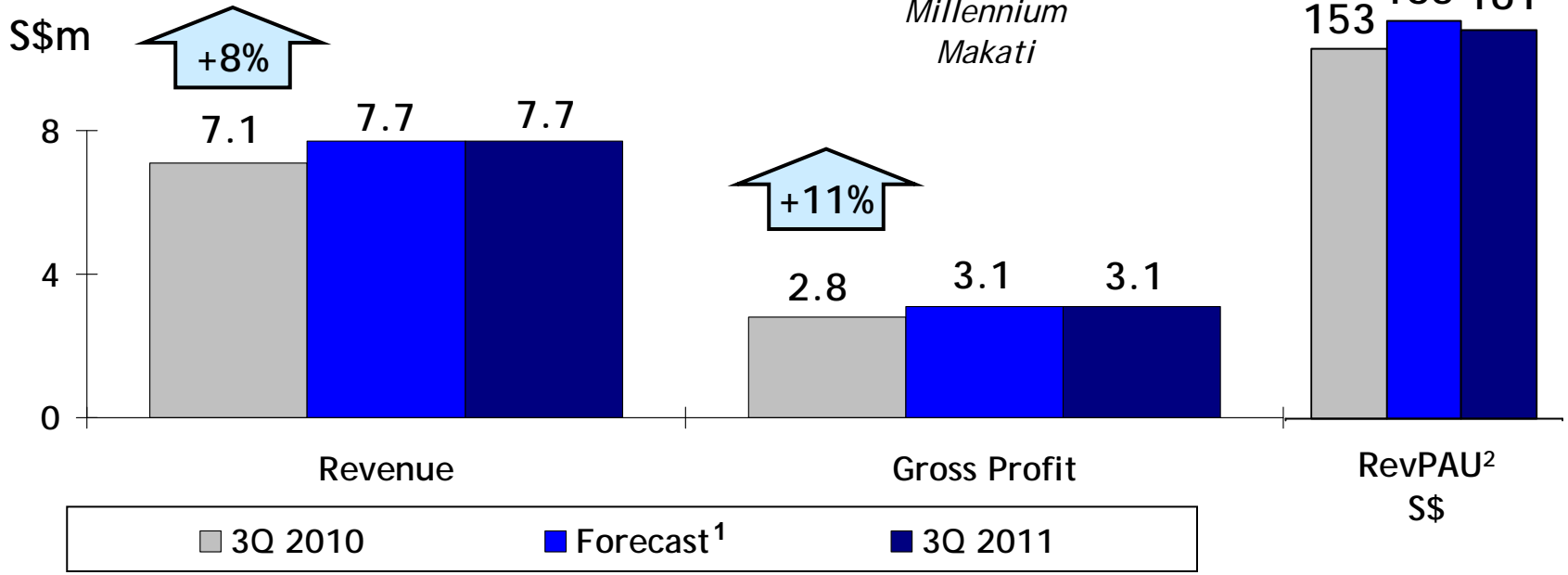
<sup>1</sup> Revenue and Gross Profit includes contribution from serviced residence and rental housing properties.  
<sup>2</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.  
<sup>3</sup> RevPAU for serviced residence properties only. RevPAU for 3Q 2010 has been adjusted to be consistent with current period's presentation.



Ascott Makati



Somerset Millennium Makati



**Revenue and RevPAU increased mainly due to higher demand for serviced residences from the oil and gas and pharmaceutical industries.**

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> RevPAU for 3Q 2010 has been adjusted to be consistent with current period's presentation.





