

Ascott Residence Trust

**Serviced Residence: An Attractive Asset Class
with Balance of Stability and Growth**



**Citi Property Conference, Singapore
11 May 2012**



Agenda

1. **Ascott Reit Overview**
2. **Portfolio Information**
3. **Capital & Risk Management**
4. **Prospects**
5. **Appendix**



Disclaimer

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.

1. Ascott Reit Overview

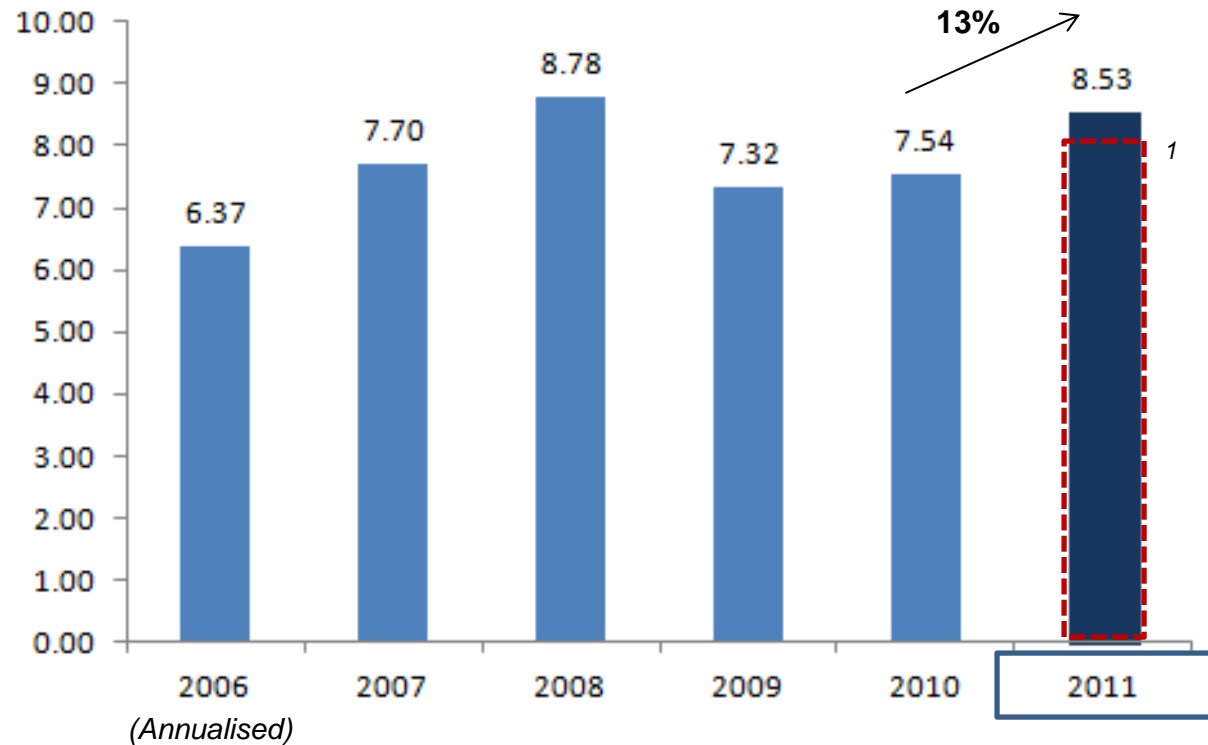


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Business Overview	<p>Ascott Residence Trust (Ascott Reit) invests primarily in real estate and real estate related assets, which are income-producing and used predominantly as serviced residences or rental housing properties.</p>
Sponsor	<p>Ascott Reit's Sponsor, The Ascott Limited (Ascott) is the world's largest serviced apartment owner-operator with over 29,000 apartment units in key cities of Asia Pacific, Europe and the Gulf region</p>
Portfolio	<p>Owns 6,681 apartments in 23 cities across 12 countries in Asia Pacific and Europe Operates under Ascott, Citadines and Somerset Brands</p> <div style="display: flex; justify-content: space-around; align-items: center;">    </div>
Portfolio Value	<p>S\$2.81 billion</p>
Market Cap	<p>S\$1.2 billion as at 30 April 2012</p>
Major Unitholder	<p>CapitaLand's ownership is 48.9% as at 30 April 2012</p>



Stable Distribution to Unitholders



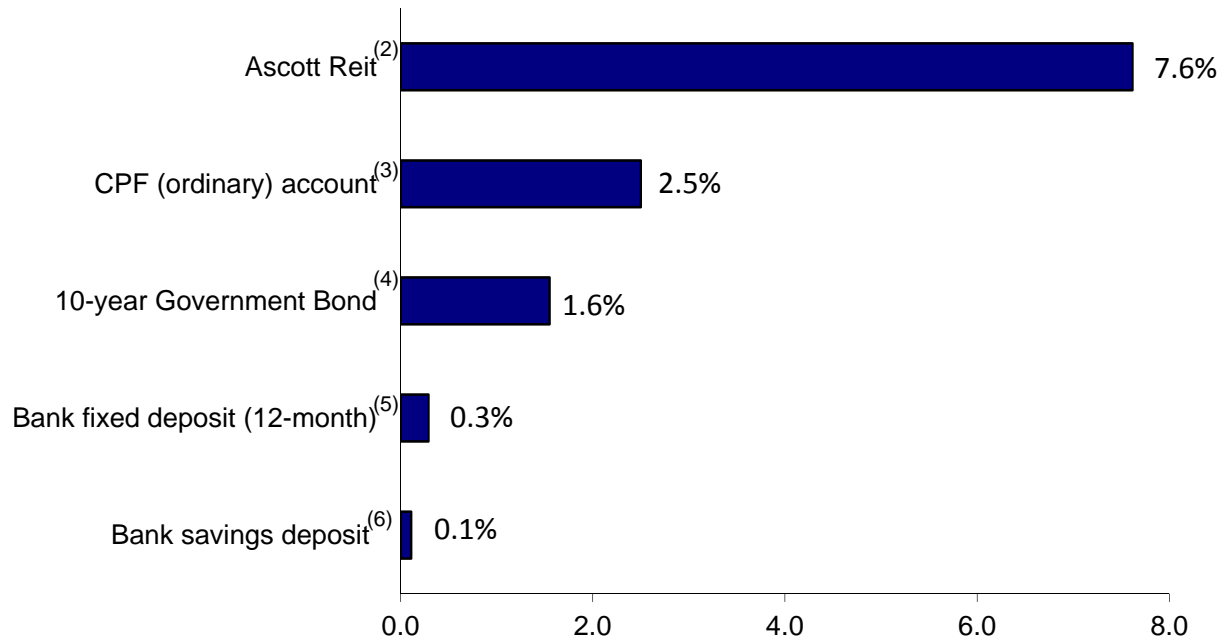
**Delivered stable distributions since listing in 2006
FY2011 DPU exceeded forecast¹ by 10%**

¹ Forecast DPU at 7.74 cents as disclosed in the Offer Information Statement dated 13 September 2010.



Attractive Yield vs Other Asset Class

Trading 14% below NAV ⁽¹⁾



Attractive yield compared to other asset class

Notes:

(1) Based on Net Asset Value as at 31 March 2012

(2) Based on Ascott Reit's closing unit price of S\$1.120 on 30 April 2012 and annualised DPU of 8.56 cents for 2012

(3) Based on interest paid on Central Provident Fund (CPF) ordinary account from 1 April to 30 June 2012. Source: CPF website

(4) Source: Singapore Government Securities website as at 30 April 2012

(5) Source: Monetary Authority of Singapore website as at 31 March 2012

(6) Source: Monetary Authority of Singapore website as at 31 March 2012



1Q 2012 vs 1Q 2011 Performance

	1Q 2012	1Q 2011	Change
Revenue (S\$m)	71.6	67.3	6% ↑
Gross Profit (S\$m)	37.2	36.4	2% ↑
Unitholders' Distribution (S\$m)	24.2	24.0	1% ↑
Distribution Per Unit (S cents)	2.14	2.14	-
Revenue Per Available Unit (S\$/day) – serviced residences	137	133	3% ↑

- Revenue for 1Q 2012 increased by S\$4.3 million as compared to 1Q 2011. The increase 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.
- In line with the increase in revenue, gross profit for 1Q 2012 increased by S\$0.8 million as compared to 1Q 2011.
- RevPAU increase was mainly driven by the strong performance of The Philippines, China and United Kingdom.

