

## ASCOTT REIT'S UNITHOLDERS' DISTRIBUTION INCREASES 3% TO S\$27.1 MILLION FOR 2Q 2012

*Revenue for 2Q 2012 rose by 8% to S\$78.9 million*

**Singapore, 27 July 2012** – Ascott Residence Trust (Ascott Reit) achieved revenue of S\$78.9 million and gross profit of S\$42.7 million for 2Q 2012, representing an increase of 8% and 4% respectively compared to the same period last year. Revenue grew mainly due to the contribution from the newly acquired Citadines Shinjuku Tokyo and Citadines Karasuma-Gojo Kyoto, as well as stronger performance from Ascott Reit's serviced residences in United Kingdom, The Philippines and China. Unitholders' distribution for 2Q 2012 is 3% higher at S\$27.1 million and distribution per unit (DPU) rose 2% to 2.38 cents.

Independent valuations of Ascott Reit's portfolio were conducted as at 30 June 2012. The portfolio was revalued at S\$2.9 billion, an increase of S\$127.9 million or 2.5% compared to its last valuation as at 31 December 2011. This resulted in a higher net asset value per unit of S\$1.42 as at 30 June 2012.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Almost 100% of Unitholders have approved at an extraordinary general meeting today for Ascott Reit to divest Somerset Grand Cairnhill Singapore and acquire Ascott Raffles Place Singapore, Ascott Guangzhou and a new Cairnhill serviced residence to be built in Singapore. The divestment will unlock the value of Somerset Grand Cairnhill and enable us to immediately reinvest the proceeds to acquire two quality Ascott-branded properties. These acquisitions will strengthen Ascott Reit's presence in Asia, broaden its earnings base and improve stability of its income through master lease arrangements for the two Singapore properties."

Ascott Reit's divestment of Somerset Grand Cairnhill Singapore at S\$359 million translates to a 3.8% implied exit EBITDA yield which enables the Reit to recognise a gross divestment gain of S\$87.1 million. The new Cairnhill serviced residence with a fresh 99-year lease will be built as part of the redevelopment of Somerset Grand Cairnhill Singapore and it is expected to be delivered to Ascott Reit in 2017.

Mr Lim added: "Going forward, we remain confident in the markets where we operate in and will explore opportunities in Asia, London, Paris and key cities in Germany. Ascott Reit's income stability is supported by our extended stay business model despite the uncertain global economic conditions for the rest of 2012."



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Mr Ronald Tay, ARTML's Chief Executive Officer, said: "Revenue per available unit (RevPAU) increased by 6% in 2Q 2012 mainly driven by the strong performance of our serviced residences in United Kingdom, The Philippines and China. In United Kingdom, positive response to our rebranded Citadines Prestige Trafalgar Square London enabled us to achieve higher rental yields. In The Philippines, we saw higher demand from industries such as business process outsourcing, oil and gas, and aircraft engineering. Our properties in China continued to perform well due to more project and relocation business."

Mr Tay added: "Ascott Reit continues to enhance our assets to maximise returns to Unitholders. Our three refurbished Citadines Prestige branded properties in United Kingdom have done well and the renovation of Citadines Sainte-Catherine Brussels is on track to be completed this year. We will start the renovation of Ascott Jakarta in phases from this month."

### **Summary of Results**

#### **2Q 2012 vs 2Q 2011**

	<b>2Q 2012</b>	<b>2Q 2011</b>	<b>Better/ (Worse) +/-</b>
<b>Revenue (S\$ million)</b>	78.9	73.1	+8%
<b>Gross Profit (S\$ million)</b>	42.7	41.2	+4%
<b>Unitholders' Distribution (S\$ million)</b>	27.1	26.3	+3%
<b>DPU (S cents)</b>	2.38	2.33	+2%
<b>RevPAU (S\$/day)</b>	156	147	+6%

- Revenue increased by S\$5.8 million or 8% in 2Q 2012 mainly due to the contribution from the newly acquired Citadines Shinjuku Tokyo and Citadines Karasuma-Gojo Kyoto, which were acquired on 21 December 2011 and 29 March 2012 respectively.
- Stronger performance from Ascott Reit's serviced residences in United Kingdom, The Philippines and China also contributed to the increase in revenue and RevPAU.
- In line with the revenue growth, gross profit was higher by S\$1.5 million or 4%.