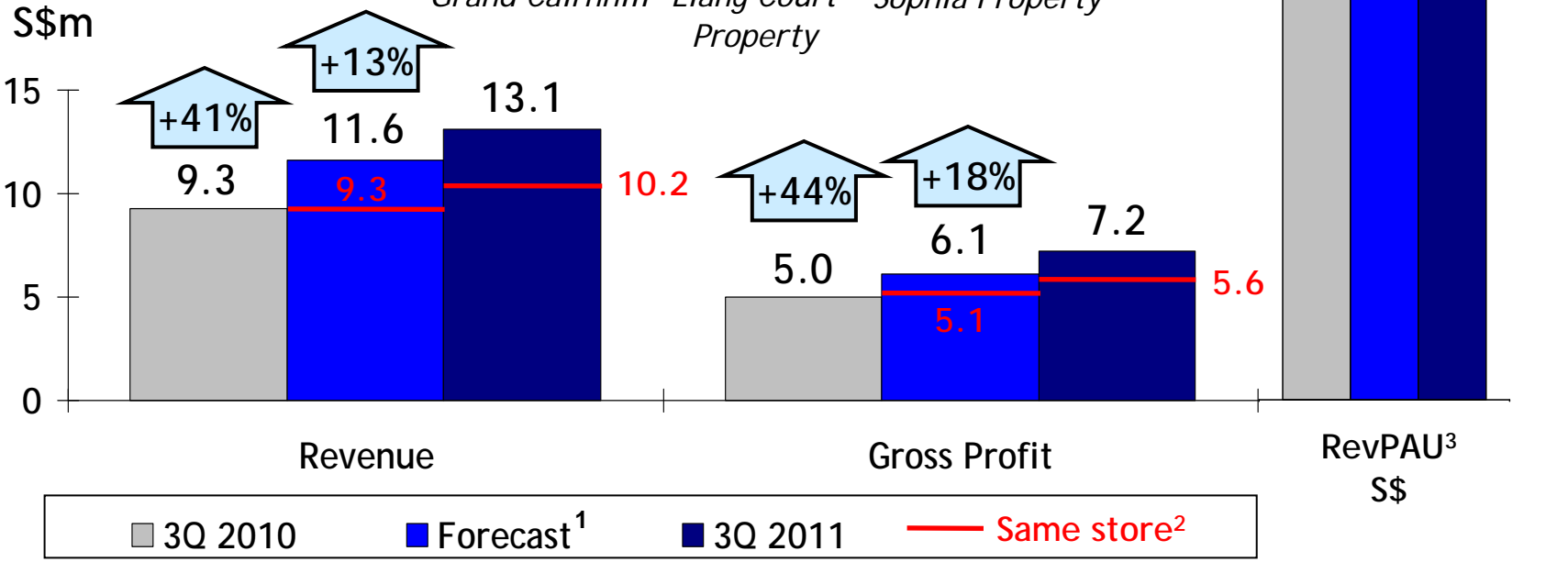
Somerset  
Grand Cairnhill



Somerset  
Liang Court  
Property



Citadines Mount  
Sophia Property



**On a same store basis, RevPAU was 11% higher as compared to 3Q 2010. Strong market demand has led to higher rental rates achieved.**

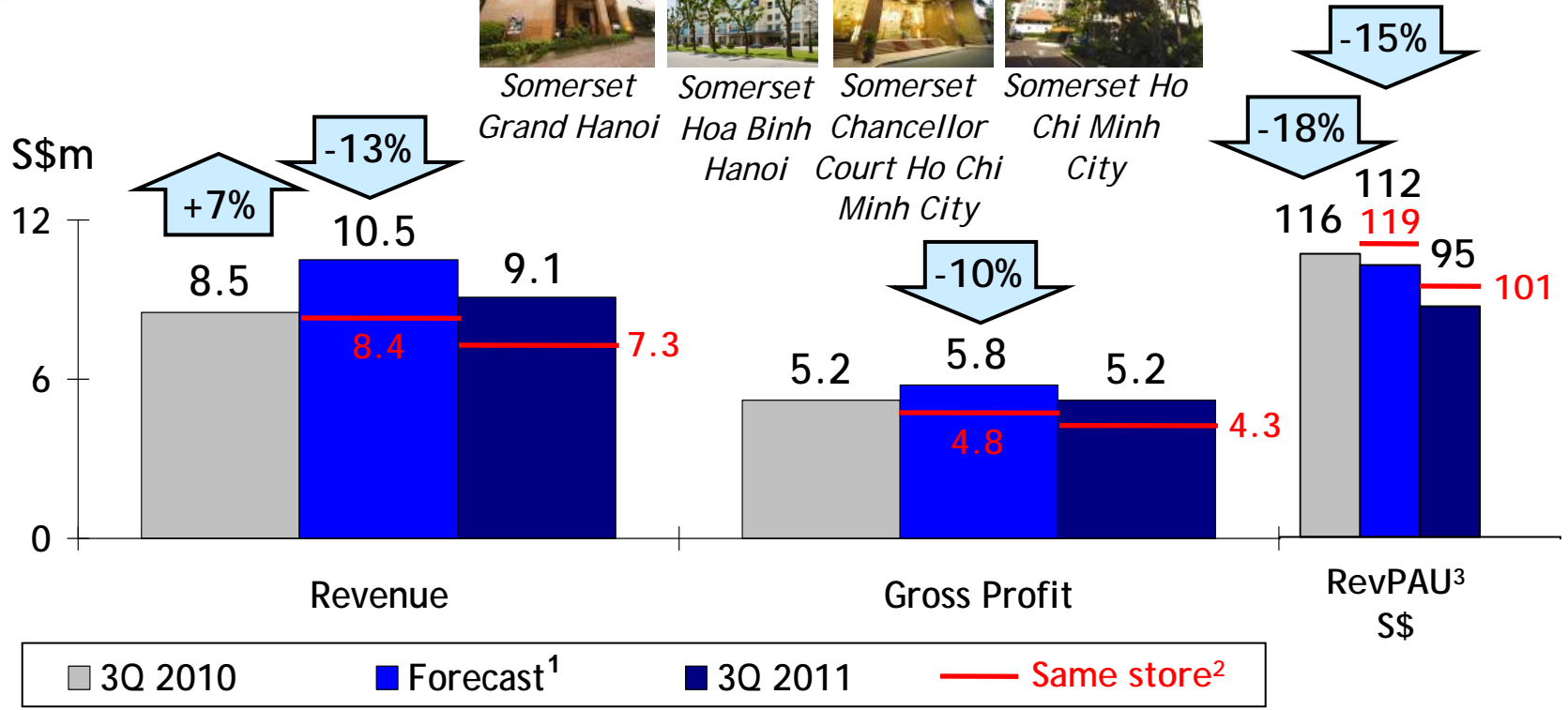
<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> Excludes Citadines Mount Sophia acquired on 1 October 2010.

