ASCOTT RESIDENCE TRUST

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2011 FULL YEAR UNAUDITED FINANCIAL STATEMENTS
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ASCOTT RESIDENCE TRUST
2011 FOURTH QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

Summary of Group Results

	4Q 2011 S$'000	4Q 2010 S$'000	Better/ (Worse) %	YTD Dec 2011 S$'000	YTD Dec 2010 S$'000	Better/ (Worse) %
Revenue	75,267	72,830	3	288,653	207,223	39
Gross Profit	39,988	39,335	2	157,482	101,355	55
Unitholders' Distribution	20,633[1]	23,939	(14)	96,166	57,714	67
Distribution Per Unit (cents)	1.83	2.16	(15)	8.53	7.54	13

(1) Unitholders' distribution was lower due to costs incurred for <u>one-off events</u> in 4Q 2011:

(a) Established US$2 billion Euro-Medium Term Note ("MTN") Programme at a cost of S$0.5 million. This is in line with Ascott Reit's strategy of securing diversified funding sources and allows Ascott Reit to target an enlarged pool of investors;

(b) Issued S$250 million MTN. Higher loan related expenses and cash holding costs of S$0.8 million were incurred due to early refinancing of the secured borrowings due in 2012. The issuance of the MTN reduced the debt refinancing exposure in 2012, extended the average loan tenure of the Group's debt and increased the percentage of the Group's unencumbered assets for more financial flexibility; and

(c) Provision of S$2.1 million for licensing related matters for a serviced residence in China.

Excluding these one-off costs, the unitholders' distribution for 4Q 2011 would have been S$24.0 million.

DISTRIBUTION AND BOOK CLOSURE DATE

Distribution	For 1 January 2011 to 30 June 2011	For 1 July 2011 to 31 December 2011
Distribution Rate	4.466 cents per Unit	4.063 cents per Unit
Book Closure Date	1 August 2011	31 January 2012
Payment Date	26 August 2011	27 February 2012

INTRODUCTION

Ascott Residence Trust ("Ascott Reit") was established under a trust deed dated 19 January 2006 entered into between Ascott Residence Trust Management Limited (as manager of Ascott Reit) (the "Manager") and DBS Trustee Limited (as trustee of Ascott Reit) (the "Trustee").

Ascott Reit's objective is to invest primarily in real estate and real estate related assets which are income-producing and which are used, or predominantly used as serviced residences or rental housing properties. It has a portfolio of serviced residences and rental housing properties across Asia Pacific and Europe. Ascott Reit's investment policy covers any country in the world.

Ascott Reit was directly held by The Ascott Limited (formerly known as The Ascott Group Limited) up to and including 30 March 2006 (the "Private Trust"). On 31 March 2006 (the "Listing Date"), Ascott Reit was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") with an initial portfolio of 12 properties ("Initial Properties") with 2,068 apartment units in 7 cities across five countries (Singapore, China, Indonesia, the Philippines and Vietnam).

On 1 October 2010, Ascott Reit completed the acquisition of 28 serviced residences in Singapore, Vietnam and Europe from The Ascott Limited (Ascott) and the divestment of Ascott Beijing to Ascott. On 29 October 2010, Ascott Reit completed the divestment of Country Woods Jakarta, Indonesia.

On 21 December 2011, Ascott Reit completed the acquisition of 60% interest in Citadines Shinjuku Tokyo.

At 31 December 2011, Ascott Reit's portfolio comprises 65 properties with 6,600 apartment units in 12 countries and 23 cities across Asia Pacific and Europe.

Ascott Reit makes distributions to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions are paid in Singapore dollar.

1(a)(i) CONSOLIDATED STATEMENT OF TOTAL RETURN

	Note	GROUP 4Q 2011 S$'000	GROUP 4Q 2010 S$'000	Better / (Worse) %	GROUP YTD Dec 2011 S$'000	GROUP YTD Dec 2010 S$'000	Better / (Worse) %
Revenue	A.1	75,267	72,830	3	288,653	207,223	39
Direct expenses	A.2	(35,279)	(33,495)	(5)	(131,171)	(105,868)	(24)
Gross Profit	A.1	39,988	39,335	2	157,482	101,355	55
Finance income		629	307	105	1,558	1,133	38
Other operating income	A.3	256	402	(36)	563	1,583	(64)
Finance costs	A.4	(10,821)	(9,843)	(10)	(39,510)	(27,586)	(43)
Manager's management fees		(3,538)	(3,427)	(3)	(13,741)	(8,923)	(54)
Trustee's fee		(78)	(79)	1	(298)	(225)	(32)
Professional fees	A.5	(1,214)	(539)	(125)	(2,388)	(1,109)	(115)
Audit fees		(411)	(426)	4	(1,541)	(1,018)	(51)
Foreign exchange gain / (loss)	A.6	3,543	(1,105)	421	(1,543)	(3,524)	56
Other operating expenses	A.7	(2,218)	105	n.m.	(2,617)	(536)	(388)
Share of profit / (loss) of associate (net of tax)		6	7	(14)	(22)	(18)	(22)
Net income before changes in fair value of financial derivatives and serviced residence properties		**26,142**	**24,737**	**6**	**97,943**	**61,132**	**60**
Net change in fair value of financial derivatives		(1)	29	(103)	(5)	(5,566)	100
Net change in fair value of serviced residence properties	A.8	47,423	(9,185)	616	130,177	26,301	395
Profit from divestments	A.9	-	115,595	n.m.	-	115,595	n.m.
Assets written off	A.10	(1,983)	(1,405)	(41)	(3,115)	(1,405)	(122)
Total return for the period before tax		**71,581**	**129,771**	**(45)**	**225,000**	**196,057**	15
Income tax expense	A.11	(10,456)	(22,972)	54	(31,222)	(33,094)	6
Total return for the period after tax		**61,125**	**106,799**	(43)	**193,778**	**162,963**	**19**
Attributable to:							
Unitholders		51,157	105,428		180,277	156,119	
Non-controlling interests		9,968	1,371		13,501	6,844	
Total return for the period		**61,125**	**106,799**	**(43)**	**193,778**	**162,963**	**19**

RECONCILIATION OF TOTAL RETURN FOR THE PERIOD ATTRIBUTABLE TO UNITHOLDERS TO TOTAL UNITHOLDERS' DISTRIBUTION

	Note	GROUP 4Q 2011 S$'000	GROUP 4Q 2010 S$'000	Better / (Worse) %	GROUP YTD Dec 2011 S$'000	GROUP YTD Dec 2010 S$'000	Better / (Worse) %
Total return for the period attributable to unitholders		51,157	105,428		180,277	156,119	
Net effect of non-tax deductible/chargeable items and other adjustments	A.12	(30,524)	(81,489)		(84,111)	(98,405)	
Total amount distributable to Unitholders for the period		**20,633**	**23,939**	(14)	**96,166**	**57,714**	**67**
Comprises :							
- from operations		15,135	14,127		31,935	27,838	
- from unitholders' contributions		5,498	9,812		64,231	29,876	
		20,633	**23,939**	(14)	**96,166**	**57,714**	**67**

1(a)(ii) **Explanatory Notes to Consolidated Statement of Total Return**

A.1 **Revenue and Gross profit**

Revenue for 4Q 2011 of S$75.3 million comprised S$10.7 million (14% of total revenue) from serviced residences on Master Leases, S$16.8 million (22%) from serviced residences on management contracts with minimum guaranteed income and S$47.8 million (64%) from serviced residences on management contracts.