#### **1H 2012 vs 1H 2011**

	<b>1H 2012</b>	<b>1H 2011</b>	<b>Better/ (Worse) +/-</b>
<b>Revenue (S\$ million)</b>	150.5	140.4	+7%
<b>Gross Profit (S\$ million)</b>	79.9	77.5	+3%
<b>Unitholders' Distribution (S\$ million)</b>	51.3	50.3	+2%
<b>DPU (S cents)</b>	4.52	4.47	+1%
<b>RevPAU (S\$/day)</b>	147	140	+5%

- Revenue increased by S\$10.1 million or 7% in 1H 2012 mainly due to the additional contribution from Citadines Shinjuku Tokyo and Citadines Karasuma-Gojo Kyoto, and stronger performance from Ascott Reit's serviced residences in The Philippines, China and United Kingdom.
- In line with the increase in revenue, gross profit increased by S\$2.4 million or 3%.
- RevPAU growth of 5% was driven by an increase in the average rental rates of Ascott Reit's serviced residences.

## **Distribution**

Ascott Reit's distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year. For the period of 1 January to 30 June 2012, Unitholders can expect to receive their distribution of 4.517 cents per unit on 29 August 2012. The Book Closure Date is on 6 August 2012.

<b>Distribution Period</b>	1 January to 30 June 2012
<b>Distribution Rate</b>	4.517 cents per unit
<b>Last Day of Trading on "cum" Basis</b>	1 August 2012, 5 pm
<b>Ex-Date</b>	2 August 2012, 9 am
<b>Book Closure Date</b>	6 August 2012
<b>Distribution Payment Date</b>	29 August 2012

For Ascott Reit's 2Q 2012 financial statement and presentation slides, please visit [www.ascottreit.com](http://www.ascottreit.com).

## **About Ascott Residence Trust**

Ascott Reit was established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used or predominantly used, as serviced residences, rental housing properties and other hospitality assets.

Ascott Reit's asset size has more than tripled to about S\$2.9 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. When the divestment of Somerset Grand Cairnhill Singapore and the acquisitions of Ascott Raffles Place Singapore, Ascott Guangzhou and the new Cairnhill serviced residence in Singapore are completed, Ascott Reit's international portfolio will expand to S\$3.3 billion comprising 67 properties with 7,260 units in 24 cities across 12 countries in Asia Pacific and Europe. Ascott Reit's serviced residences are operated under the Ascott, Citadines and Somerset brands, and are mainly located in key gateway cities such as Beijing, Shanghai, Guangzhou, Singapore, Tokyo, London, Paris, Berlin, Brussels, Barcelona, Munich, Hanoi, Ho Chi Minh City, Jakarta, Manila and Perth.

Ascott Reit is managed by Ascott Residence Trust Management Limited, a wholly-owned subsidiary of The Ascott Limited and an indirect wholly-owned subsidiary of CapitalLand Limited, one of Asia's largest real estate companies. ARTML is the winner of World Finance Magazine's "Best Real Estate Investment Fund Manager 2011" in South Eastern Asia in their inaugural Real Estate Awards.

## **Important Notice**

The value of units in Ascott Reit and the income derived from them may fall as well as rise. Units in Ascott Reit are not obligations of, deposits in, or guaranteed by Ascott Residence Trust Management Limited, the Manager of Ascott Reit (the “Manager”) or any of its affiliates. An investment in the units in Ascott Reit is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Ascott Reit is not necessarily indicative of its future performance.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.

Investors 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 in Ascott Reit through trading on the SGX-ST. Listing of the units in Ascott Reit on the SGX-ST does not guarantee a liquid market for the units in Ascott Reit.

## **Issued by:**

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