ASCOTT RESIDENCE TRUST

ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2012

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ASCOTT RESIDENCE TRUST
2012 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

Summary of Group Results

	1Q 2012 S$'000	1Q 2011 S$'000	Better/ (Worse) %
Revenue	71,583	67,314	6
Gross Profit	37,182	36,368	2
Unitholders' Distribution	24,180	23,983	1
Distribution Per Unit (cents)	2.14	2.14	-

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. On 29 March 2012, Ascott Reit completed the acquisition of 60% interest in Citadines Kyoto.

As at 31 March 2012, Ascott Reit's portfolio comprises 66 properties with 6,724 apartment units in 12 countries and 24 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 1Q 2012 S$'000	GROUP 1Q 2011 S$'000	Better / (Worse) %
Revenue	A.1	71,583	67,314	6
Direct expenses	A.2	(34,401)	(30,946)	(11)
Gross Profit	A.1	37,182	36,368	2
Finance income		457	366	25
Other operating income	A.3	927	65	n.m.
Finance costs	A.4	(10,679)	(9,338)	(14)
Manager's management fees		(3,252)	(3,199)	(2)
Trustee's fee		(76)	(72)	(6)
Professional fees	A.5	(191)	(409)	53
Audit fees		(409)	(346)	(18)
Foreign exchange loss	A.6	(1,781)	(2,869)	38
Other operating expenses		(115)	(148)	22
Share of profit / (loss) of associate (net of tax)		25	(24)	204
Net income before changes in fair value of financial derivatives		**22,088**	**20,394**	**8**
Net change in fair value of financial derivatives		(6)	(5)	(20)
Total return for the period before tax		**22,082**	**20,389**	**8**
Income tax expense		(4,072)	(3,909)	(4)
Total return for the period after tax		**18,010**	**16,480**	**9**
Attributable to:				
Unitholders		16,726	15,309	
Non-controlling interests		1,284	1,171	
Total return for the period		**18,010**	**16,480**	**9**

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

	Note	GROUP 1Q 2012 S$'000	GROUP 1Q 2011 S$'000	Better / (Worse) %
Total return for the period attributable to unitholders		16,726	15,309	
Net effect of non-tax deductible/chargeable items and other adjustments	A.7	7,454	8,674	
Total amount distributable to Unitholders for the period		**24,180**	**23,983**	**1**
Comprises :				
- from operations		1,660	3,750	
- from unitholders' contributions		22,520	20,233	
		24,180	**23,983**	**1**

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

A.1 Revenue and Gross profit

Revenue for 1Q 2012 of S$71.6 million comprised S$10.5 million (15% of total revenue) from serviced residences on Master Leases, S$14.3 million (20%) from serviced residences on management contracts with minimum guaranteed income and S$46.8 million (65%) from serviced residences on management contracts.

Revenue for 1Q 2012 increased by S$4.3 million or 6% as compared to 1Q 2011. The increase in revenue was mainly due to the contribution of S$1.9 million from Citadines Shinjuku, which was acquired on 21 December 2011 and stronger performance from the Group's serviced residences in The Philippines, China and United Kingdom.

The Group achieved a REVPAU of S$137 in 1Q 2012, an increase of 3% as compared to 1Q 2011. The increase in REVPAU was mainly driven by the strong performance of The Philippines, China and United Kingdom serviced residences.

Gross profit for 1Q 2012 of S$37.2 million comprised S$9.8 million (26% of total gross profit) from serviced residences on Master Leases, S$5.2 million (14%) from serviced residences on management contracts with minimum guaranteed income and S$22.2 million (60%) from serviced residences on management contracts.

In line with the increase in revenue, gross profit for 1Q 2012 increased by S$0.8 million or 2% as compared to 1Q 2011.

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

A.2 Direct expenses include the following items:

	GROUP 1Q 2012 S$'000	GROUP 1Q 2011 S$'000	Better / (Worse) %
Depreciation and amortisation	(2,988)	(2,107)	(42)
Staff costs	(7,252)	(6,393)	(13)

A.3 **Other operating income**

Other operating income for 1Q 2012 was higher as it 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 the issuance of the medium term notes in 4Q 2011 to repay loans under the revolving credit facilities. This has enabled the Group to extend the average loan tenure of the Group's debt and increase the percentage of the Group's unencumbered assets for more financial flexibility.