Revenue for 4Q 2011 increased by S$2.5 million or 3% as compared to 4Q 2010. The increase in revenue was mainly due to stronger performance from the Group's serviced residences in United Kingdom, Singapore and Indonesia.

The Group achieved a REVPAU of S$146 in 4Q 2011, an increase of 7% as compared to 4Q 2010. The increase in REVPAU was mainly driven by the strong performance of the United Kingdom, Singapore and Indonesia serviced residences.

Gross profit for 4Q 2011 of S$40.0 million comprised S$9.9 million (25% of total gross profit) from serviced residences on Master Leases, S$7.1 million (18%) from serviced residences on management contracts with minimum guaranteed income and S$23.0 million (57%) from serviced residences on management contracts.

In line with the increase in revenue, gross profit for 4Q 2011 increased by S$0.7 million or 2% as compared to 4Q 2010.

Please refer to Para 8(a) for a more detailed analysis.

A.2 **Direct expenses include the following items:**

	GROUP 4Q 2011 S$'000	GROUP 4Q 2010 S$'000	Better / (Worse) %	GROUP YTD Dec 2011 S$'000	GROUP YTD Dec 2010 S$'000	Better / (worse) %
Depreciation and amortisation	(2,405)	(1,766)	(36)	(9,105)	(6,539)	(39)
Staff costs	(7,486)	(6,779)	(10)	(26,892)	(19,118)	(41)

A.3 Other operating income

Other operating income for 4Q 2011 was lower as 4Q 2010 included income from reversal of prior years' accrued expenses no longer required.

A.4 Finance costs

The increase in finance costs was mainly due to higher loan related expenses and cash holding costs incurred as a result of early refinancing of the secured borrowings due in 2012 with the proceeds from the S$250 million Medium Term Notes ("MTN") issued in 4Q 2011. The issuance of the MTN reduced the debt refinancing exposure in 2012, extended the average loan tenure of the Group's debt and increased the percentage of the Group's unencumbered assets for more financial flexibility.

A.5 Professional fees

The increase in professional fees was mainly due to one-off expenses incurred for the establishment of the US$2 billion Euro-Medium Term Note Programme in 4Q 2011.

This Programme is in line with Ascott Reit's strategy of securing diversified funding sources and allows Ascott Reit to target an enlarged pool of investors.

A.6 Foreign exchange gain / (loss)

The foreign exchange gain recognised in 4Q 2011 was largely due to realised exchange gain on repayment of EUR bank loans in 4Q 2011 funded with proceeds from the MTN and unrealised exchange gain on foreign currency shareholders' loans, mainly denominated in US Dollar ("USD"), extended to the Group's subsidiaries, whose functional currency is denominated in USD, as a result of the appreciation of the closing rate of USD against SGD as at balance sheet date.

A.7 Other operating expenses

Other operating expenses for 4Q 2011 were higher due to one-off provision for licensing related matters for a serviced residence in China.

A.8 Net change in fair value of serviced residence properties

This relates to the surplus on revaluation of serviced residence properties, mainly from the properties in Japan, France, China and Singapore, partially offset by lower valuation of properties in Vietnam. The valuation of the serviced residence properties was carried out on 31 December 2011 by HVS, Savills Advisory Services Limited and Savills Japan Co., Ltd. Please refer to Para 8(c) for more details.

A.9 Profit from divestments

The profit from divestments recognised in 4Q 2010 relates to the profit from the divestment of Ascott Beijing and Country Woods.

A.10 Assets written off

This relates to assets written off upon the reconfiguration and refurbishment of Somerset Olympic Tower.

A.11 Income tax expense

Taxation for 4Q 2011 was lower by S$12.5 million as compared to the corresponding period last year. This was mainly due to the tax expense of S$11.7 million provided for the divestments of Ascott Beijing and Country Woods in 4Q 2010.

A.12 Net effect of non-tax deductible/(chargeable) items and other adjustments include the following:

	GROUP		Better / (Worse)	GROUP		Better / (Worse)
	4Q 2011 S$'000	4Q 2010 S$'000	%	YTD Dec 2011 S$'000	YTD Dec 2010 S$'000	%
Depreciation and amortisation	2,405	1,766	(36)	9,105	6,539	(39)
Manager's management fee payable/paid partially in units	2,692	2,531	(6)	10,308	5,279	(95)
Trustee's fees*	15	(15)	(200)	64	46	(39)
Foreign exchange (gain)/ loss (Note A.6)	(2,333)	740	415	2,371	2,401	1
Net change in fair value of financial derivatives	1	(29)	(103)	5	5,566	100
Net change in fair value of serviced residence properties (Note A.8)	(47,423)	9,185	616	(130,177)	(26,301)	395
Profit from divestments (Note A.9)	-	(115,595)	n.m.	-	(115,595)	n.m.
Tax expense relating to the divestments	-	11,695	n.m.	-	11,695	n.m.
Assets written off (Note A.10)	1,983	1,405	(41)	3,115	1,405	(122)
Deferred tax expense	4,244	6,591	36	14,719	9,638	(53)
Effect of non-controlling interests arising from the above	7,671	(530)	n.m.	6,806	553	n.m.

* This relates to the Singapore properties only and is not tax deductible.

1(b)(i) BALANCE SHEETS

	Note	GROUP 31/12/11 S$'000	GROUP 31/12/10 S$'000	REIT 31/12/11 S$'000	REIT 31/12/10 S$'000
Non-Current Assets					
Plant and equipment	B.1	62,110	44,952	10,468	12,319
Serviced residence properties	B.2	2,786,143	2,577,620	602,732	542,681
Interest in subsidiaries		-	-	121,086	119,785
Interest in associate		3,114	3,215	3,623	3,702
Financial derivatives	B.3	108	409	-	41
Deferred tax assets	B.4	2,088	6,759	-	-
		2,853,563	**2,632,955**	**737,909**	**678,528**
Current Assets					
Inventories		432	316	-	-
Trade receivables		12,664	8,438	2,178	1,985
Other receivables and deposits		10,896	29,394	1,408,111	1,228,743
Financial derivatives	B.3	6	-	-	-
Cash and bank balances	B.5	145,466	132,711	26,420	15,099
		169,464	**170,859**	**1,436,709**	**1,245,827**
Total Assets		**3,023,027**	**2,803,814**	**2,174,618**	**1,924,355**
Non-Current Liabilities					
Interest bearing liabilities	B.7	(943,268)	(631,131)	(353,985)	(84,488)
Financial derivatives	B.3	(17,066)	(10,479)	(9,867)	(76)
Deferred tax liabilities	B.6	(44,789)	(34,282)	-	-
		(1,005,123)	**(675,892)**	**(363,852)**	**(84,564)**
Current Liabilities					
Trade payables		(6,012)	(8,132)	(200)	(270)
Other payables		(111,225)	(151,480)	(396,681)	(156,953)
Interest bearing liabilities	B.7	(261,346)	(468,351)	-	(289,207)
Financial derivatives	B.3	(1,412)	(590)	-	-
Provision for taxation		(9,879)	(9,275)	(157)	(125)
		(389,874)	**(637,828)**	**(397,038)**	**(446,555)**
Total Liabilities		**(1,394,997)**	**(1,313,720)**	**(760,890)**	**(531,119)**
Net Assets		**1,628,030**	**1,490,094**	**1,413,728**	**1,393,236**
Represented by:					
Unitholders' funds	1(d)(i)	1,537,012	1,417,467	1,413,728	1,393,236
Non-controlling interests	1(d)(i)	91,018	72,627	-	-
Total Equity	1(d)(i)	**1,628,030**	**1,490,094**	**1,413,728**	**1,393,236**

1(b)(ii) Explanatory Notes to Balance Sheet

B.1 Plant and equipment

The increase in the Group's plant and equipment as at 31 December 2011 was mainly due to the acquisition of Citadines Shinjuku in December 2011 and the capital expenditure incurred on the renovation of the serviced residence properties in United Kingdom.