<sup>3</sup> RevPAU for 3Q 2010 has been adjusted to be consistent with current period's presentation.



Somerset Grand Hanoi    Somerset Hoa Binh Hanoi    Somerset Chancellor Court Ho Chi Minh City    Somerset Ho Chi Minh City



On a same store basis, revenue and gross profit were lower as compared to 3Q 2010. This was due to the weakening of USD against SGD and lower serviced residence revenue arising from a reduction in corporate accommodation budget as well as new supply of serviced residences in the market. In USD terms, revenue, RevPAU and gross profit decreased by 3%, 2%, and 5% respectively as compared to 3Q 2010.

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> Excludes Somerset Hoa Binh Hanoi acquired on 1 October 2010.

<sup>3</sup> RevPAU for 3Q 2010 has been adjusted to be consistent with current period's presentation.

# Portfolio Information



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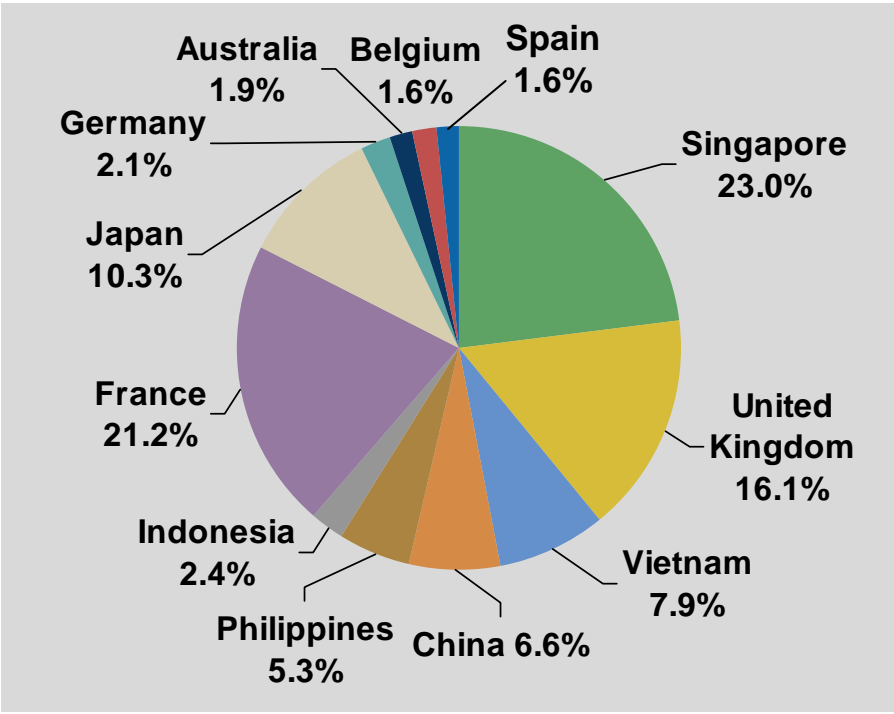
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# Geographical Diversification