2. Portfolio Information



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Serviced Residences – An Attractive Asset Class

	Apartments for Rent	Serviced Residences	Hotels
Lease Structure & Terms	Long-term leases	<ul style="list-style-type: none"> Hybrid between hotels and apartments/condominiums Variable lease terms from one week to one year or longer 	Short-term accommodation
Seasonality	Dependent on general property sector conditions	<ul style="list-style-type: none"> Some seasonality of hospitality industry, though longer lease terms provide certain level of rental support Correlated to GDP growth and FDI inflows 	<ul style="list-style-type: none"> Seasonal nature of hotel industry Highly correlated with the tourism industry
Range of Services	No service provided	Limited services provided <ul style="list-style-type: none"> Role and involvement of property manager less intensive compared to hotels 	Full range of hospitality services <ul style="list-style-type: none"> Including food & beverage (F&B) Role and involvement of property manager most intensive
Cost Structure	<ul style="list-style-type: none"> Low investment cost Unfurnished Less common facilities Low operating costs Minimal staffing 	<ul style="list-style-type: none"> Low investment cost High building efficiency No F&B outlets Low operating costs Less intensive staffing requirements as only limited services are provided Lower marketing and maintenance costs as average length of stay is longer 	<ul style="list-style-type: none"> High investment cost Land (premium location) Lower building efficiency (more common facilities) High operating costs More intensive staffing requirements due to complete range of services High maintenance due to significant wear and tear



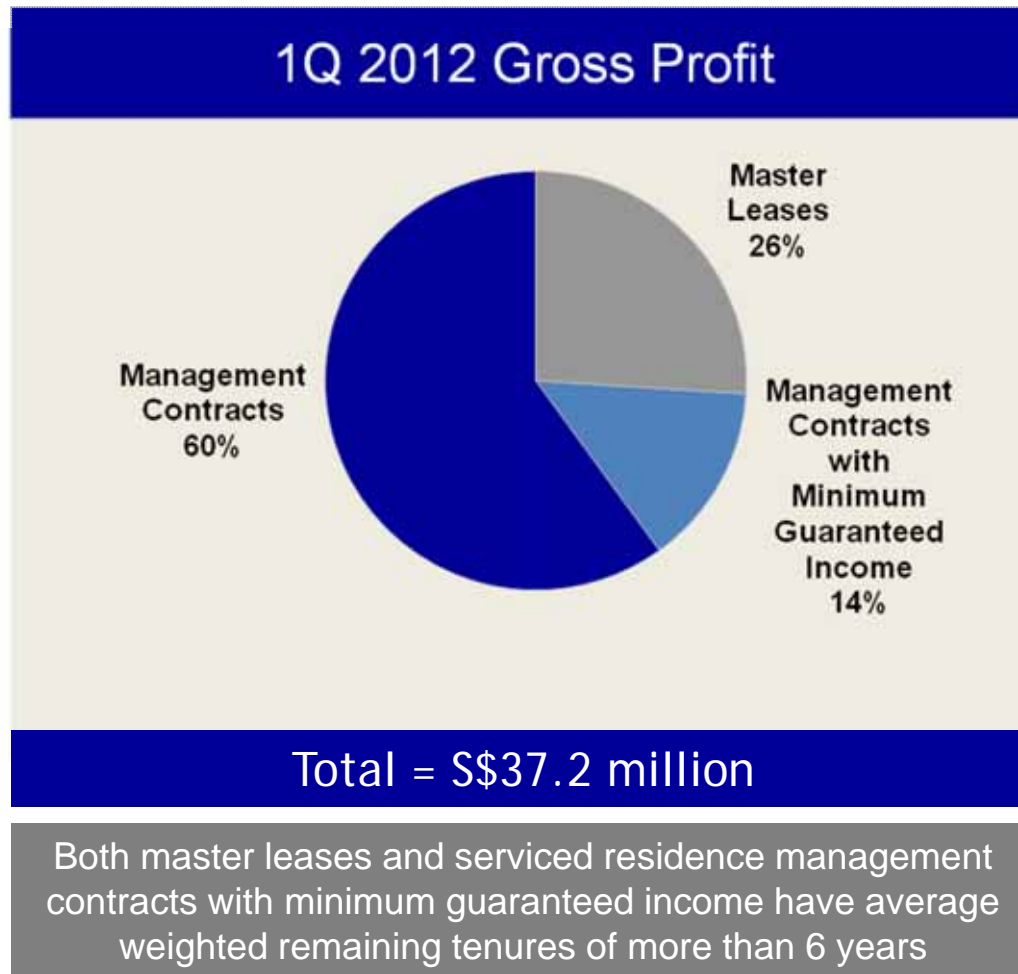
Ascott Reit's Sources of Income

	Properties on Management Contract	Properties on Master Lease	Properties on Management Contract with Minimum Income Guarantee
Description	<ul style="list-style-type: none"> Ascott manages Ascott Reit's properties for a fee 	<ul style="list-style-type: none"> Master Lessees (subsidiaries of Ascott) pay fixed rental per annum to Ascott Reit* 	<ul style="list-style-type: none"> Properties on management contracts that enjoy minimum guaranteed income (from subsidiaries of Ascott)
Tenure	<ul style="list-style-type: none"> Generally on a 5-year or 10-year basis 	<ul style="list-style-type: none"> Average weighted remaining tenure of about 7 years 	<ul style="list-style-type: none"> Average weighted remaining tenure of more than 6 years
Location	<ul style="list-style-type: none"> 37 properties <ul style="list-style-type: none"> -14 in Asia - 1 in Australia - 22 in Japan 	<ul style="list-style-type: none"> 20 properties <ul style="list-style-type: none"> -17 in France - 2 in Germany -1 in The Philippines 	<ul style="list-style-type: none"> 8 properties <ul style="list-style-type: none"> -4 in UK -2 in Belgium -1 in Spain -1 in Vietnam

* The rental payments under the Master Leases are generally fixed for a period of time. However, the Master Leases provide for annual rental revisions pegged to indices representing construction costs, inflation or commercial rental prices according to market practice. Accordingly, the rental revisions may be adjusted upwards or downwards depending on the above factors.



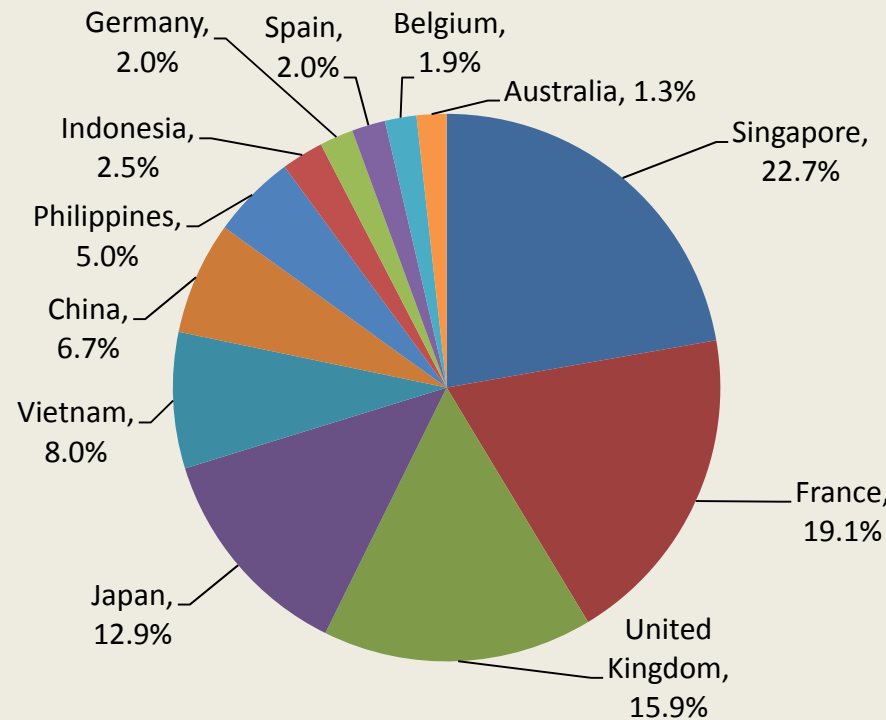
Balance of Income Stability and Growth





Geographical Diversification

Ascott Reit's Share of Asset Values* As at 30 April 2012



Total= S\$2.81 billion

Portfolio diversified across economic cycles

*The divestment of Somerset Gordon Heights Melbourne was completed on 26 April 2012.