B.2 Serviced residence properties

The increase in the Group's serviced residences as at 31 December 2011 was mainly due to the increase in the valuation of the serviced residences on 31 December 2011 and the acquisition of Citadines Shinjuku in December 2011.

B.3 Financial derivatives

The financial derivatives relate to the fair value of interest rate swaps and interest rate caps, entered into by subsidiaries to hedge interest rate risk.

B.4 Deferred tax assets

The decrease in the Group's deferred tax assets as at 31 December 2011 was mainly due to the utilisation of tax losses during the year.

B.5 Cash and bank balances

The increase in the Group's cash and bank balances as at 31 December 2011 was mainly due to cash generated from operations, partially offset by distribution paid to unitholders and interest payments.

B.6 Deferred tax liabilities

The increase in the Group's deferred tax liabilities as at 31 December 2011 was mainly due to deferred tax liability provided on the serviced residence properties that have increased in value.

B.7 Interest bearing liabilities

	GROUP		REIT	
	31/12/11 S$'000	31/12/10 S$'000	31/12/11 S$'000	31/12/10 S$'000
Amount repayable in one year or less or on demand				
- Secured	211,463	414,830	-	235,147
- Unsecured	50,000	54,082	-	54,082
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(117)	(561)	-	(22)
	261,346	468,351	-	289,207
Amount repayable after one year				
- Secured	698,331	584,304	356,438	85,568
- Unsecured	250,000	50,000	-	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(5,063)	(3,173)	(2,453)	(1,080)
	943,268	631,131	353,985	84,488
Total	**1,204,614**	**1,099,482**	**353,985**	**373,695**

Details of collateral

The borrowings of the Group are generally secured by:

- Mortgage on subsidiaries' serviced residences and the assignment of the rights, titles and interests with respect to the serviced residences
- Assignment of rental proceeds of the serviced residences and insurance policies relating to the serviced residences
- Pledge of shares of some subsidiaries
- Corporate guarantee from the Reit

Capital management

As at 31 December 2011, the Group's gearing was 40.8 percent, well within the 60 percent gearing limit allowable under MAS property fund guidelines. The average cost of debts was 3.2 percent per annum, with an interest cover of 3.8 times. S$773.2 million or 64 percent of the Group's borrowings are on fixed interest rates with S$191.7 million due for refinancing in the next 12 months, in line with the maturity dates of the underlying loans. 8 percent of the Group's borrowings are on floating rates with interest rate caps.

Out of the Group's total borrowings, 22 percent falls due in 2012, 10 percent falls due in 2013, 21 percent falls due in 2014, and the balance falls due after 2014.

1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS**

	GROUP			
	4Q 2011 S$'000	4Q 2010 S$'000	YTD Dec 2011 S$'000	YTD Dec 2010 S$'000
Operating Activities				
Total return for the period before tax	71,581	129,771	225,000	196,057
Adjustments for:				
Depreciation and amortisation	2,405	1,766	9,105	6,539
Profit from divestments	-	(115,595)	-	(115,595)
(Gain) / loss on disposal of plant and equipment	(76)	18	(179)	230
Assets written off	1,983	1,405	3,115	1,405
Finance costs	10,821	9,843	39,510	27,586
Finance income	(629)	(307)	(1,558)	(1,133)
Provision for doubtful debts addition / (written back)	9	(319)	10	(236)
Manager's management fees payable / paid partially in units	2,692	2,531	10,308	5,279
Foreign exchange (gain) / loss - unrealised	(2,333)	(242)	2,371	1,473
Net change in fair value of financial derivatives	1	(29)	5	5,566
Net change in fair value of serviced residence properties	(47,423)	9,185	(130,177)	(26,301)
Share of (profit) / loss of associate	(6)	(7)	22	18
Operating profit before working capital changes	**39,025**	**38,020**	**157,532**	**100,888**
Changes in working capital	27,720	12,408	(11,608)	18,385
Cash generated from operations	**66,745**	**50,428**	**145,924**	**119,273**
Income tax paid	(2,340)	(9,208)	(13,928)	(15,751)
Cash flows from operating activities	**64,405**	**41,220**	**131,996**	**103,522**
Investing Activities				
Acquisition of plant and equipment	(6,414)	(1,834)	(15,163)	(13,317)
Acquisition of subsidiaries, net of cash acquired	(5,943)	(557,819)	(5,943)	(557,819)
Capital expenditure on serviced residence properties	(3,899)	(7,080)	(9,406)	(10,730)
Expenses incurred for divestment	-	(328)	-	(328)
Interest received	629	307	1,558	1,133
Payment on termination of cross currency swap	-	(38,934)	-	(38,934)
Proceeds from divestment of serviced residence property	-	28,860	-	28,860
Proceeds from sale of plant and equipment	91	43	215	154
Cash flows from investing activities	**(15,536)**	**(576,785)**	**(28,739)**	**(590,981)**
Financing Activities				
Distribution to unitholders	-	(10,780)	(75,400)	(55,893)
Dividend paid to non-controlling shareholders	(378)	(1,257)	(1,273)	(5,391)
Interest paid	(11,469)	(9,428)	(40,071)	(28,964)
Payment of finance lease	(856)	(728)	(3,385)	(728)
Payment of issue expenses	-	(9,340)	(1,223)	(15,602)
Proceeds from bank borrowings	11,695	154,912	591,059	377,624
Proceeds from issue of medium term notes	250,000	-	250,000	-
Proceeds from issue of new units	-	72,608	-	525,841
Repayment of bank borrowings	(260,600)	(25,983)	(810,688)	(238,550)
Cash flows from financing activities	**(11,608)**	**170,004**	**(90,981)**	**558,337**
Increase/ (decrease) in cash & cash equivalents	**37,261**	**(365,561)**	**12,276**	**70,878**
Cash and cash equivalents at beginning of the period	**102,815**	**498,959**	**132,711**	**63,228**
Effect of exchange rate changes on balances held in foreign currencies	5,390	(687)	479	(1,395)
Cash and cash equivalents at end of the period	**145,466**	**132,711**	**145,466**	**132,711**