A.5 **Professional fees**

The decrease in professional fees was mainly due to one-off expenses incurred in 1Q 2011 for the Europe portfolio in relation to financing and insurance purposes.

A.6 **Foreign exchange loss**

The foreign exchange loss recognised in 1Q 2012 was largely due to unrealised exchange loss on foreign currency shareholders' loans, mainly denominated in US Dollar ("USD") and Euro ("EUR"), extended to the Group's subsidiaries, whose functional currency is denominated in USD and EUR, as a result of the depreciation of the closing rate of USD and EUR against SGD as at balance sheet date.

The foreign exchange loss was partially offset by unrealised exchange gain on JPY bank loan as a result of the depreciation of the closing rate of JPY against SGD as at balance sheet date.

A.7 **Net effect of non-tax deductible/(chargeable) items and other adjustments include the following:**

	GROUP		
	1Q 2012 S$'000	**1Q 2011 S$'000**	**Better / (Worse) %**
Depreciation and amortisation	2,988	2,107	(42)
Manager's management fee payable/paid partially in units	2,420	2,372	(2)
Trustee's fees*	16	15	(7)
Foreign exchange loss (Note A.6)	1,702	2,778	39
Net change in fair value of financial derivatives	6	5	(20)
Deferred tax expense	1,091	1,746	38
Effect of non-controlling interests arising from the above	(338)	(301)	12

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

1(b)(i) **BALANCE SHEETS**

	Note	GROUP 31/03/12 S$'000	GROUP 31/12/11 S$'000	REIT 31/03/12 S$'000	REIT 31/12/11 S$'000
Non-Current Assets					
Plant and equipment	B.1	68,188	62,110	9,929	10,468
Serviced residence properties	B.2	2,748,482	2,786,143	602,732	602,732
Interest in subsidiaries		-	-	121,086	121,086
Interest in associate		3,023	3,114	3,506	3,623
Financial derivatives	B.3	26	108	-	-
Deferred tax assets	B.4	908	2,088	-	-
		2,820,627	**2,853,563**	**737,253**	**737,909**
Current Assets					
Inventories		460	432	-	-
Trade receivables		9,342	12,664	1,117	2,178
Other receivables and deposits		18,537	10,896	1,397,224	1,408,111
Financial derivatives	B.3	-	6	-	-
Cash and bank balances	B.5	127,986	145,466	9,085	26,420
		156,325	**169,464**	**1,407,426**	**1,436,709**
Total Assets		**2,976,952**	**3,023,027**	**2,144,679**	**2,174,618**
Non-Current Liabilities					
Interest bearing liabilities	B.6	(971,050)	(943,268)	(373,980)	(353,985)
Financial derivatives	B.3	(18,024)	(17,066)	(10,732)	(9,867)
Deferred tax liabilities		(43,597)	(44,789)	-	-
		(1,032,671)	**(1,005,123)**	**(384,712)**	**(363,852)**
Current Liabilities					
Trade payables		(6,235)	(6,012)	(168)	(200)
Other payables		(107,460)	(111,225)	(396,152)	(396,681)
Interest bearing liabilities	B.6	(240,327)	(261,346)	(12,896)	-
Financial derivatives	B.3	(1,251)	(1,412)	(33)	-
Provision for taxation		(9,253)	(9,879)	(137)	(157)
		(364,526)	**(389,874)**	**(409,386)**	**(397,038)**
Total Liabilities		**(1,397,197)**	**(1,394,997)**	**(794,098)**	**(760,890)**
Net Assets		**1,579,755**	**1,628,030**	**1,350,581**	**1,413,728**
Represented by:					
Unitholders' funds	1(d)(i)	1,483,350	1,537,012	1,350,581	1,413,728
Non-controlling interests	1(d)(i)	96,405	91,018	-	-
Total Equity	1(d)(i)	**1,579,755**	**1,628,030**	**1,350,581**	**1,413,728**

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 March 2012 was mainly due to the acquisition of Citadines Kyoto in March 2012.