Quality Portfolio, Stable Income

1

Geographically Diversified Portfolio

Diversification across economic cycles supports asset value and income stability

2

Stability of Income

Enhanced income visibility and stability through Master Lease and Minimum Guaranteed Income

3

Quality Assets in Key International Gateway Cities Across Asia Pacific and Europe

51 out of 65 properties are Freehold assets

4

Aim to deliver stable and growing distributions

Acquisition, active asset management, capital and risk management

3. Capital & Risk Management

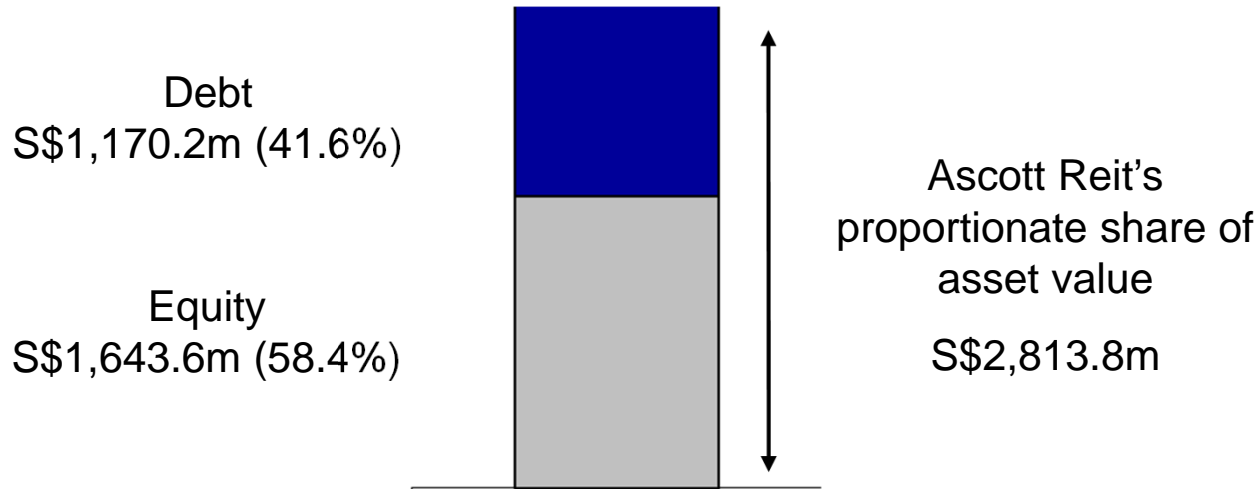




Healthy Balance Sheet

Gearing of 41.6%, well within the 60% gearing limit allowable under MAS property fund guidelines