## Ascott Reit's Share of Asset Values As at 30 September 2011



Total = S\$2.70 billion

Portfolio diversified across property and economic cycles

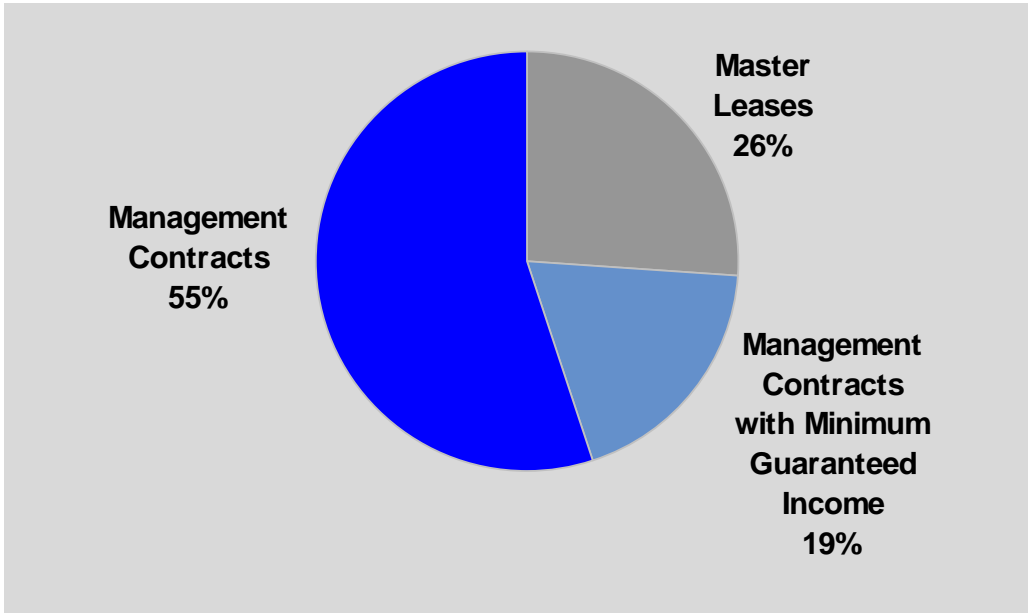


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# Balance of Income Stability and Growth

## YTD 30 September 2011 Gross Profit



Total = S\$117.5 million

Both master leases and serviced residence management contracts with minimum guaranteed income have average weighted remaining tenures of about 7 years

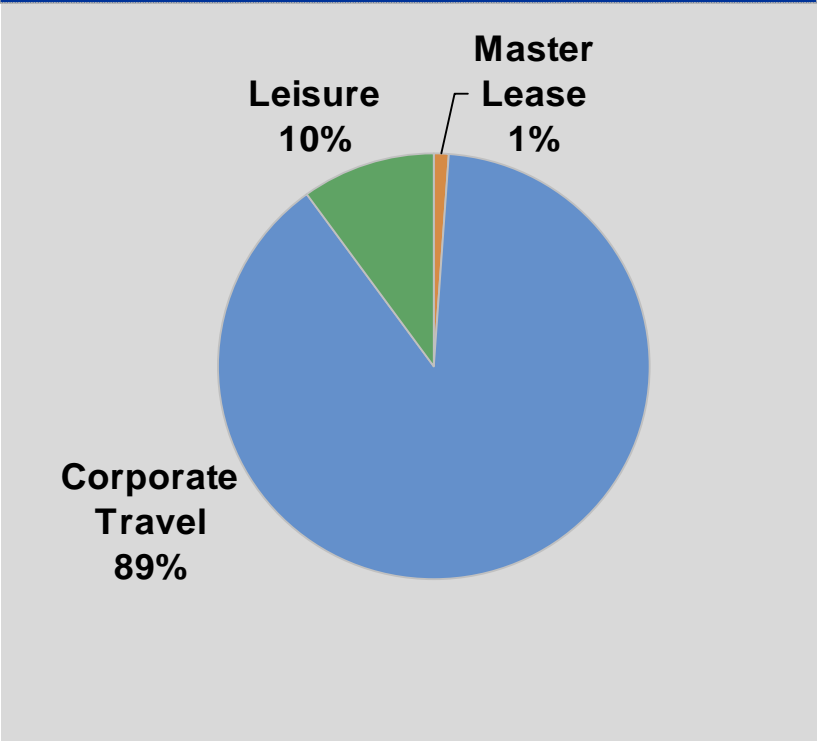


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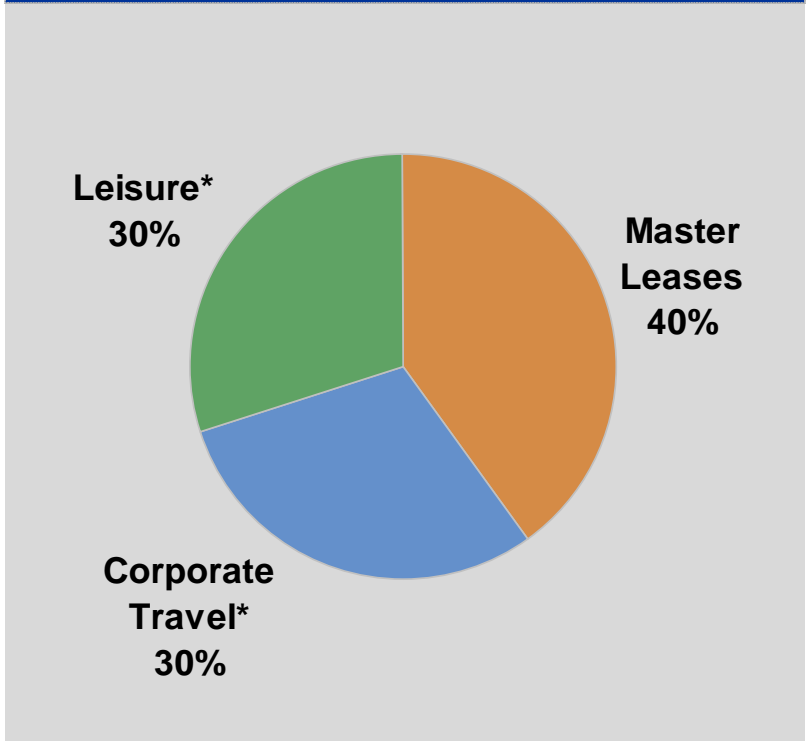