B.2 Serviced residence properties

The decrease in the Group's serviced residences as at 31 March 2012 was mainly due to the foreign currency differences arising from translating the Group's overseas serviced residences, held by subsidiaries with non-Singapore dollar functional currencies, to Singapore dollar at lower exchange rates as a result of the weakening of these foreign currencies, particularly JPY and EUR, against Singapore dollar. The decrease was partially offset by the acquisition of Citadines Kyoto in March 2012.

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 March 2012 was mainly due to the utilisation of tax losses during the year.

B.5 Cash and bank balances

The decrease in the Group's cash and bank balances as at 31 March 2012 was mainly due to distribution paid to unitholders and interest payments, partially offset by cash generated from operations.

B.6 Interest bearing liabilities

	GROUP		REIT	
	31/03/12	31/12/11	31/03/12	31/12/11
	S$'000	S$'000	S$'000	S$'000
Amount repayable in one year or less or on demand				
- Secured	190,459	211,463	12,990	-
- Unsecured	50,000	50,000	-	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(132)	(117)	(94)	-
	240,327	261,346	12,896	-
Amount repayable after one year				
- Secured	725,617	698,331	376,059	356,438
- Unsecured	250,000	250,000	-	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(4,567)	(5,063)	(2,079)	(2,453)
	971,050	943,268	373,980	353,985
Total	**1,211,377**	**1,204,614**	**386,876**	**353,985**

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 March 2012, the Group's gearing was 41.6 percent, well within the 60 percent gearing limit allowable under MAS property fund guidelines. The average cost of debt was 3.4 percent per annum, with an interest cover of 3.6 times. S$755.0 million or 62 percent of the Group's borrowing are on fixed interest rates with S$198.0 million due for refinancing in the next 12 months, in line with the maturity dates of the underlying loans. 3 percent of the Group's borrowing are on floating rates with interest rate caps.

Out of the Group's total borrowing, 17 percent falls due in 2012, 9 percent falls due in 2013, 25 percent falls due in 2014, and the balance falls due after 2014.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	1Q 2012 S$'000	**1Q 2011 S$'000**
Operating Activities		
Total return for the period before tax	22,082	20,389
Adjustments for:		
Depreciation and amortisation	2,988	2,107
Gain on disposal of plant and equipment	(13)	(22)
Finance costs	10,679	9,338
Finance income	(457)	(366)
Provision for doubtful debts written back	(10)	(15)
Manager's management fees payable / paid partially in units	2,420	2,372
Foreign exchange loss - unrealised	1,702	2,778
Net change in fair value of financial derivatives	6	5
Share of (profit) / loss of associate	(25)	24
Operating profit before working capital changes	**39,372**	**36,610**
Changes in working capital	(3,588)	(29,268)
Cash generated from operations	**35,784**	**7,342**
Income tax paid	(4,465)	(4,189)
Cash flows from operating activities	**31,319**	**3,153**
Investing Activities		
Acquisition of plant and equipment	(3,506)	(701)
Acquisition of subsidiaries, net of cash acquired	(1,169)	-
Capital expenditure on serviced residence properties	(983)	(1,533)
Interest received	457	366
Proceeds from sale of plant and equipment	15	25
Cash flows from investing activities	**(5,186)**	**(1,843)**
Financing Activities		
Distribution to unitholders	(45,907)	(25,148)
Interest paid	(10,098)	(9,770)
Payment of finance lease	(840)	(833)
Payment of issue expenses	-	(53)
Proceeds from bank borrowings	52,429	378,581
Repayment of bank borrowings	(35,903)	(377,067)
Cash flows from financing activities	**(40,319)**	**(34,290)**
Decrease in cash & cash equivalents	**(14,186)**	**(32,980)**
Cash and cash equivalents at beginning of the period	**145,466**	**132,711**
Effect of exchange rate changes on balances held in foreign currencies	(3,294)	(2,106)
Cash and cash equivalents at end of the period	**127,986**	**97,625**