Ascott Reit Gearing Profile As at 31 March 2012

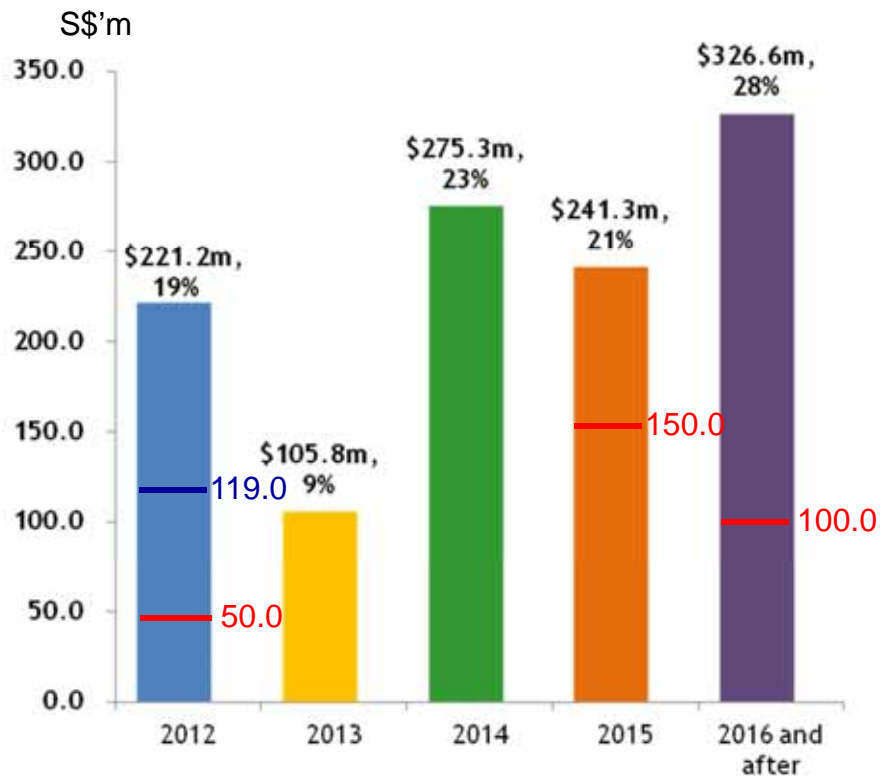


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Debt Profile

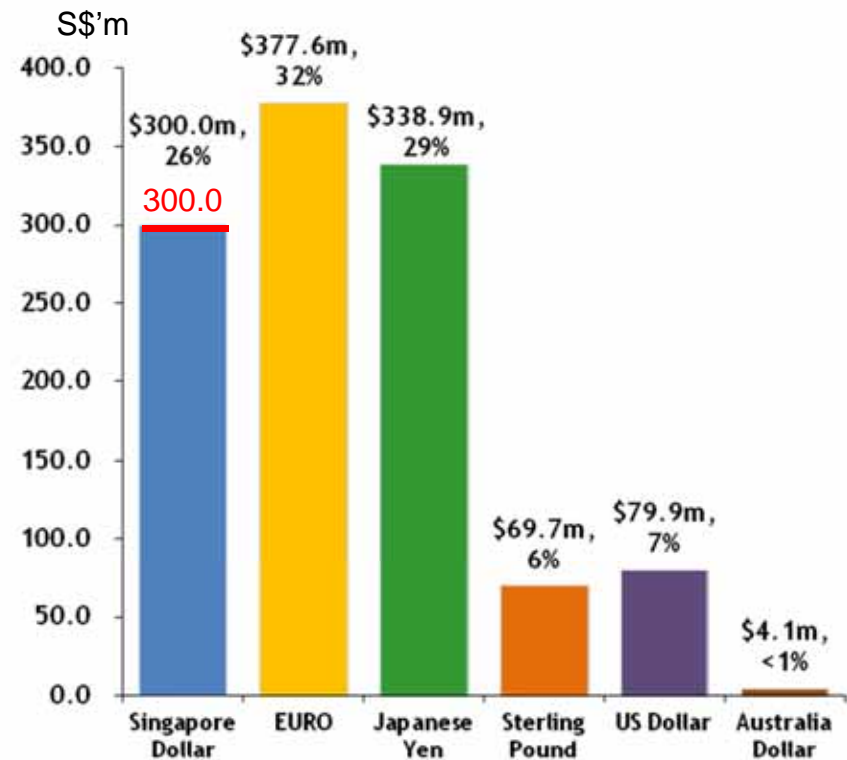
By Maturity As at 31 March 2012



— Medium term note

— Outstanding loan to be refinanced after 31 March 2012

By Currency As at 31 March 2012



Ascott Reit's Share of Bank Loans = S\$1,170.2m

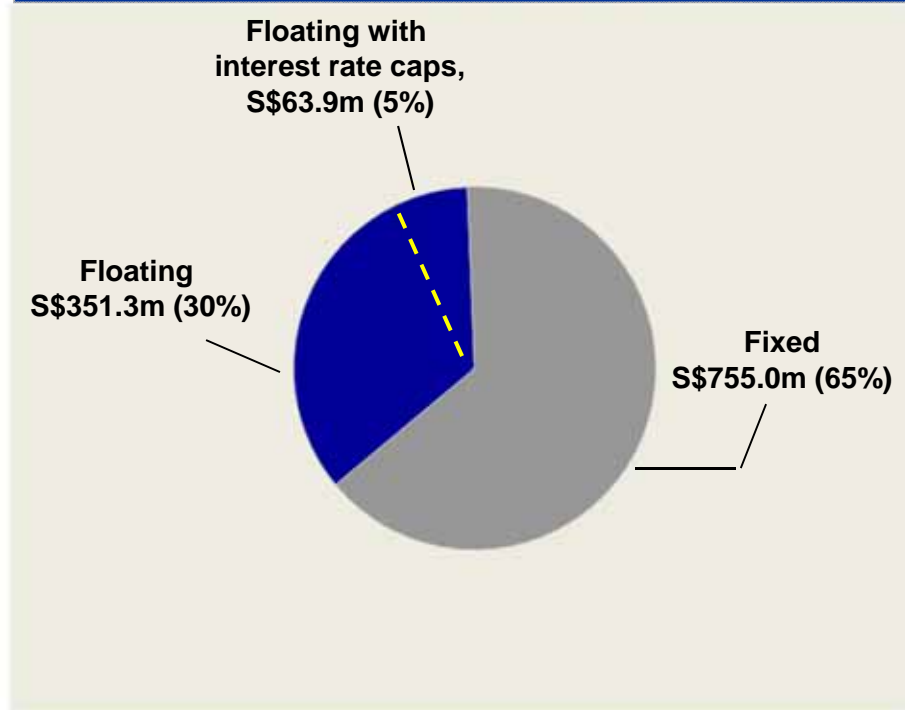


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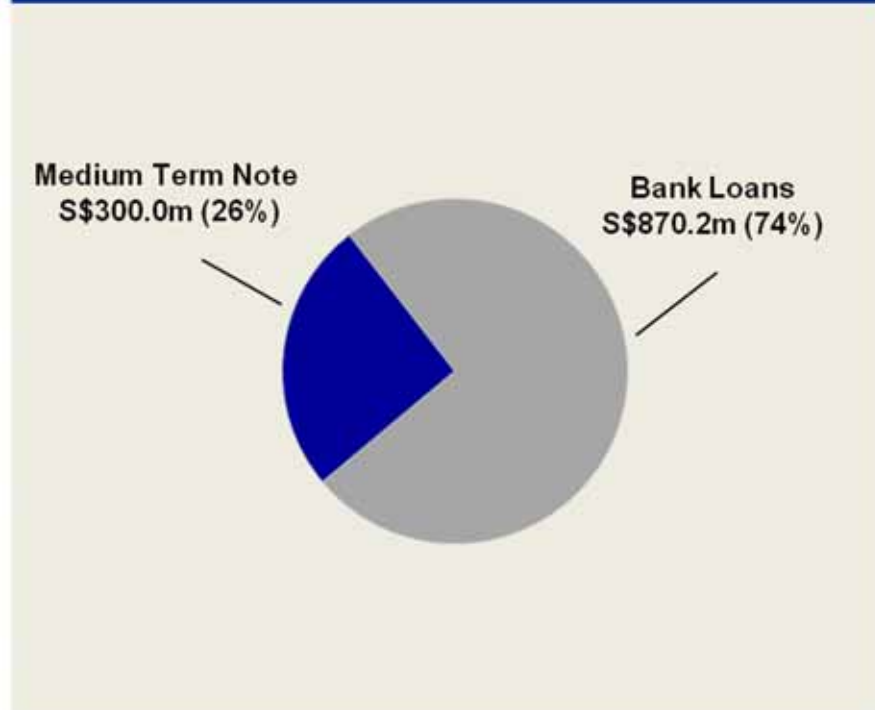


Interest Rate and Debt Mix Profile

Interest Rate Profile
As at 31 March 2012



Debt Type
As at 31 March 2012





Capital and Risk Management Strategy

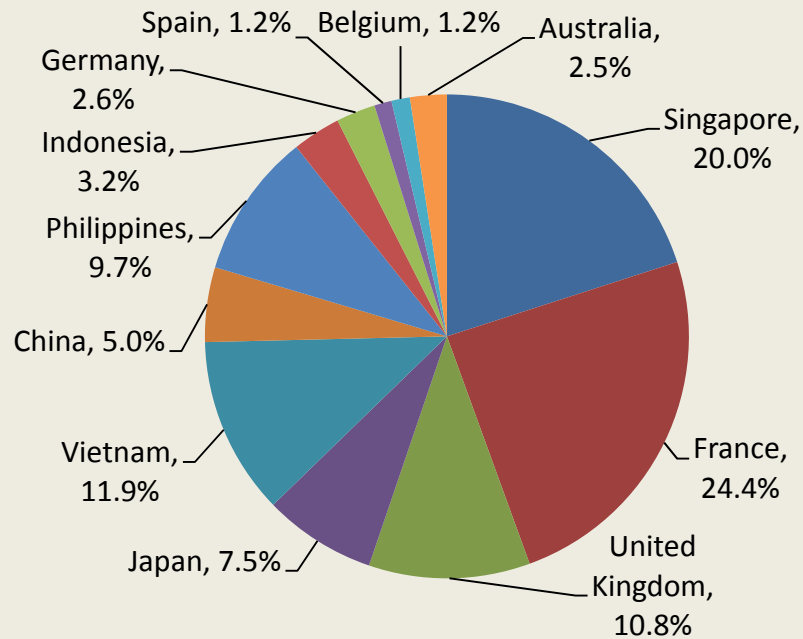
Credit Metrics as at 31 March 2012

Gearing	41.6%
Interest Cover	3.6x
Effective Borrowing Rate	3.4%
Weighted Avg Debt to Maturity	3.1 years
Moody's Rating	Baa3



Foreign Exchange Profile

Ascott Reit's Share of Gross Profit YTD March 2012



Total = S\$35.4 million

Foreign Exchange Movements

Currency	Percentage of Ascott Reit's Share of Gross Profit 31 March 2012	Movement of exchange rates from Dec'11 to Mar'12
SGD	20	-
EUR	29	-3.7
GBP	11	-1.8
JPY	8	-2.3
VND	12	-3.2
RMB	5	-1.0
PHP	10	-1.0
USD	3	-1.8
AUD	2	2.4
Total	100	-2.1



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Foreign Exchange Management



Cashflows

- Manage volatility of foreign currency cash flow from overseas assets
 - Revenue and operating expenses are mainly in respective local currency
- Monitor foreign exchange risks associated with remitting the various currencies to Singapore for distribution and, to the extent feasible, hedge these currency risks



Capital Values

- Adopt natural hedge strategy, as far as possible
 - Borrowing in the same currency as underlying asset

4. Prospects



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Outlook and Prospects

- **The macroeconomic outlook for 2012 continues to remain volatile.**
 - Despite such economic conditions, Ascott Reit's geographically diversified portfolio with exposure to 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.

- **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 following the completion of rebranding and renovation in first quarter 2012.
 - The upcoming London Olympics is expected to have a positive impact on the properties in United Kingdom.

- **Continue to focus on yield accretive acquisitions in countries where we operate, and explore opportunities in new markets.**

- **The Group's operating performance for FY 2012 is expected to remain profitable.**

Thank You



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5. Appendix



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Portfolio Performance



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Master Leases





Overview of Master Leases

- ✓ 20 out of Ascott Reit's 66 serviced residences are on master leases
- ✓ These serviced residences contributed 26% of the Group's gross profit for 1Q 2012
- ✓ These master leases have an average weighted remaining tenure of about 7 years



Master Leases



*Citadines
Louvre
Paris*



*Citadines
Prestige
Les Halles
Paris*



*Citadines
Place
d'Italie
Paris*



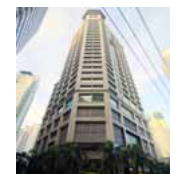
*Citadines
Croisette
Cannes*



*Citadines
Arnulfpark
Munich*



*Citadines
Kurfurste-
damm
Berlin*



*Somerset
Salcedo
Property
Makati*

	Revenue		Gross Profit	
	1Q 2012 S\$'M	1Q 2011 S\$'M	1Q 2012 S\$'M	1Q 2011 S\$'M
France <i>(17 properties)</i>	9.3	9.4	8.7	8.9
Germany <i>(2 properties)</i>	1.0	1.0	0.9	0.9
The Philippines <i>(Somerset Salcedo Property Makati)</i>	0.2	0.2	0.2	0.2
Master Leases Total	10.5	10.6	9.8	10.0

Revenue and gross profit decreased as compared to 1Q 2011 mainly due to depreciation of EUR against SGD.




Management Contracts with Minimum Guaranteed Income



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Overview of Management Contracts with Minimum Guaranteed Income

-  8 out of Ascott Reit's 66 serviced residences are on management contracts that provide minimum guaranteed income
-  These serviced residences contributed 14% of the Group's gross profit for 1Q 2012
-  These management contracts have an average weighted remaining tenure of more than 6 years