# Apartment Rental Income By Market Segment

## Pan-Asian Portfolio YTD 30 September 2011



## Europe Portfolio YTD 30 September 2011

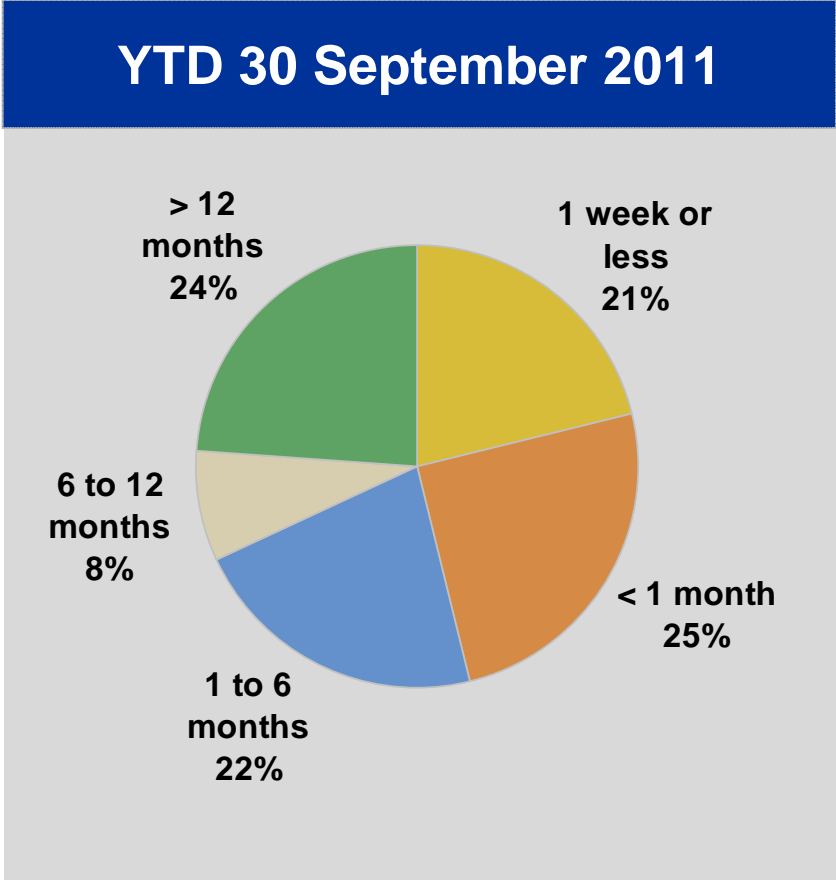


\* Rental income from Leisure and Corporate Travel segments in Europe relate to the United Kingdom, Belgium and Spain properties that are under management contracts with minimum guaranteed income.





# Apartment Rental Income by Length of Stay<sup>1</sup>



Average apartment rental income by length of stay is more than 4.5 months

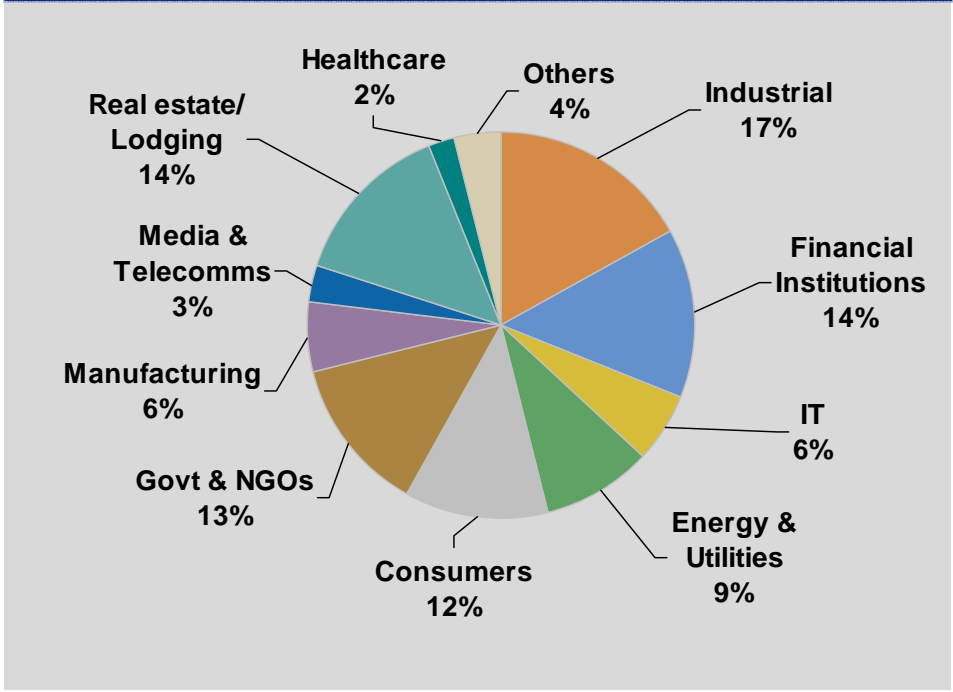
<sup>1</sup> Information for properties on serviced residence management contracts only. Information for properties on master leases is not included