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

	Note	GROUP 1Q 2012 S$'000	GROUP 1Q 2011 S$'000	REIT 1Q 2012 S$'000	REIT 1Q 2011 S$'000
Unitholders' Contribution					
Balance as at beginning of period		1,228,759	1,252,694	1,228,759	1,252,694
Issue of new units		2,605	17,999	2,605	17,999
Issue expenses		-	(53)	-	(53)
Distribution to Unitholders		(25,547)	(10,858)	(25,547)	(10,858)
Balance as at end of period		**1,205,817**	**1,259,782**	**1,205,817**	**1,259,782**
Operations					
Balance as at beginning of period		341,173	186,839	194,981	140,592
Total return for the period attributable to Unitholders		16,726	15,309	(18,589)	(2,052)
Distribution to Unitholders		(20,360)	(14,290)	(20,360)	(14,290)
Balance as at end of period		**337,539**	**187,858**	**156,032**	**124,250**
Foreign Currency Translation Reserve					
Balance as at beginning of period		(28,269)	(24,955)	-	-
Translation differences relating to financial statements of foreign subsidiaries		(25,664)	(10,953)	-	-
Balance as at end of period		**(53,933)**	**(35,908)**	**-**	**-**
Capital Reserve					
Balance as at beginning of period		1,637	1,559	-	-
Translation differences relating to financial statements of foreign subsidiaries		-	(24)	-	-
Balance as at end of period		**1,637**	**1,535**	**-**	**-**
Hedging Reserve					
Balance as at beginning of period		(6,288)	1,330	(10,012)	(50)
Change in fair value of financial derivatives		(1,422)	1,798	(1,256)	1,386
Translation adjustment		-	(72)	-	-
Balance as at end of period		**(7,710)**	**3,056**	**(11,268)**	**1,336**
Unitholders' Funds	**1(b)(i)**	**1,483,350**	**1,416,323**	**1,350,581**	**1,385,368**
Non-controlling Interests					
Balance as at beginning of period		91,018	72,627	-	-
Total return for the period		1,284	1,171	-	-
Translation differences relating to financial statements of foreign subsidiaries		4,103	(2,677)	-	-
Balance as at end of period	**1(b)(i)**	**96,405**	**71,121**	**-**	**-**
Equity	**1(b)(i)**	**1,579,755**	**1,487,444**	**1,350,581**	**1,385,368**

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

	REIT	
	1Q 2012 '000	**1Q 2011 '000**
Balance as at beginning of period	1,129,871	1,107,853
Issue of new units:		
- partial payment of manager's management fees	2,632	2,131
- payment of manager's acquisition fee	-	12,018
- payment of manager's divestment fee	-	1,188
Balance as at end of period	**1,132,503**	**1,123,190**

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 2011.

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)	**1Q 2012**	**1Q 2011**
Number of units on issue at end of period ('000)	1,132,503	1,123,190
Weighted average number of units for the period ('000)	1,131,549	1,109,306
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	1.48	1.38

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)	**1Q 2012**	**1Q 2011**
Number of units on issue at end of period ('000)	1,132,503	1,123,190
DPU (cents) – Basic and diluted	2.14	2.14

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**	
	31/03/12	**31/12/11**	**31/03/12**	**31/12/11**
NAV per unit (S$)	1.31*	1.36	1.19	1.25

* The decrease in NAV as at 31 March 2012 was mainly due to the distribution paid to unitholders on 27 February 2012 for period 1 July 2011 to 31 December 2011.