1(d)(i) STATEMENT OF CHANGES IN EQUITY

	Note	GROUP 4Q 2011 S$'000	GROUP 4Q 2010 S$'000	GROUP YTD Dec 2011 S$'000	GROUP YTD Dec 2010 S$'000
Unitholders' Contribution					
Balance as at beginning of period		1,226,141	1,195,453	1,252,694	771,294
Issue of new units		2,618	73,560	25,653	529,557
Issue expenses		-	(7,039)	(53)	(16,772)
Distribution to Unitholders		-	(9,280)	(49,535)	(31,385)
Balance as at end of period		**1,228,759**	**1,252,694**	**1,228,759**	**1,252,694**
Operations					
Balance as at beginning of period		290,094	83,028	186,839	55,345
Total return for the period attributable to Unitholders		51,157	105,428	180,277	156,119
Transfer to capital reserve		(78)	(117)	(78)	(117)
Distribution to Unitholders		-	(1,500)	(25,865)	(24,508)
Balance as at end of period		**341,173**	**186,839**	**341,173**	**186,839**
Foreign Currency Translation Reserve					
Balance as at beginning of period		(63,233)	(9,547)	(24,955)	1,368
Translation differences relating to financial statements of foreign subsidiaries		34,964	(15,408)	(3,314)	(26,323)
Balance as at end of period		**(28,269)**	**(24,955)**	**(28,269)**	**(24,955)**
Capital Reserve					
Balance as at beginning of period		1,559	1,448	1,559	1,483
Transfer from operations		78	117	78	117
Translation differences relating to financial statements of foreign subsidiaries		-	(6)	-	(41)
Balance as at end of period		**1,637**	**1,559**	**1,637**	**1,559**
Hedging Reserve					
Balance as at beginning of period		(7,028)	(3,495)	1,330	(4,429)
Change in fair value of financial derivatives		740	4,825	(7,618)	5,759
Balance as at end of period		**(6,288)**	**1,330**	**(6,288)**	**1,330**
Unitholders' Funds	**1(b)(i)**	**1,537,012**	**1,417,467**	**1,537,012**	**1,417,467**
Non-controlling Interests					
Balance as at beginning of period		69,026	71,250	72,627	71,736
Total return for the period		9,968	1,371	13,501	6,844
Acquisition of subsidiaries		6,556	1,743	6,556	1,743
Dividend paid to non-controlling shareholders		(378)	(1,257)	(1,273)	(5,391)
Translation differences relating to financial statements of foreign subsidiaries		5,846	(480)	(393)	(2,305)
Balance as at end of period	**1(b)(i)**	**91,018**	**72,627**	**91,018**	**72,627**
Equity	**1(b)(i)**	**1,628,030**	**1,490,094**	**1,628,030**	**1,490,094**

1(d)(i) **STATEMENT OF CHANGES IN EQUITY**

	Note	REIT 4Q 2011 S$'000	REIT 4Q 2010 S$'000	REIT YTD Dec 2011 S$'000	REIT YTD Dec 2010 S$'000
Unitholders' Contribution					
Balance as at beginning of period		1,226,141	1,195,453	1,252,694	771,294
Issue of new units		2,618	73,560	25,653	529,557
Issue expenses		-	(7,039)	(53)	(16,772)
Distribution to Unitholders		-	(9,280)	(49,535)	(31,385)
Balance as at end of period		**1,228,759**	**1,252,694**	**1,228,759**	**1,252,694**
Operations					
Balance as at beginning of period		162,421	28,641	140,592	29,407
Total return for the period attributable to Unitholders		32,560	113,451	80,254	135,693
Distribution to Unitholders		-	(1,500)	(25,865)	(24,508)
Balance as at end of period		**194,981**	**140,592**	**194,981**	**140,592**
Hedging Reserve					
Balance as at beginning of period		(7,897)	(109)	(50)	-
Change in fair value of financial derivatives		(2,115)	59	(9,962)	(50)
Balance as at end of period		**(10,012)**	**(50)**	**(10,012)**	**(50)**
Unitholders' Funds	**1(b)(i)**	**1,413,728**	**1,393,236**	**1,413,728**	**1,393,236**

1(d)(ii) **Details of any change in the units**

	REIT 4Q 2011 '000	REIT 4Q 2010 '000	REIT YTD Dec 2011 '000	REIT YTD Dec 2010 '000
Balance as at beginning of period	1,127,380	1,039,240	1,107,853	617,210
Issue of new units :				
- equity fund raising	-	67,858	-	487,518
- partial payment of manager's management fees	2,491	755	8,812	3,125
- payment of manager's acquisition fee	-	-	12,018	-
- payment of manager's divestment fee	-	-	1,188	-
Balance as at end of period	**1,129,871**	**1,107,853**	**1,129,871**	**1,107,853**

2. **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by our auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied**

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the year ended 31 December 2010.

5. **If there are any changes in the accounting policies and methods of computation required by an accounting standard, what has changed, as well as the reasons for the change**

Nil.

6. **Earnings per unit ("EPU") and distribution per unit ("DPU") for the financial period**

In computing the EPU, the weighted average number of units for the period is used for the computation.

In computing the DPU, the number of units as at the end of each period is used for the computation.

Earnings per unit (EPU)	4Q 2011	4Q 2010	YTD Dec 2011	YTD Dec 2010
Number of units on issue at end of period ('000)	1,129,871	1,107,853	1,129,871	1,107,853
Weighted average number of units for the period ('000)	1,129,032	1,103,148	1,122,417	750,984
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	4.53	9.56	16.06	20.79

The diluted EPU is the same as the basic EPU as there were no dilutive instruments in issue during the period.

Distribution per unit (DPU)	4Q 2011	4Q 2010	YTD Dec 2011	YTD Dec 2010
Number of units on issue at end of period ('000)	1,129,871	1,107,853	1,129,871	1,107,853
DPU (cents) – Basic and diluted	1.83	2.16	8.53	7.54

The diluted DPU is the same as the basic DPU as there were no dilutive instruments in issue during the period.

7. **Net asset value ("NAV") backing per unit based on issued units at the end of the period**

	Group		REIT	
	31/12/11	31/12/10	31/12/11	31/12/10
NAV per unit (S$)	1.36	1.28	1.25	1.26

8. GROUP PERFORMANCE REVIEW

8(a) Revenue and Gross Profit Analysis – 4Q 2011 vs. 4Q 2010

	Revenue				Gross Profit				REVPAU Analysis		
	4Q 2011	4Q 2010	Better/ (Worse)		4Q 2011	4Q 2010	Better/ (Worse)		4Q 2011	4Q 2010	Better/ (Worse)
	S$'M		S$'M	%	S$'M		S$'M	%	S$/day	S$/day	%
France	9.5	9.3	0.2	2	8.8	8.8	-	-	-	-	-
Germany	1.0	1.0	-	-	0.9	0.9	-	-	-	-	-
Philippines	0.2	0.2	-	-	0.2	0.2	-	-	-	-	-
Master Leases	**10.7**	**10.5**	**0.2**	**2**	**9.9**	**9.9**	-	**-**	**-**	**-**	**-**
Belgium	2.9	3.2	(0.3)	(9)	0.7	0.9	(0.2)	(22)	85	94	(10)
Spain	1.5	1.5	-	-	0.6	0.7	(0.1)	(14)	108	104	4
United Kingdom	11.5	10.5	1.0	10	5.3	5.5	(0.2)	(4)	201	174	16
Vietnam	0.9	0.9	-	-	0.5	0.5	-	-	83	90	(8)
Management contracts with minimum guaranteed income	**16.8**	**16.1**	**0.7**	**4**	**7.1**	**7.6**	**(0.5)**	**(7)**	**149**	**137**	**9**
Australia	2.3	2.1	0.2	10	1.0	0.7	0.3	43	186	175	6
China	5.0	4.7	0.3	6	1.7	1.8	(0.1)	(6)	115	106	8
Indonesia	6.0	5.4	0.6	11	2.7	1.8	0.9	50	107	87	23
Japan	4.1	4.5	(0.4)	(9)	2.4	2.5	(0.1)	(4)	117*	158*	(26)
Philippines	7.6	7.1	0.5	7	3.1	2.9	0.2	7	165	154	7
Singapore	12.6	11.8	0.8	7	6.1	5.7	0.4	7	234	219	7
Vietnam	10.2	10.6	(0.4)	(4)	6.0	6.4	(0.4)	(6)	104	111	(6)
Management contracts	**47.8**	**46.2**	**1.6**	**3**	**23.0**	**21.8**	**1.2**	**6**	**144**	**137**	**5**
Group	**75.3**	**72.8**	**2.5**	**3**	**40.0**	**39.3**	**0.7**	**2**	**146**	**137**	**7**

* *refers to serviced residences in Japan, excludes rental housing*

Group

Please refer to para 1(a)(ii)(A.1) for analysis of the Group's revenue and gross profit.