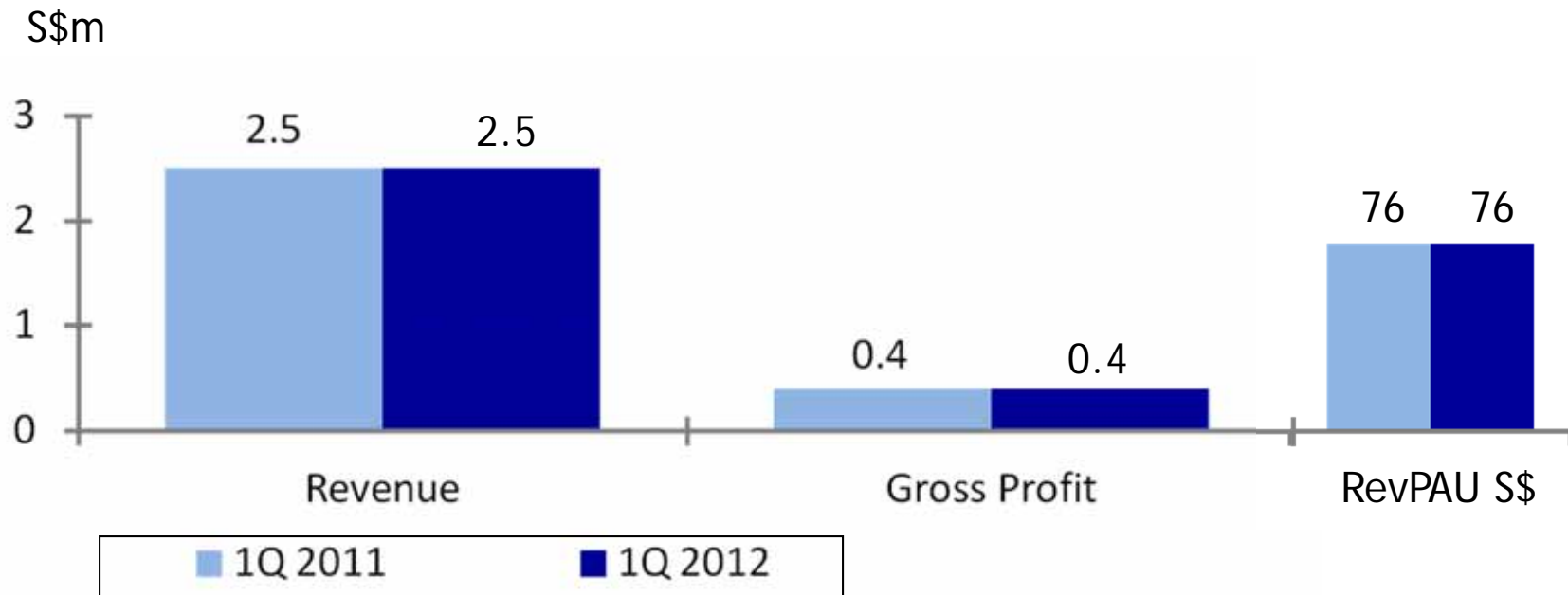
Belgium



Citadines Sainte-Catherine Brussels



Citadines Toison d'Or Brussels



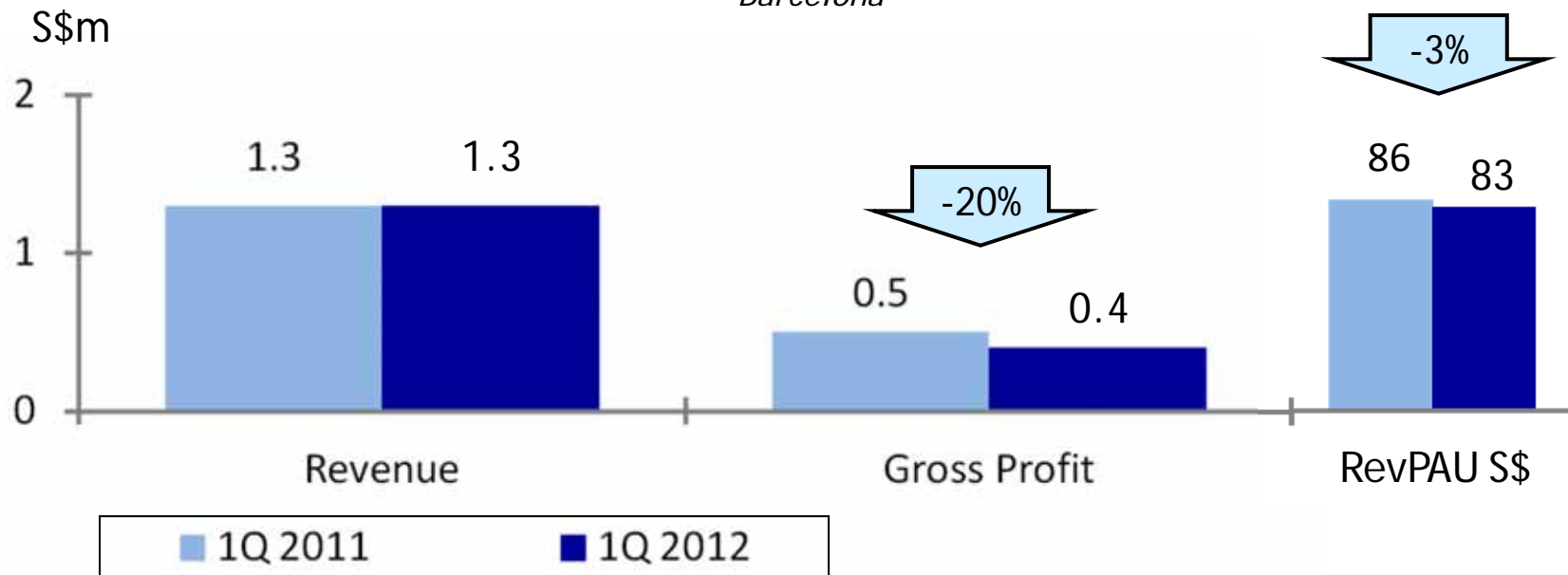
Performance for the property was consistent in 1Q 2012. Renovations for Citadines Sainte-Catherine Brussels remain on track for completion in 2012.



Spain



*Citadines Ramblas
Barcelona*



Revenue remained at the same level but gross profit decreased by S\$0.1 million in 1Q 2012 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



*Citadines
Barbican
London*



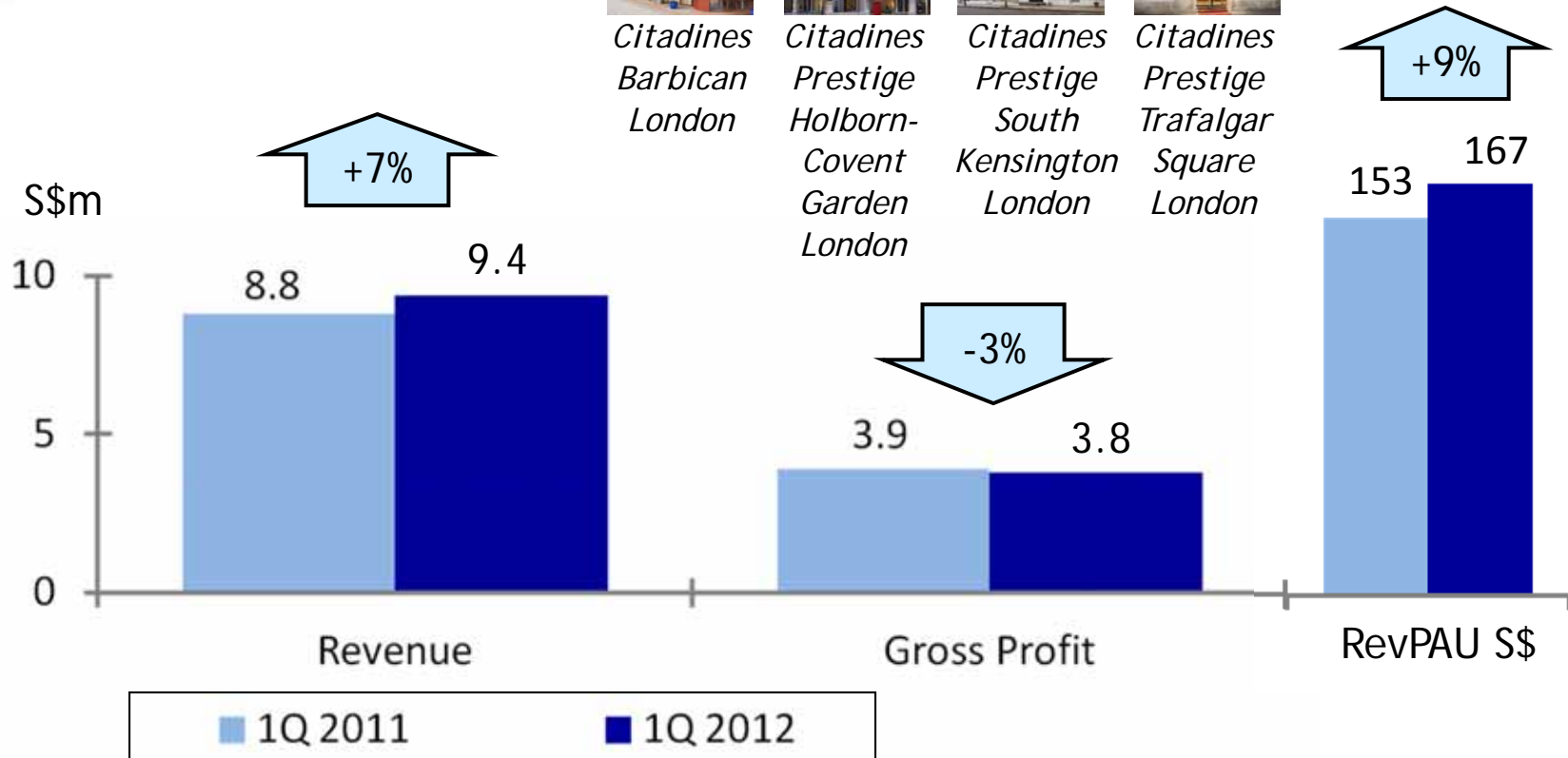
*Citadines
Prestige
Holborn-
Covent
Garden
London*



*Citadines
Prestige
South
Kensington
London*



*Citadines
Prestige
Trafalgar
Square
London*



Revenue and RevPAU increased as positive market response to “Citadines Prestige” properties enabled us to achieve higher rental rates. Gross profit was lower compared to 1Q 2011 due to higher provision of incentive fees payable as a result of better performance expected in view of the upcoming London Olympics 2012.