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# Diverse Tenant Mix

## Apartment Rental Income By Industry<sup>1</sup> YTD 30 September 2011



Earnings diversified, not reliant on any single industry

<sup>1</sup> Information based on apartment rental income for corporate accounts for properties on serviced residence management contracts only. Information for properties on master leases is not included.





# Capital & Risk Management



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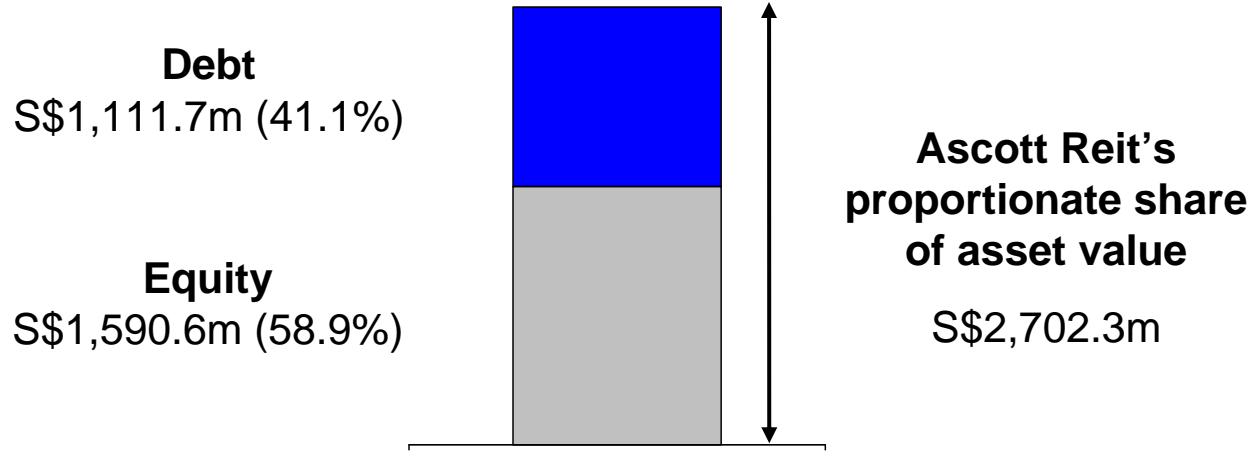
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# Healthy Balance Sheet

- Gearing of 41.1%, well within the 60% gearing limit allowable under MAS property fund guidelines

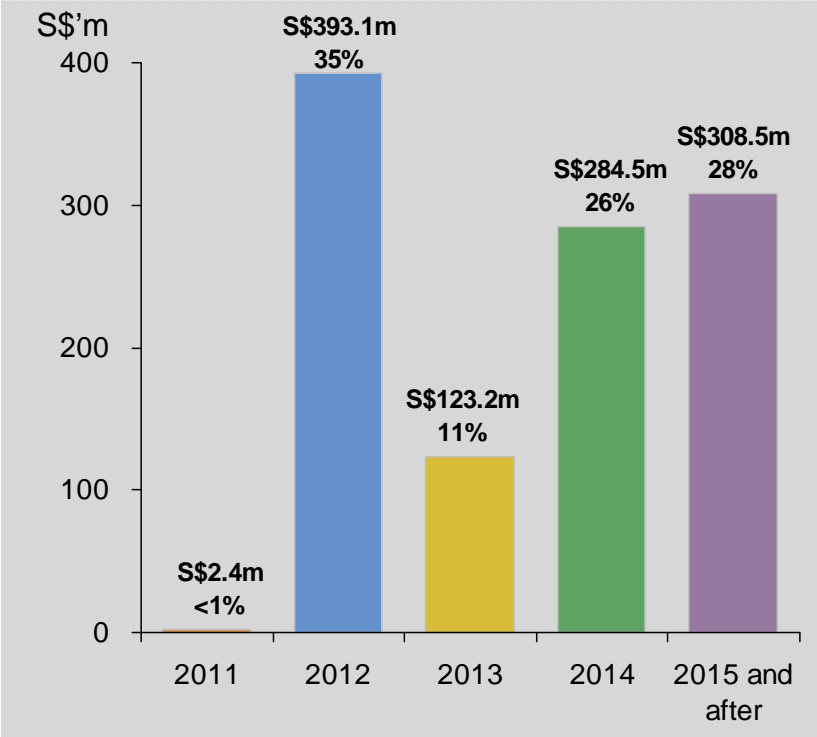
## Ascott Reit Gearing Profile As at 30 September 2011