Analysis By Country

A. Master Leases

France

Revenue increased by S$0.2 million or 2% in 4Q 2011 as compared to 4Q 2010 mainly due to pre-determined rate increases for certain master lease agreements. Gross profit was maintained at the same level as there was a reversal of costs no longer required of S$0.2 million in 4Q 2010.

B. Management contracts with minimum guaranteed income

Belgium

Revenue decreased by S$0.3 million or 9% in 4Q 2011 as compared to 4Q 2010. REVPAU decreased from S$94 in 4Q 2010 to S$85 in 4Q 2011. The decrease was mainly due to the renovation for Citadines Sainte-Catherine Brussels.

In line with the decrease in revenue, gross profit decreased by S$0.2 million or 22% as compared to 4Q 2010.

Spain

Revenue for 4Q 2011 was at the same level as 4Q 2010. Gross profit decreased by S$0.1 million or 14% as compared to 4Q 2010 mainly due to higher property tax.

United Kingdom

Revenue increased by S$1.0 million or 10% in 4Q 2011 as compared to 4Q 2010. REVPAU increased from S$174 in 4Q 2010 to S$201 in 4Q 2011. The increase was mainly due to positive market response to Citadines Prestige properties that enabled the refurbished apartments to achieve higher rental rates.

Despite the increase in revenue by S$1.0 million, gross profit was lower by S$0.2 million or 4% as compared to 4Q 2010. This was mainly due to a clawback of the top-up of S$0.3 million, recognised in 4Q 2010, by the property manager for Citadines Prestige Holborn-Covent Garden as the property exceeded the performance hurdle for the year ended 31 December 2011. Excluding the top-up in 4Q 2010 and clawback of the top-up in 4Q 2011, revenue increased by S$1.3 million and gross profit increased by S$0.4 million.

C. Management contracts

Australia

Revenue increased by S$0.2 million or 10% in 4Q 2011 as compared to 4Q 2010. REVPAU increased from S$175 in 4Q 2010 to S$186 in 4Q 2011. The increase was 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 Commonwealth Heads of Government Meeting.

Gross profit in 4Q 2011 increased by $0.3 million or 43% as compared to 4Q 2010 due to a one-off reversal of costs no longer required of S$0.2 million in 4Q 2011. Excluding this one-off adjustment, gross profit increased by S$0.1 million or 14%.

China

Revenue increased by S$0.3 million or 6% in 4Q 2011 as compared to 4Q 2010. REVPAU increased from S$106 in 4Q 2010 to S$115 in 4Q 2011. The increase was mainly due to better performance for Somerset Fortune Garden, in Beijing with higher demand from project groups.

Gross profit in 4Q 2011 decreased by S$0.1 million as compared to 4Q 2010 as 4Q 2010 included reversal of prior years' accruals no longer required of S$0.3 million. Excluding this one-off adjustment, gross profit increased by S$0.2 million or 13%.

Indonesia

As compared to 4Q 2010, revenue increased by S$0.6 million or 11%. 4Q 2011 and 4Q 2010 included one-off recognition of S$1.6 million and S$1.2 million respectively pertaining to business interruption ("BI") claim for Somerset Grand Citra, Excluding the BI claim and revenue contribution from Country Woods for October 2010, revenue for 4Q 2011 was higher by S$0.5 million or 13% as compared to 4Q 2010. The increase was mainly due to higher demand from the oil and gas industries. In line with the increase in revenue and the divestment of Country Woods which had a lower REVPAU, REVPAU increased from S$87 in 4Q 2010 to S$107 in 4Q 2011.

Gross profit in 4Q 2011 increased by S$0.9 million or 50% as compared to 4Q 2010. Excluding the BI claim and contribution from Country Woods, gross profit in 4Q 2011 increased by S$0.4 million or 13% as compared to 4Q 2010, in line with the increase in revenue.

Japan

Revenue decreased by S$0.4 million or 9% in 4Q 2011 as compared to 4Q 2010 due to weaker performance of the serviced residences, partially offset by stronger performance from the rental housing properties. REVPAU decreased from S$158 in 4Q 2010 to S$117 in 4Q 2011. This was mainly due to the aftermath effect of the earthquake and tsunami in March 2011. Revenue from the rental housing properties was higher than 4Q 2010 on higher occupancy and higher rental rates.

In line with the decrease in revenue, gross profit in 4Q 2011 decreased by S$0.1 million or 4%.

The Philippines

Revenue in 4Q 2011 increased by S$0.5 million or 7% as compared to 4Q 2010. REVPAU increased from S$154 in 4Q 2010 to S$165 in 4Q 2011. The increase was mainly due to higher demand from business process outsourcing, mining and oil and gas industries.

In line with the increase in revenue, gross profit in 4Q 2011 increased by S$0.2 million or 7%.

Singapore

Revenue increased by S$0.8 million or 7% in 4Q 2011 as compared to 4Q 2010 mainly due to strong market demand in Singapore which enabled the serviced residences to achieve higher rental rates. REVPAU increased by 7% from S$219 in 4Q 2010 to S$234 in 4Q 2011.

In line with the increase in revenue, gross profit in 4Q 2011 increased by S$0.4 million or 7% as compared to 4Q 2010.

Vietnam

As compared to 4Q 2010, both revenue and gross profit decreased by S$0.4 million in 4Q 2011. This was due to the weakening of the average rate of USD against SGD in 4Q 2011 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 2% respectively as compared to 4Q 2010.