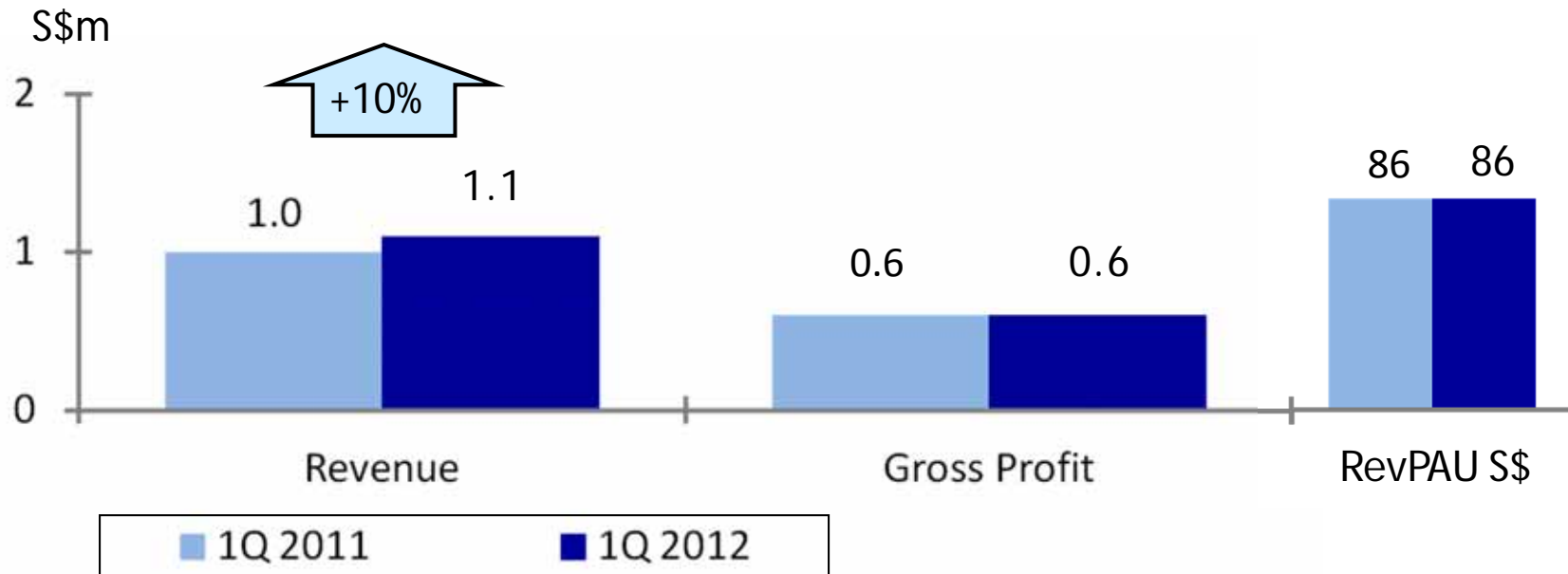


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*Somerset West
Lake Hanoi*



Revenue increased in 1Q 2012 due to better performance but gross profit remained at the same level mainly due to higher staff costs and depreciation expenses. Revenue and gross profit for 1Q 2012 included a yield protection amount of S\$0.3 million.

Management Contracts



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Overview of Management Contracts



38 out of Ascott Reit's 66 serviced residences are on management contracts



These serviced residences contributed 60% of the Group's gross profit for 1Q 2012



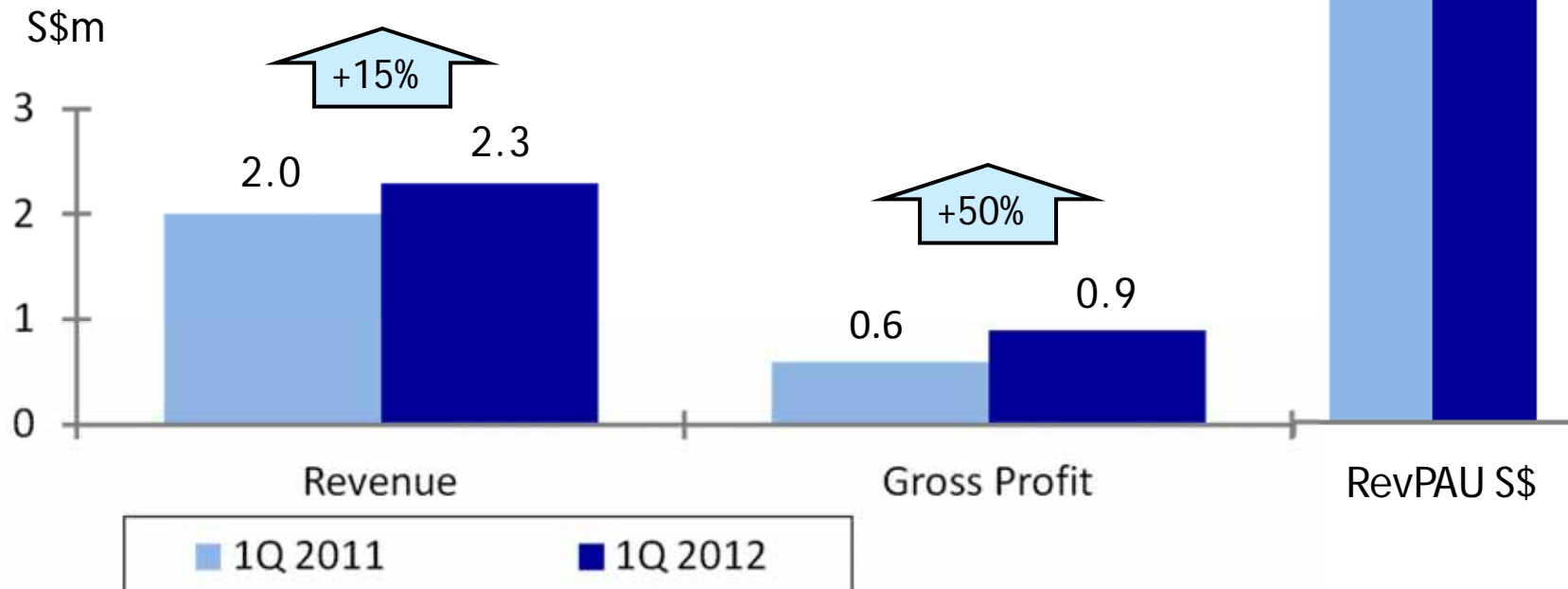
Australia



*Somerset St Georges
Terrace Perth*



*Somerset Gordon Heights
Melbourne**



Revenue and RevPAU increased mainly due to higher demand in Perth as a result of increased business from oil and gas, and mining industries.