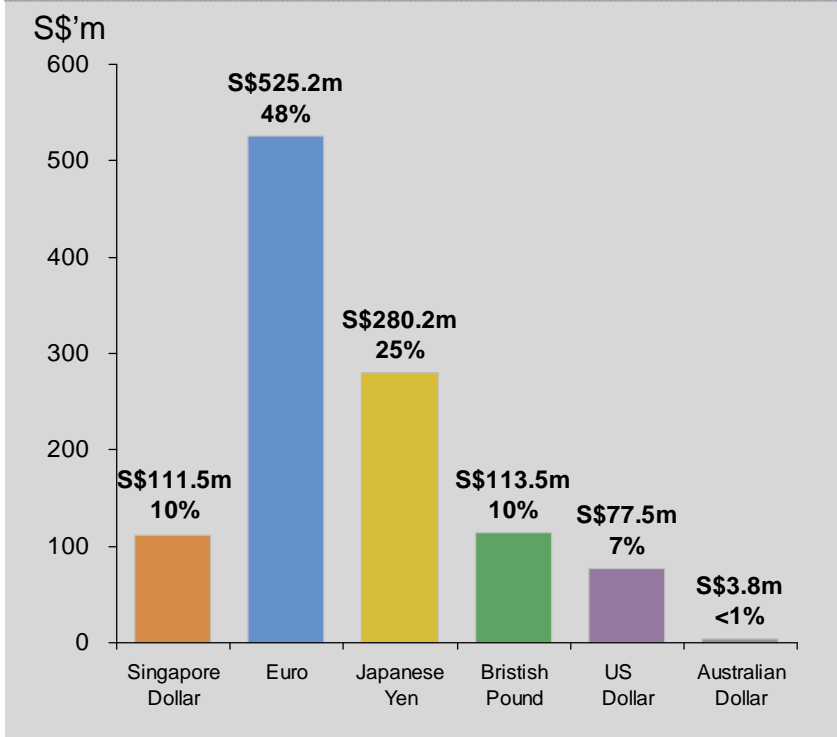


# Debt Profile

## Maturity Profile As at 30 September 2011



## Currency Profile As at 30 September 2011

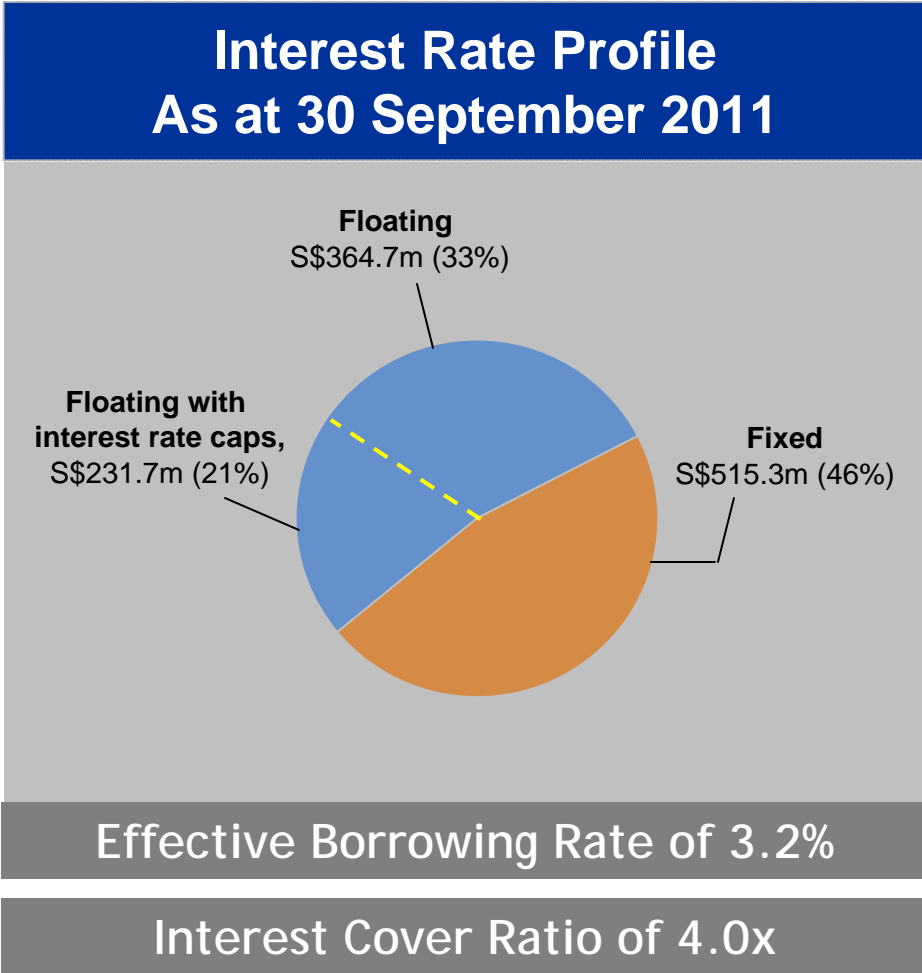


Ascott Reit's Share of Bank Loans = S\$1,111.7 m



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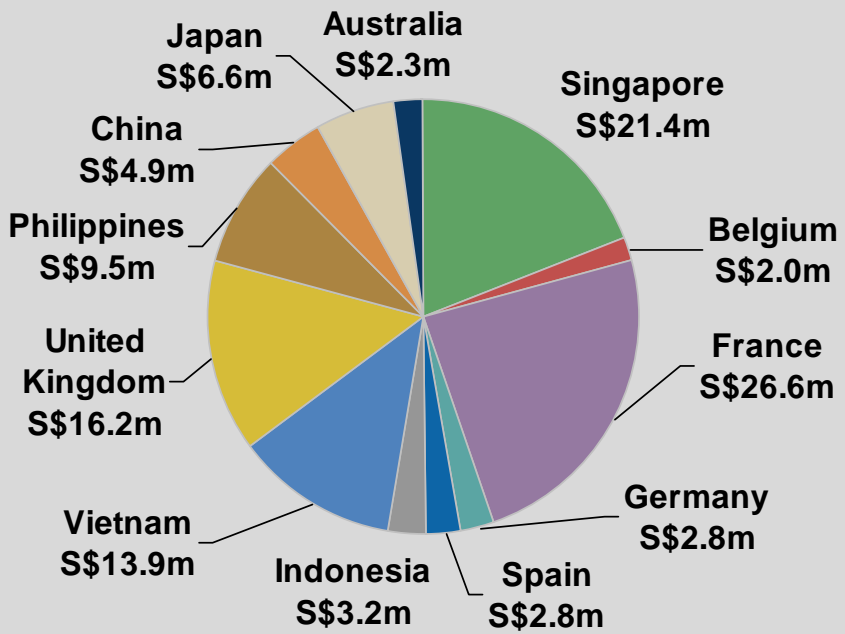
# Interest Rate Profile





# Foreign Exchange Profile

## Ascott Reit's Share of Gross Profit YTD 30 September 2011



Total = S\$112.2 million

## Foreign Exchange Movements

| Currency     | Percentage of Ascott Reit's Share of Gross Profit YTD 30 Sep 2011 | Foreign exchange rate movements from Dec '10 to Sep' 11 |
|--------------|---|---|
| SGD          | 20  | -   |
| EUR          | 31  | 1.5%  |
| USD          | 15  | -5.7%   |
| GBP          | 14  | -2.2%   |
| PHP          | 8   | -3.5%   |
| RMB          | 4   | -3.5%   |
| JPY          | 6   | -1.7%   |
| AUD          | 2   | 3.0%  |
| <b>Total</b> | <b>100</b>  | <b>-1.2%</b>  |

# Prospects



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Global economic conditions are expected to remain uncertain for the rest of 2011. The Group's income stability remains sustainable supported by the income from our Europe properties which are on master leases and serviced residence contracts with minimum guaranteed income. Our income stability also stems from our multiple geographical locations which allow us to achieve income diversification across different economic conditions and cycles. The Group expects to achieve better operating results for 2011 compared to 2010.

The Group is evaluating the redevelopment options for Somerset Grand Cairnhill Singapore. We will make an announcement to the SGX-ST of any material development on this matter as and when appropriate in accordance with the Listing Rules of the SGX-ST. At this stage, there is no certainty of any proposed redevelopment materialising.

We will continue to implement asset enhancement initiatives to increase the returns of our portfolio and focus on yield accretive acquisitions in countries where we operate and explore opportunities in new markets.

For FY 2011, the Manager expects to deliver the forecast distribution of 7.74 cents as disclosed in the Offer Information Statement dated 13 September 2010.

# Thank You



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