8. GROUP PERFORMANCE REVIEW

8(a) Revenue and Gross Profit Analysis – 1Q 2012 vs. 1Q 2011

	Revenue				Gross Profit				REVPAU Analysis		
	1Q 2012	1Q 2011	Better/ (Worse)		1Q 2012	1Q 2011	Better/ (Worse)		1Q 2012	1Q 2011	Better/ (Worse)
	S$'M		S$'M	%	S$'M		S$'M	%	S$/day	S$/day	%
France	9.3	9.4	(0.1)	(1)	8.7	8.9	(0.2)	(2)	-	-	-
Germany	1.0	1.0	-	-	0.9	0.9	-	-	-	-	-
Philippines	0.2	0.2	-	-	0.2	0.2	-	-	-	-	-
Master Leases	**10.5**	**10.6**	**(0.1)**	**(1)**	**9.8**	**10.0**	**(0.2)**	**(2)**	**-**	**-**	**-**
Belgium	2.5	2.5	-	-	0.4	0.4	-	-	76	76	-
Spain	1.3	1.3	-	-	0.4	0.5	(0.1)	(20)	83	86	(3)
United Kingdom	9.4	8.8	0.6	7	3.8	3.9	(0.1)	(3)	167	153	9
Vietnam	1.1	1.0	0.1	10	0.6	0.6	-	-	86	86	-
Management contracts with minimum guaranteed income	**14.3**	**13.6**	**0.7**	**5**	**5.2**	**5.4**	**(0.2)**	**(4)**	**126**	**118**	**7**
Australia	2.3	2.0	0.3	15	0.9	0.6	0.3	50	191	175	9
China	5.1	4.2	0.9	21	1.8	1.2	0.6	50	121	99	22
Indonesia	3.8	3.8	-	-	1.3	1.2	0.1	8	100	97	3
Japan	5.9	4.2	1.7	40	2.8	2.4	0.4	17	106*	129*	(18)
Philippines	7.9	6.8	1.1	16	3.2	2.8	0.4	14	174	151	15
Singapore	12.4	12.4	-	-	7.1	6.8	0.3	4	235	238	(1)
Vietnam	9.4	9.7	(0.3)	(3)	5.1	6.0	(0.9)	(15)	97	105	(8)
Management contracts	**46.8**	**43.1**	**3.7**	**9**	**22.2**	**21.0**	**1.2**	**6**	**142**	**139**	**2**
Group	**71.6**	**67.3**	**4.3**	**6**	**37.2**	**36.4**	**0.8**	**2**	**137**	**133**	**3**

* *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 decreased by S$0.1 million or 1% in 1Q 2012 as compared to 1Q 2011 mainly due to depreciation of EUR against SGD. In line with the decrease in revenue, gross profit decreased by S$0.2 million or 2%.

B. Management contracts with minimum guaranteed income

Spain

Revenue for 1Q 2012 was at the same level as 1Q 2011 while gross profit decreased by S$0.1 million or 20% as compared to 1Q 2011 due to higher staff costs. Revenue and gross profit for 1Q 2012 included a top-up by the property manager of S$0.1 million.

United Kingdom

Revenue increased by S$0.6 million or 7% in 1Q 2012 as compared to 1Q 2011. REVPAU increased from S$153 in 1Q 2011 to S$167 in 1Q 2012. The increase was mainly due to positive market response to "Citadines Prestige" properties that enabled the refurbished apartments to achieve higher rental rates.

In view of the upcoming London Olympics and the refurbished Citadines Prestige Trafalgar Square, better operating performance is expected for the year. In line with the better expected performance, a higher provision of incentive fee was made in 1Q 2012, resulting in a lower gross profit in 1Q 2012 as compared to 1Q 2011.

Vietnam

Revenue increased by S$0.1 million or 10% in 1Q 2012 as compared to 1Q 2011 while gross profit remained at the same level as 1Q 2011 mainly due to higher staff costs and depreciation expense. Revenue and gross profit for 1Q 2012 included a yield protection amount of S$0.3 million.

C. Management contracts

Australia

Revenue increased by S$0.3 million or 15% in 1Q 2012 as compared to 1Q 2011. REVPAU increased from S$175 in 1Q 2011 to S$191 in 1Q 2012. The increase was mainly due to the strengthening of AUD against SGD and higher demand in Perth as a result of increased business from the oil and gas, and mining industries.

Gross profit in 1Q 2012 increased by $0.3 million or 50% due to the increase in revenue and lower sales and marketing expense.

China

Revenue increased by S$0.9 million or 21% in 1Q 2012 as compared to 1Q 2011. REVPAU increased from S$99 in 1Q 2011 to S$121 in 1Q 2012. The increase was mainly due to higher demand from project and relocation business.