8(b) Revenue and Gross Profit Analysis – YTD Dec 2011 vs. YTD Dec 2010

	Revenue				Gross Profit				REVPAU Analysis		
	YTD Dec 2011	YTD Dec 2010	Better/ (Worse)		YTD Dec 2011	YTD Dec 2010	Better/ (Worse)		YTD Dec 2011	YTD Dec 2010	Better/ (Worse)
	S$'M		S$'M	%	S$'M		S$'M	%	S$/day	S$/day	%
France	38.0	9.3	28.7	309	34.9	8.8	26.1	297	-	-	-
Germany	3.8	1.0	2.8	280	3.7	0.9	2.8	311	-	-	-
Philippines	0.9	1.0	(0.1)	(10)	0.8	0.8	-	-	-	-	-
Master Leases	**42.7**	**11.3**	**31.4**	**278**	**39.4**	**10.5**	**28.9**	**275**	-	-	-
Belgium	11.3	3.2	8.1	253	2.8	0.9	1.9	211	85	94	(10)
Spain	7.1	1.5	5.6	373	3.4	0.7	2.7	386	123	104	18
United Kingdom	44.5	10.5	34.0	324	21.9	5.5	16.4	298	194	174	11
Vietnam	3.7	3.9	(0.2)	(5)	2.3	2.3	-	-	78	89	(12)
Management contracts with minimum guaranteed income	**66.6**	**19.1**	**47.5**	**249**	**30.4**	**9.4**	**21.0**	**223**	**146**	**128**	**14**
Australia	9.0	8.1	0.9	11	3.3	2.2	1.1	50	183	158	16
China	18.6	31.2	(12.6)	(40)	6.6	11.4	(4.8)	(42)	108	120	(10)
Indonesia	17.5	20.3	(2.8)	(14)	6.4	6.3	0.1	2	99	75	32
Japan	15.8	17.1	(1.3)	(8)	9.1	9.6	(0.5)	(5)	114*	148*	(23)
Philippines	29.3	28.7	0.6	2	12.0	11.6	0.4	3	160	157	2
Singapore	51.1	35.8	15.3	43	27.5	18.2	9.3	51	243	208	17
Vietnam	38.1	35.6	2.5	7	22.8	22.1	0.7	3	100	116	(14)
Management contracts	**179.4**	**176.8**	**2.6**	**1**	**87.7**	**81.4**	**6.3**	**8**	**141**	**130**	**8**
Group	**288.7**	**207.2**	**81.5**	**39**	**157.5**	**101.3**	**56.2**	**55**	**143**	**130**	**10**

** refers to serviced residences in Japan, excludes rental housing*

For the year ended 31 December 2011 ("YTD Dec 2011"), revenue increased by S$81.5 million or 39% as compared to the corresponding period last year ("YTD Dec 2010"). The increase in revenue was mainly due to the additional revenue of S$93.1 million from the 28 serviced residences acquired on 1 October 2010 (the "Acquisitions"), partially offset by the decrease in revenue of S$14.6 million from the divestment of Ascott Beijing and Country Woods (the "Divestments").

On a same store basis (excluding the Acquisitions and Divestments), YTD Dec 2011 revenue increased by S$3.0 million from S$162.3 million to S$165.3 million.

REVPAU increased by S$13 from S$130 in YTD Dec 2010 to S$143 in YTD Dec 2011, driven by the strong performance of the Singapore and United Kingdom serviced residences.

Gross profit for YTD Dec 2011 increased by S$56.2 million or 55% as compared to YTD Dec 2010. The increase in gross profit was mainly due to the additional contribution of S$57.2 million from the Acquisitions, partially offset by the decrease in gross profit of S$4.1 million from the Divestments.

On a same store basis (excluding the Acquisitions and Divestments), the gross profit for YTD Dec 2011 and YTD Dec 2010 would be S$81.1 million and S$78.0 million respectively, representing an increase of S$3.1 million or 4%.

Gross profit margin increased from 49% in YTD Dec 2010 to 55% in YTD Dec 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.

8(c) Net change in fair value of serviced residence properties

The net change in fair value of serviced residence properties has no impact on the unitholders' distribution.

Any increase or decrease in fair value is credited or charged to the Statement of Total Return as net appreciation or depreciation on revaluation of serviced residence properties.

As at 31 December 2011, independent full valuations for the Group's serviced residence properties were carried out by HVS, Savills Advisory Services Limited and Savills Japan Co., Ltd. In determining the fair value, the Discounted Cash Flow approach was adopted as the method of valuation.

The Group's portfolio was revalued at S$2,786.1 million, resulting in a surplus of S$47.4 million which was recognised in the Consolidated Statement of Total Return in 4Q 2011. The surplus resulted mainly from higher valuation of the Group's serviced residences in Japan, France, China and Singapore, partially offset by lower valuation of the Group's serviced residences in Vietnam. The net impact on the Consolidated Statement of Total Return was S$33.0 million (net of tax and non-controlling interests).

9. REVIEW OF ACTUAL RESULTS AGAINST FORECAST AS DISCLOSED IN THE OFFER INFORMATION STATEMENT

9(a)(i) Consolidated Statement of Total Return for period 1 October 2011 to 31 December 2011

	Note	GROUP Actual S$'000	GROUP Forecast [1] S$'000	Better / (Worse) %
Revenue	**A.1**	75,267	73,870	2
Direct expenses		(35,279)	(34,993)	(1)
Gross Profit	**A.1**	**39,988**	**38,877**	3
Finance income		629	63	898
Other operating income		256	52	392
Finance costs	**A.2**	(10,821)	(11,627)	7
Manager's management fees		(3,538)	(3,391)	(4)
Trustee's fee		(78)	(75)	(4)
Professional fees	**A.3**	(1,214)	(208)	(484)
Audit fees		(411)	(365)	(13)
Foreign exchange gain		3,543	-	n.m.
Other operating expenses	**A.4**	(2,218)	(145)	n.m.
Share of profit of associate (net of tax)		6	-	n.m.
Net income before changes in fair value of financial derivatives and serviced residence properties		**26,142**	**23,181**	**13**
Net change in fair value of financial derivatives		(1)	-	n.m.
Net change in fair value of serviced residence properties	**A.5**	47,423	-	n.m.
Assets written off	**A.6**	(1,983)	-	n.m.
Total return for the period before tax		**71,581**	**23,181**	**209**
Income tax expense	**A.7**	(10,456)	(5,052)	(107)
Total return for the period after tax		**61,125**	**18,129**	**237**
Attributable to:				
Unitholders		51,157	16,795	
Non-controlling interests		9,968	1,334	
Total return for the period		**61,125**	**18,129**	**237**

[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.*

Reconciliation of Total Return for the period attributable to unitholders to total unitholders' distribution

	Note	GROUP Actual S$'000	GROUP Forecast S$'000	Better / (Worse) %
Total return for the period attributable to unitholders		51,157	16,795	
Net effect of non-tax deductible/chargeable items and other adjustments		(30,524)	5,730	
Total amount distributable to Unitholders for the period		**20,633**[1]	**22,525**	**(8)**
Distribution per Unit (cents)		**1.83**	**1.99**	**(8)**

(1) Unitholders' distribution was lower due to costs incurred for one-off events in 4Q 2011. Please refer to Summary of Group Results on page 1 for more details. Excluding the one-off costs, the unitholders' distribution would have been S$24.0 million.