**The divestment of Somerset Gordon Heights Melbourne was completed on 26 April 2012.*



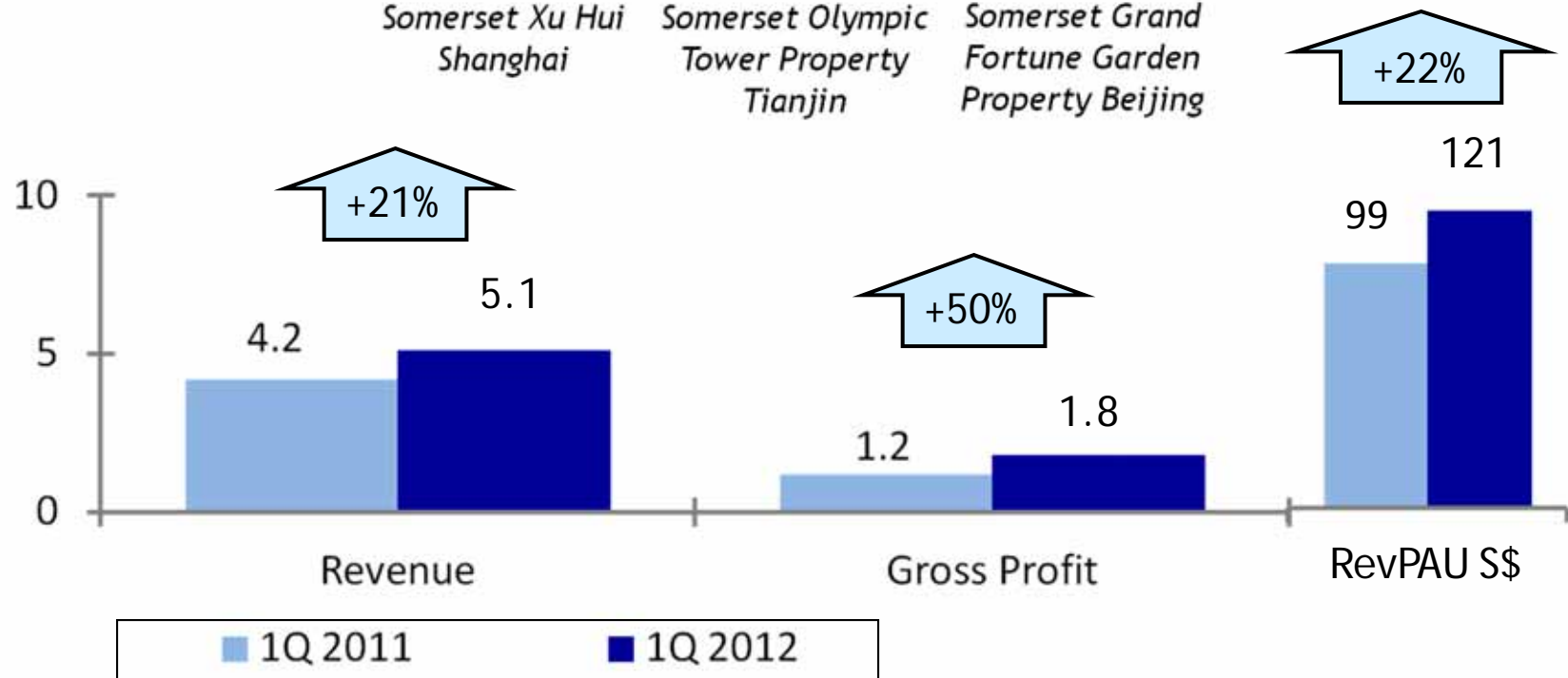
*Somerset Xu Hui
Shanghai*



*Somerset Olympic
Tower Property
Tianjin*



*Somerset Grand
Fortune Garden
Property Beijing*



Revenue and RevPAU increased due to higher demand from project and relocation business. Gross profit increased in line with revenue.



Indonesia



Ascott
Jakarta



Somerset
Grand Citra
Jakarta



Revenue was at the same level but gross profit increased by S\$0.1 million due to one-off reversal of accrued expenses in 1Q 2012.



Japan



*Somerset
Azabu East
Tokyo*



*Somerset
Roppongi
Tokyo*



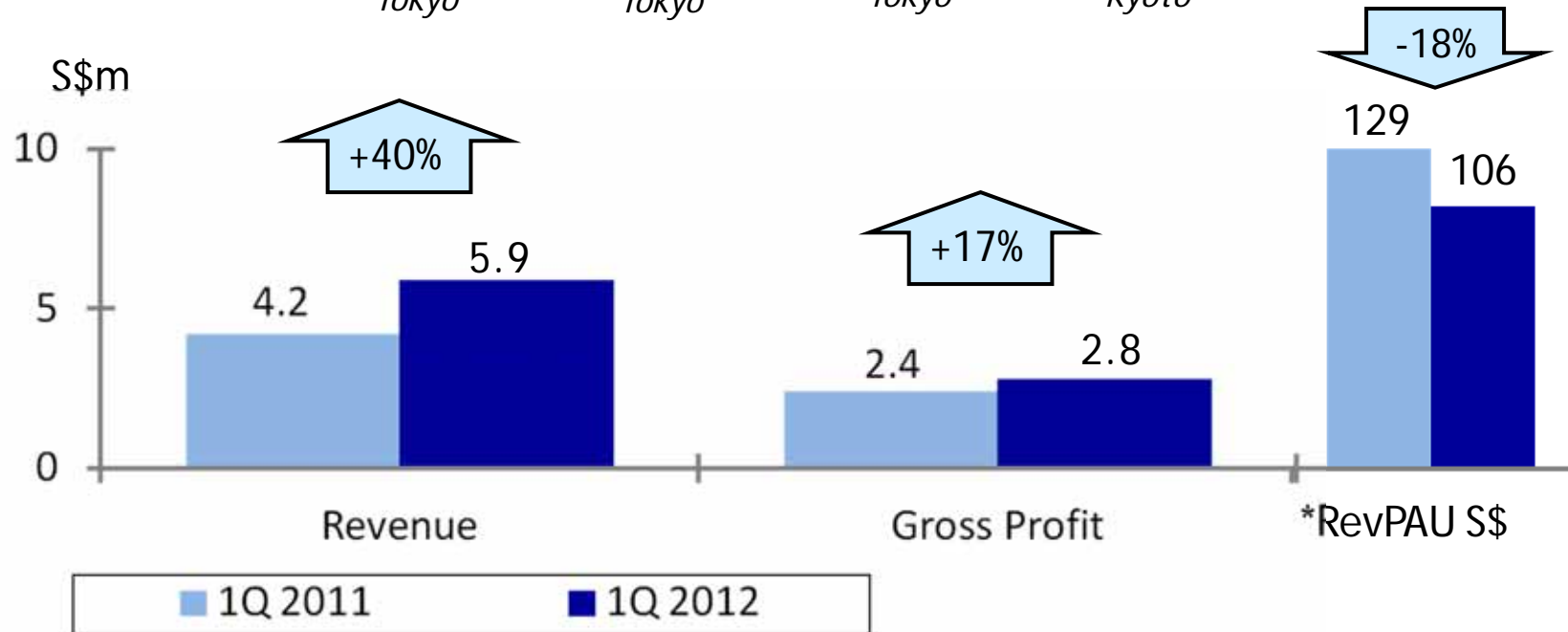
*Citadines
Shinjuku
Tokyo*



*Citadines
Karasuma-Gojo
Kyoto*



*18 rental housing
properties in Tokyo*



Revenue and gross profit increased mainly due to the contributions from Citadines Shinjuku. Excluding the contribution from Citadines Shinjuku, revenue and RevPAU decreased due to after-effects of the earthquake and tsunami in March 2011, and the on-going renovation for conversion of Somerset Roppongi Tokyo to corporate leasing apartments. Gross profit remained at the same level due to better cost management.

**RevPAU for serviced residence properties only*



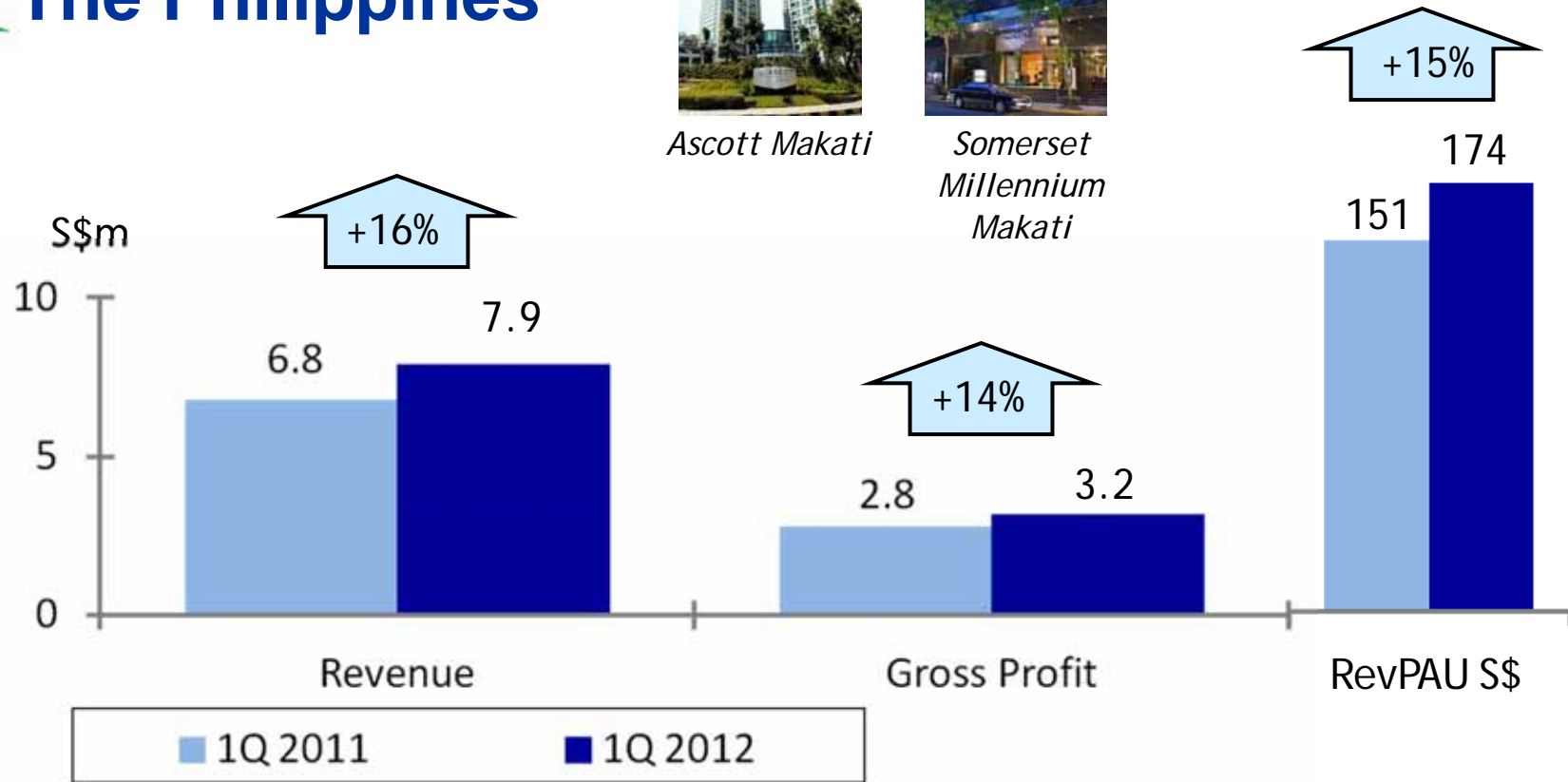
The Philippines



Ascott Makati



Somerset
Millennium
Makati



Revenue and RevPAU increased mainly due to higher demand from business process outsourcing, oil and gas and aircraft engineering industries. Gross profit increased in line with revenue.