In line with the increase in revenue, gross profit in 1Q 2012 increased by S$0.6 million or 50% as compared to 1Q 2011.

Indonesia

Revenue for 1Q 2012 was at the same level as the revenue in 1Q 2011. Gross profit increased by S$0.1 million or 8% in 1Q 2012 as compared to 1Q 2011 due to one-off reversal of accrued expenses no longer required of S$0.1 million in 1Q 2012.

Japan

As compared to 1Q 2011, revenue increased by S$1.7 million or 40% in 1Q 2012 and gross profit increased by S$0.4 million or 17%. This was mainly due to the contribution from the newly acquired Citadines Shinjuku.

Excluding the contribution from the newly acquired Citadines Shinjuku, revenue decreased by S$0.2 million and gross profit remained at the same level as that in 1Q 2011. Revenue decreased due to weaker performance of the serviced residences as a result of the aftermath effect of the earthquake and tsunami in March 2011 and the on-going renovation of Somerset Roppongi to convert the serviced residence to corporate leasing apartments. REVPAU decreased from S$129 in 1Q 2011 to S$106 in 1Q 2012. Despite lower revenue, gross profit was at the same level due to better cost management.

The Philippines

Revenue in 1Q 2012 increased by S$1.1 million or 16% as compared to 1Q 2011. REVPAU increased from S$151 in 1Q 2011 to S$174 in 1Q 2012. The increase was mainly due to higher demand from business process outsourcing, oil and gas and aircraft engineering industries.

In line with the increase in revenue, gross profit in 1Q 2012 increased by S$0.4 million or 14%.

Singapore

Revenue for 1Q 2012 remained at the same level as that in 1Q 2011. Gross profit increased by S$0.3 million or 4% mainly due to reversal of prior year's overprovision of staff related expenses.

Vietnam

Revenue decreased by S$0.3 million or 3% and gross profit decreased by S$0.9 million or 15% as compared to 1Q 2011. This was due to the weakening of the average rate of VND against SGD. In VND terms, revenue increased by 1% and gross profit decreased by 13%.

The increase in revenue was due to higher office rental income, partially offset by a decline in serviced residence revenue as a result of slow down of business from Korean and Japanese project groups. REVPAU decreased from S$105 in 1Q 2011 to S$97 in 1Q 2012.

The decrease in gross profit was due to higher staff costs and operation and maintenance expense, and one-off adjustment of S$0.5 million arising from the change in functional currency from USD to VND.

9. OUTLOOK AND PROSPECTS

The macroeconomic outlook for 2012 continues to remain volatile. Despite such economic conditions, Ascott Reit's geographically diversified portfolio with exposure across different economic cycles provides stability of income. Further income stability is supported by our extended stay model, as well as properties on master lease and serviced residence contracts with minimum guaranteed income.

We continue to actively manage our assets through periodic upgrading, refurbishment and reconfiguration of properties to maximise returns from assets in Ascott Reit's portfolio. Citadines Prestige Trafalgar Square was well received by the public following the completion of rebranding and renovation in first quarter 2012. The newly refurbished serviced residence together with the upcoming London Olympics is expected to have a positive impact on the performance for United Kingdom.

We will continue to focus on yield accretive acquisitions in countries where we operate and explore opportunities in new markets.

The Group's operating performance for FY2012 is expected to remain profitable.

10. DISTRIBUTIONS

10(a) **Current financial period**
Any distributions declared for the current financial period? No

10(b) **Corresponding period of the preceding financial period**
Any distributions declared for the corresponding period of the immediate preceding financial period? No

10(c) Book closure date : Not applicable

10(d) Date payable : Not applicable

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

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

12. Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and REIT (comprising the balance sheets as at 31 March 2012 and the results of the business, consolidated statement of total return, consolidated statement of cash flows and statement of changes in equity for the three months ended 31 March 2012, together with their accompanying notes), to be false or misleading in any material respect.

On behalf of the Board
Ascott Residence Trust Management Limited

Lim Jit Poh
Director

Chong Kee Hiong
Director

This release 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 other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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
25 April 2012