A.1 Revenue and Gross Profit Analysis – 4Q 2011 Actual vs Forecast

	Revenue				Gross Profit				REVPAU Analysis		
	Actual	Forecast	Better/ (Worse)		Actual	Forecast	Better/ (Worse)		Actual	Forecast	Better/ (Worse)
	S$'M		S$'M	%	S$'M		S$'M	%	S$/day	S$/day	%
France	9.5	9.6	(0.1)	(1)	8.8	8.9	(0.1)	(1)	-	-	-
Germany	1.0	1.0	-	-	0.9	0.9	-	-	-	-	-
Philippines	0.2	0.2	-	-	0.2	0.2	-	-	-	-	-
Master Leases	**10.7**	**10.8**	**(0.1)**	**(1)**	**9.9**	**10.0**	**(0.1)**	**(1)**	-	-	-
Belgium	2.9	3.6	(0.7)	(19)	0.7	1.0	(0.3)	(30)	85	104	(18)
Spain	1.5	1.5	-	-	0.6	0.6	-	-	108	98	10
United Kingdom	11.5	9.9	1.6	16	5.3	4.8	0.5	10	201	174	16
Vietnam	0.9	1.1	(0.2)	(18)	0.5	0.7	(0.2)	(29)	83	102	(19)
Management contracts with minimum guaranteed income	**16.8**	**16.1**	**0.7**	**4**	**7.1**	**7.1**	**-**	**-**	**149**	**140**	**6**
Australia	2.3	2.1	0.2	10	1.0	0.4	0.6	150	186	162	15
China	5.0	5.1	(0.1)	(2)	1.7	2.0	(0.3)	(15)	115	121	(5)
Indonesia	6.0	5.0	1.0	20	2.7	1.4	1.3	93	107	75	43
Japan	4.1	4.5	(0.4)	(9)	2.4	2.7	(0.3)	(11)	117*	154*	(24)
Philippines	7.6	7.7	(0.1)	(1)	3.1	3.1	-	-	165	172	(4)
Singapore	12.6	11.5	1.1	10	6.1	5.9	0.2	3	234	209	12
Vietnam	10.2	11.1	(0.9)	(8)	6.0	6.3	(0.3)	(5)	104	118	(12)
Management contracts	**47.8**	**47.0**	**0.8**	**2**	**23.0**	**21.8**	**1.2**	**6**	**144**	**137**	**5**
Group	**75.3**	**73.9**	**1.4**	**2**	**40.0**	**38.9**	**1.1**	**3**	**146**	**138**	**6**

** refers to serviced residences in Japan, excludes rental housing*

Revenue was higher by S$1.4 million as compared to the forecast as revenue for 4Q 2011 included a BI claim of S$1.6 million. The forecast included a S$1.1 million contribution from Country Woods, which was divested on 29 October 2010. On a same store basis (excluding the BI claim and the revenue from Country Woods), revenue for 4Q 2011 was higher by S$0.9 million or 1% as compared to the forecast.

Gross profit was higher by S$1.1 million or 3% as compared to the forecast. Gross profit for 4Q 2011 included recognition of BI claim of S$1.4 million, which was not assumed in the forecast. On a same store basis (excluding the BI claim and the S$0.3 million contribution from Country Woods in the forecast), gross profit was at the same level as the forecast.

Master Leases

In the forecast, the indices used to determine the income from certain master leases were assumed to increase by 2%. Revenue for 4Q 2011 was lower by S$0.1 million as the actual indices were lower than the forecast. In line with the decrease in revenue, gross profit decreased by S$0.1 million as compared to the forecast.

Management contracts with minimum guaranteed income

Revenue from serviced residences on management contracts with minimum guaranteed income was higher by S$0.7 million as compared to the forecast. Higher contribution from the Group's serviced residences in the United Kingdom was offset by lower contribution from the Group's serviced residences in Belgium and Vietnam.

The increase for United Kingdom was mainly due to continued market improvement that enabled the refurbished apartments to achieve higher occupancy and rental rates than that assumed in the forecast. REVPAU has increased by 16% as compared to the forecast.

For Belgium, the decrease in revenue mainly arose due to the delay in the renovation for Citadines Sainte-Catherine Brussels. The forecast assumed that all the units in the property were renovated and ready for lease at higher rental rates in 4Q 2011.

Revenue and gross profit for 4Q 2011 for Spain included a top-up by the property manager of S$0.1 million in respect of Citadines Ramblas Barcelona, as assumed in the forecast.

For Vietnam, the decrease in revenue and gross profit as compared to the forecast was mainly due to weaker performance of Somerset West Lake and a lower USD exchange rate than that assumed in the forecast. REVPAU decreased by 19% from S$102 assumed in the forecast to S$83 in 4Q 2011. The revenue and gross profit for 4Q 2011 included a yield protection amount of S$0.2 million as assumed in the forecast.

Gross profit for 4Q 2011 was at the same level as the forecast.

Management contracts

For the serviced residences on management contracts, revenue increased by S$0.8 million or 2% as compared to the forecast as revenue for 4Q 2011 included a BI claim of S$1.6 million. The forecast included a S$1.1 million contribution from Country Woods. Excluding the BI claim and the revenue contribution from Country Woods, revenue was higher by S$0.3 million or 1% as compared to the forecast. The increase was mainly due to the increase in revenue from the serviced residences in Singapore, Indonesia and Australia, off-set by lower contribution from the serviced residences in Vietnam, Japan and China.

Gross profit was higher by S$1.2 million or 6% as compared to the forecast. Gross profit for 4Q 2011 included recognition of BI claim of S$1.4 million. On a same store basis (excluding the BI claim and the S$0.3 million contribution from Country Woods in the forecast), gross profit was higher by S$0.1 million, in line with the increase in revenue.

For the Group's serviced residences in Singapore, revenue increased by S$1.1 million or 10% in 4Q 2011 as compared to the forecast. REVPAU increased by 12% from S$209 assumed in the forecast to S$234 in 4Q 2011 due to the strong market demand which enabled the serviced residences to achieve higher rental rates. Gross profit increased by only S$0.2 million or 3% due to higher staff costs.

For the Group's serviced residences in Indonesia, revenue increased by S$1.0 million or 20% as compared to the forecast. On a same store basis (excluding the BI claim and the revenue contribution from Country Woods), revenue increased by S$0.5 million or 13% as compared to the forecast. REVPAU increased by 9% from S$98 assumed in the forecast to S$107 in 4Q 2011. In line with the increase in revenue, gross profit increased by S$0.2 million or 18%.

For the Group's serviced residences in Australia, revenue increased by S$0.2 million or 10% as compared to the forecast due to the higher AUD exchange rate as well as stronger performance from the serviced residence in Perth. REVPAU increased by 15% from S$162 assumed in the forecast to S$186 in 4Q 2011. Gross profit for 4Q 2011 included a one-off reversal of S$0.2 million for accrual of costs no longer required. Excluding this one-off adjustment, gross profit increased by S$0.4 million as compared to the forecast due to the increase in revenue and better cost management.

For the Group's serviced residences in Vietnam, revenue decreased by S$0.9 million or 8% as compared to the forecast mainly due to the lower USD exchange rate than that assumed in the forecast. In USD terms, revenue decreased by 3%. In line with the decrease in revenue, gross profit decreased by S$0.3 million or 5%.

For the Group's serviced residences in Japan, revenue decreased by S$0.4 million or 9% as compared to the forecast due to weak market demand for the serviced residences after the earthquake and tsunami in March 2011. REVPAU decreased by 24% from S$154 assumed in the forecast to S$117 in 4Q 2011. The decrease in revenue was partially offset by stronger performance from the rental housing properties. In line with the decrease in revenue, gross profit decreased by S$0.3 million or 11%.

For the Group's serviced residences in China, revenue decreased by S$0.1 million or 2% as compared to the forecast. REVPAU decreased by 5% from S$121 assumed in the forecast to S$115 in 4Q 2011. Gross profit decreased by S$0.3 million as compared to the forecast due to higher operating expenses such as staff costs, property tax and building insurance.

A.2 Finance costs

Finance costs were S$0.8 million or 7% lower than the forecast. This was mainly due to lower interest rates achieved as compared to the forecast.

A.3 Professional fees

Professional fees were S$1.0 million higher than the forecast mainly due to one-off expenses incurred for the establishment of the US$2 billion Euro-Medium Term Note Programme.

A.4 Other operating expenses

Other operating expenses for 4Q 2011 were higher due to one-off provision for licensing related matters for a serviced residence in China.