Singapore



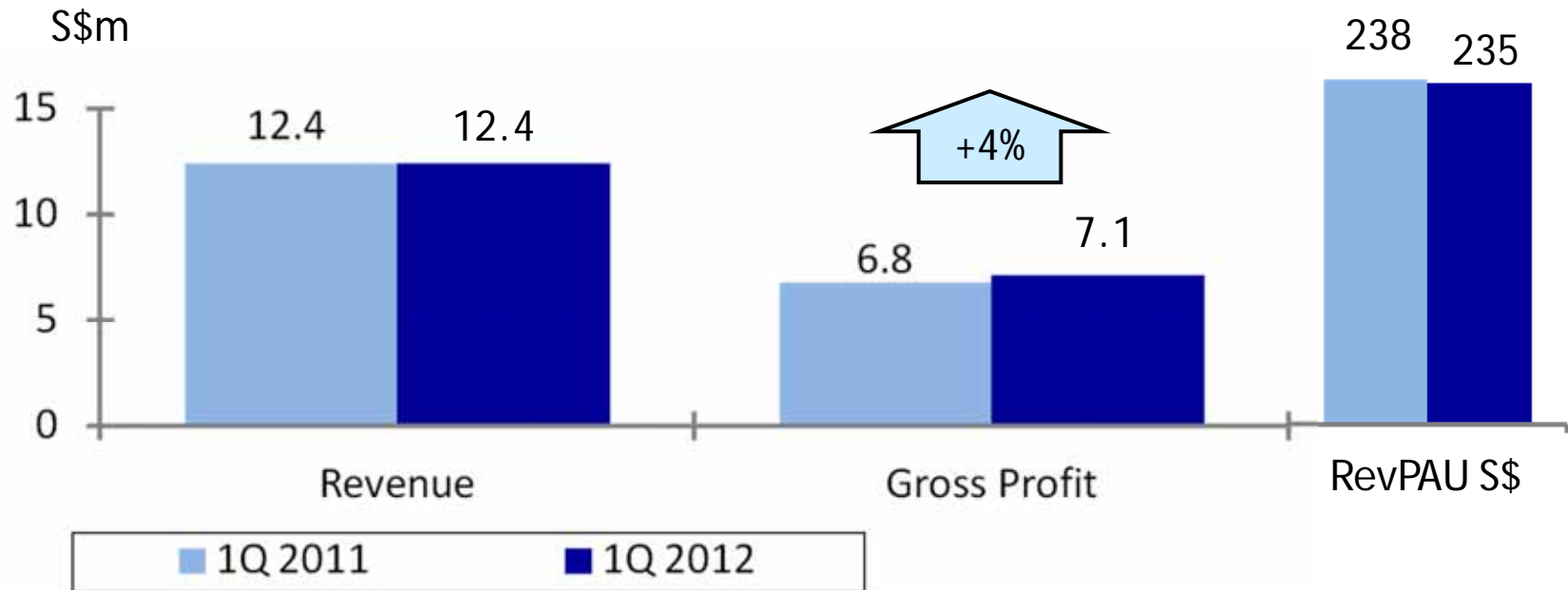
*Somerset
Grand Cairnhill*



*Somerset
Liang Court
Property*



*Citadines
Mount Sophia
Property*



Revenue remained at the same level but gross profit increased by S\$0.3 million in 1Q 2012 due to reversal of prior year's overprovision of staff related expenses.



Vietnam



*Somerset
Grand Hanoi*



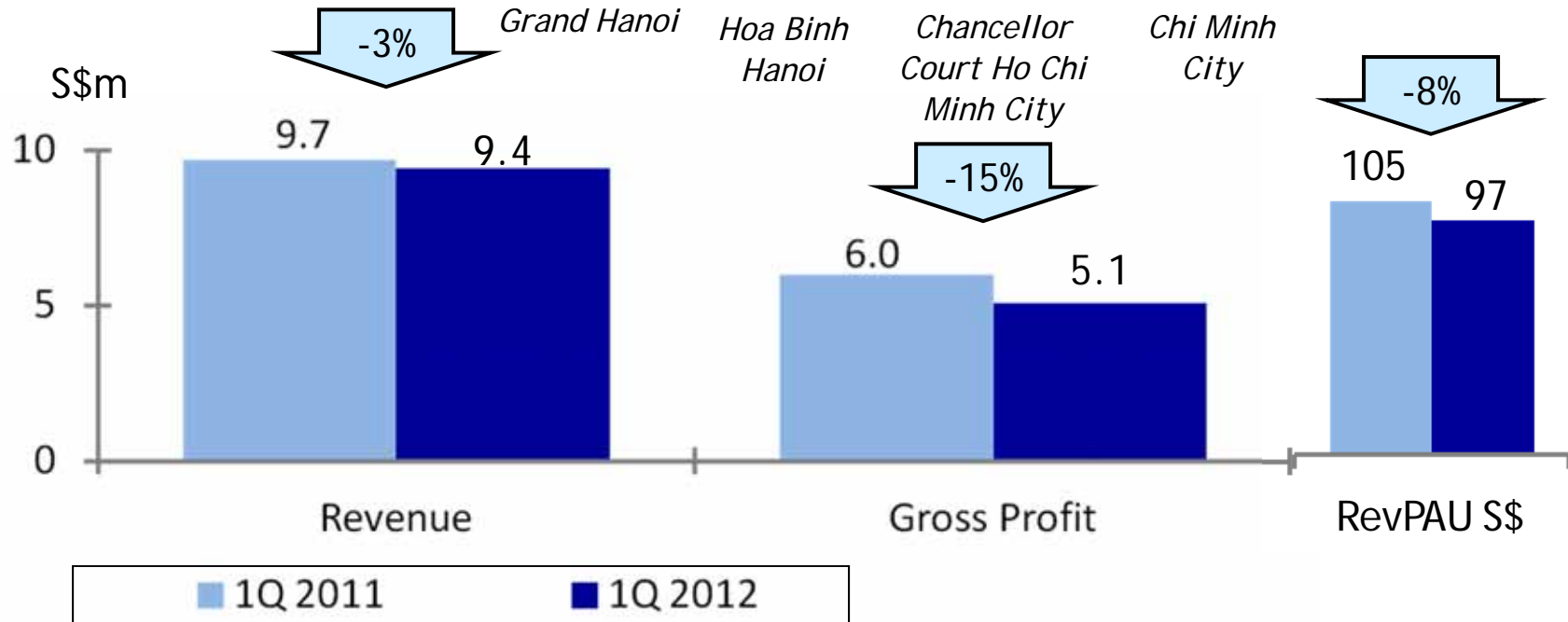
*Somerset
Hoa Binh
Hanoi*



*Somerset
Chancellor
Court Ho Chi
Minh City*



*Somerset Ho
Chi Minh
City*



In VND terms, revenue increased by 1% and gross profit decreased by 13%. The decrease in gross profit was due to higher staff costs and operation and maintenance expense, as well as one-off adjustment of S\$0.5 million arising from the change in functional currency from USD to VND.

Awards



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2011 Corporate Awards

Best Investment Fund
Manager in 2011
(South Eastern Asia)

Best Annual Report Award
in 2010
(Bronze Category)

Most Transparent Company
Award in 2011
(Runner-up, Hotels &
Restaurants)



Brand Introduction



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Ascott The Residence

- **Defining Exclusive Living**
 - Luxurious, exclusive, discreet
 - Located in prime business districts of key cities
 - Provides efficient business support services, in an exclusive and luxurious environment



Citadines Apart'hotel

- ***Defining Vibrant Living***
 - Vibrancy of independent city living
 - Oasis of calm in key bustling cities
 - Personalised conveniences for savvy and vibrant individuals on the go
 - Range of services and amenities to complement different lifestyles
 - Modern comforts, business connectivity and customised services





Somerset Serviced Residence

- **Defining Balanced Living**

- A serviced residence for executives and their families looking for work life balance
- A stylish home with recreational facilities, lifestyle activities and business support services
- A place to make friends, share family experiences, get help to quickly settle into the city