A.5 Net change in fair value of serviced residence properties

In the forecast, it was assumed that there were no changes to the fair value of the serviced residence properties in 2011.

A.6 Assets written off

This relates to assets written off upon the reconfiguration and refurbishment of Somerset Olympic Tower.

A.7 Income tax expense

Taxation for 4Q 2011 was higher by S$5.4 million as compared to the forecast. This was mainly due to deferred tax liability provided on the serviced residence properties that have increased in fair value.

10. OUTLOOK AND PROSPECTS

Global economic conditions are expected to remain uncertain for 2012. Ascott Reit's income remains stable in view of our extended-stay business model and geographical spread. With properties located across 23 cities in 12 countries, the Group's exposure across different economic cycles will continue to enhance stability of income and asset value. The income stability is further supported by properties which are on master leases and serviced residence contracts with minimum guaranteed income, predominantly from the Europe portfolio.

We will continue to implement asset enhancement initiatives to increase the returns of our portfolio. Operating performance of London properties is expected to be boosted by the completion of the renovation of Citadines Prestige Trafalgar Square and the upcoming London Olympics 2012.

To weather through the uncertainties, we have strengthened our balance sheet and increased financial flexibility by (a) raising S$250 million from our MTN programme in 4Q 2011, (b) extending the average loan tenure of the Group's debt, (c) increasing the percentage of the Group's unencumbered assets and (d) setting up a US$2 billion Euro-MTN Programme.

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.

The Group's operating performance in 2012 is expected to be profitable.

11. DISTRIBUTIONS

11(a) Current financial period

Any distributions declared for the current financial period? Yes

Period of distribution : Distribution for 1 July 2011 to 31 December 2011

Distribution Type	Distribution Rate (cents)
Taxable Income	1.194
Tax Exempt Income	0.443
Capital	2.426
Total	**4.063**

11(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Period of distribution : Distribution for 22 September 2010 to 31 December 2010

Distribution Type	Distribution Rate (cents)
Taxable Income	0.56
Tax Exempt Income	0.02
Capital	1.69
Total	**2.27**

On 13 September 2010, the Manager launched the equity fund raising by way of a private placement and non-renounceable preferential offering. In connection with the equity fund raising exercise, Ascott Reit paid, in lieu of the scheduled semi-annual distribution, an advanced distribution of 1.74 cent per Unit for the period from 1 July 2010 to 21 September 2010 (prior to the date on which the private placement new units were issued under the equity fund raising) on 19 November 2010.

11(c) Tax rate : **Taxable Income Distribution**

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-exempt income distribution is exempt from tax in the hands of all unitholders

Capital Distribution

Capital distribution represents a return of capital to unitholders for tax purposes and is therefore not subject to income tax. For unitholders who are liable to tax on profits from sale of ART Units, the amount of capital distribution will be applied to reduce the cost base of their ART Units for tax purposes.

11(d) Book closure date : 31 January 2012

11(e) Date payable : 27 February 2012

12. General mandate for Interested Person Transactions ("IPT")

The Group has not obtained a general mandate from unitholders for IPT.

13. **SEGMENT REVENUE AND RESULTS**

YTD Dec 2011	Singapore S$'000	China S$'000	Vietnam S$'000	Indonesia S$'000	Philippines S$'000	Japan S$'000	Australia S$'000
Revenue	51,120	18,580	41,780	17,493	30,204	15,801	8,978
Direct expenses	(23,640)	(11,934)	(16,661)	(11,128)	(17,468)	(6,737)	(5,696)
Gross Profit	27,480	6,646	25,119	6,365	12,736	9,064	3,282

YTD Dec 2011 (continued)	France S$'000	Germany S$'000	Belgium S$'000	Spain S$'000	United Kingdom S$'000	Total S$'000
Revenue	37,970	3,828	11,267	7,098	44,534	288,653
Direct expenses	(3,038)	(94)	(8,482)	(3,659)	(22,634)	(131,171)
Gross Profit	34,932	3,734	2,785	3,439	21,900	157,482
Share of loss of associate (net of tax)						(22)
Finance income						1,558
Finance costs						(39,510)
Foreign exchange loss						(1,543)
Unallocated net expenses						(20,022)
Net income before changes in fair value of financial derivatives and serviced residence properties						**97,943**
Net change in fair value of financial derivatives						(5)
Net change in fair value of serviced residence properties						130,177
Assets written off						(3,115)
Total return for the year before tax						**225,000**
Income tax expense						(31,222)
Total return for the year after tax						**193,778**
Non-controlling interests						(13,501)
Total return for the year attributable to unitholders						**180,277**

13. SEGMENT REVENUE AND RESULTS

YTD Dec 2010	Singapore S$'000	China S$'000	Vietnam S$'000	Indonesia S$'000	Philippines S$'000	Japan S$'000	Australia S$'000
Revenue	35,793	31,186	39,532	20,358	29,680	17,076	8,124
Direct expenses	(17,598)	(19,817)	(15,091)	(14,009)	(17,238)	(7,441)	(5,972)
Gross Profit	18,195	11,369	24,441	6,349	12,442	9,635	2,152

YTD Dec 2010 (continued)	France S$'000	Germany S$'000	Belgium S$'000	Spain S$'000	United Kingdom S$'000	Total S$'000
Revenue	9,251	961	3,199	1,554	10,509	207,223
Direct expenses	(463)	(66)	(2,250)	(898)	(5,025)	(105,868)
Gross Profit	8,788	895	949	656	5,484	101,355

Share of loss of associate (net of tax)	(18)
Finance income	1,133
Finance costs	(27,586)
Foreign exchange loss	(3,524)
Unallocated net expenses	(10,228)
Net income before changes in fair value of financial derivatives and serviced residence properties	**61,132**
Net change in fair value of financial derivatives	(5,566)
Net change in fair value of serviced residence properties	26,301
Profit from divestments	115,595
Assets written off	(1,405)
Total return for the year before tax	196,057
Income tax expense	(33,094)
Total return for the year after tax	162,963
Non-controlling interests	(6,844)
Total return for the year attributable to unitholders	**156,119**
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14. BREAKDOWN OF SALES

	YTD Dec 2011 S$'000	YTD Dec 2010 S$'000	Better/ (Worse) %
(a) Revenue reported for first half year	140,437	87,905	60
(b) Total return after taxation reported for first half year	114,239	52,496	118
(c) Revenue reported for second half year	148,216	119,318	24
(d) Total return after taxation reported for second half year	79,539	110,467	(28)

15. BREAKDOWN OF TOTAL DISTRIBUTIONS

	YTD Dec 2011 S$'000	YTD Dec 2010 S$'000
1 January 2010 to 21 September 2010 – paid	-	32,604
22 September 2010 to 31 December 2010 – paid	-	25,110
1 January 2011 to 30 June 2011 – paid	50,255	-
1 July 2011 to 31 December 2011 – to be paid	45,911	-

16. Disclosure of person occupying a managerial position pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Ascott Residence Trust Management Limited (the "Company"), being the manager of Ascott Reit, confirms that there is no person occupying a managerial position in the Company or in any of its or Ascott Reit's principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial unitholder of Ascott Reit.

BY ORDER OF THE BOARD
Ascott Residence Trust Management Limited
(Company registration no. 200516209Z)
As Manager of Ascott Residence Trust

Kang Siew Fong
Company Secretary
Singapore
19 January 2012