ASCOTT RESIDENCE TRUST

ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2013

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ASCOTT RESIDENCE TRUST
2013 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

Summary of Group Results

	1Q 2013 S$'000	1Q 2012 S$'000	Better/ (Worse) %
Revenue	69,166	71,583	(3)
Gross Profit	33,757	37,182	(9)
Unitholders' Distribution	27,604(1)	24,180	14
Distribution Per Unit (cents)	2.25	2.14	5

On 6 February 2013, 114,943,000 new units at an issue price of S$1.305 per unit were issued under an equity placement exercise.

(1) Unitholders' distribution was higher in 1Q 2013 as it included a realised exchange gain of S$8.1 million arising from repayment of foreign currency bank loans using the placement proceeds (pending its deployment to fund future potential acquisitions).

ADVANCED DISTRIBUTION

On 28 January 2013, the Manager announced the equity placement exercise. In order to ensure fairness to holders of Ascott Reit units prior to the issuance of the placement units, the Manager declared, in lieu of the scheduled distribution, an advanced distribution of the distributable income for the period from 1 January 2013 to 5 February 2013, the day immediately prior to the date on which the placement units were issued. The next distribution therefore will comprise the distributable income from 6 February 2013 to 30 June 2013. Semi-annual distributions will resume thereafter.

Distribution	For 1 January 2013 to 5 February 2013
Distribution Rate	0.617 cents per Unit
Book Closure Date	5 February 2013 (Closed)
Payment Date	5 April 2013 (Paid)

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, rental housing properties and other hospitality assets. 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).

In the year 2010, Ascott Reit enhanced the geographical diversification of its portfolio by acquiring 26 properties in Europe.

In the year 2012, Ascott Reit acquired Citadines Kyoto, Ascott Raffles Place Singapore, Ascott Guangzhou and Madison Hamburg (the "Acquisitions") and divested Somerset Gordon Heights Melbourne. Ascott Reit also completed the divestment of Somerset Grand Cairnhill Singapore and simultaneously signed the put and call option agreement to acquire the New Cairnhill Serviced Residence when completed.

As at 31 March 2013, Ascott Reit's portfolio comprises 67 properties with 7,060 apartment units* in 25 cities across 12 countries in 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.

* Exclude New Cairnhill Serviced Residence

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

	Note	GROUP 1Q 2013 S$'000	 1Q 2012 S$'000	Better / (Worse) %
Revenue	A.1	69,166	71,583	(3)
Direct expenses	A.2	(35,409)	(34,401)	(3)
Gross Profit	A.1	33,757	37,182	(9)
Finance income		608	457	33
Other operating income	A.3	153	927	(83)
Finance costs	A.4	(9,435)	(10,679)	12
Manager's management fees		(3,074)	(3,252)	5
Trustee's fee		(76)	(76)	-
Professional fees	A.5	(502)	(191)	(163)
Audit fees		(431)	(409)	(5)
Foreign exchange gain / (loss)	A.6	2,310	(1,781)	230
Other operating expenses	A.7	(411)	(115)	(257)
Share of (loss) / profit of associate (net of tax)		(4)	25	(116)
Net income before changes in fair value of financial derivatives		**22,895**	**22,088**	**4**
Net change in fair value of financial derivatives		(17)	(6)	(183)
Total return for the period before tax		**22,878**	**22,082**	**4**
Income tax expense	A.8	(5,328)	(4,072)	(31)
Total return for the period after tax		**17,550**	**18,010**	**(3)**
Attributable to:				
Unitholders		16,109	16,726	
Non-controlling interests		1,441	1,284	
Total return for the period		**17,550**	**18,010**	**(3)**

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

	Note	GROUP 1Q 2013 S$'000	GROUP 1Q 2012 S$'000	Better / (Worse) %
Total return for the period attributable to unitholders		16,109	16,726	
Net effect of non-tax deductible / chargeable items and other adjustments	A.9	11,495	7,454	
Total amount distributable to Unitholders for the period		**27,604**	**24,180**	**14**
Comprises :				
- from operations		6,319	1,660	
- from unitholders' contributions		21,285	22,520	
		27,604	**24,180**	**14**

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

A.1 Revenue and Gross profit

Revenue for 1Q 2013 of S$69.2 million comprised S$13.6 million (20% of total revenue) from serviced residences on Master Leases, S$13.9 million (20%) from serviced residences on management contracts with minimum guaranteed income and S$41.7 million (60%) from serviced residences on management contracts.

Revenue for 1Q 2013 decreased by S$2.4 million or 3% as compared to 1Q 2012. This was mainly due to the decrease in revenue of S$5.9 million from the divestment of Somerset Gordon Heights Melbourne and Somerset Grand Cairnhill in April 2012 and September 2012 respectively and lower contribution of S$3.1 million from the existing properties, mainly properties in Singapore, Vietnam and Japan (arising from depreciation of JPY against SGD). The decrease was partially offset by the additional revenue of S$6.6 million from the Acquisitions.

The Group achieved a REVPAU of S$124 in 1Q 2013, a decrease of 10% as compared to 1Q 2012.

Gross profit for 1Q 2013 of S$33.8 million comprised S$12.4 million (37% of total gross profit) from serviced residences on Master Leases, S$4.5 million (13%) from serviced residences on management contracts with minimum guaranteed income and S$16.9 million (50%) from serviced residences on management contracts.

As compared to 1Q 2012, gross profit decreased by S$3.4 million or 9%. On a same store basis, gross profit decreased by S$3.6 million as compared to 1Q 2012. This was mainly due to lower revenue and higher staff costs and depreciation expense.

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

A.2 Direct expenses include the following items:

	GROUP 1Q 2013 S$'000	GROUP 1Q 2012 S$'000	Better / (Worse) %
Depreciation and amortisation	(3,271)	(2,988)	(9)
Staff costs	(7,672)	(7,252)	(6)

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 decrease in finance costs was mainly due to lower interest rates and lower borrowings arising from the redemption of the S$50 million medium notes in 4Q 2012.

A.5 Professional fees

Professional fees was lower in 1Q 2012 as it included reversal of prior years' accrued expenses no longer required.

A.6 Foreign exchange gain

The foreign exchange gain recognised in 1Q 2013 was largely due to realised exchange gain arising from repayment of foreign currency bank loans in 1Q 2013 using the placement proceeds (pending its deployment). This was offset by unrealised exchange loss on JPY and GBP denominated shareholders' loans extended to the Group's subsidiaries, as a result of the depreciation of JPY and GBP against SGD as at balance sheet date.

A.7 Other operating expenses

Other operating expenses was higher due to provision for doubtful debts made in 1Q 2013.

A.8 Income tax expense

Taxation for 1Q 2013 was higher by S$1.3 million as compared to the corresponding period last year. This was mainly due to under-provision of prior years' tax expense and lower utilisation of tax losses.

A.9 Net effect of non-tax deductible/(chargeable) items and other adjustments include the following:

	GROUP		
	1Q 2013 S$'000	1Q 2012 S$'000	Better / (Worse) %
Depreciation and amortisation	3,271	2,988	(9)
Manager's management fee payable / paid partially in units	2,456	2,420	(1)
Trustee's fees*	15	16	6
Foreign exchange loss	6,108	1,702	(259)
Net change in fair value of financial derivatives	17	6	(183)
Deferred tax expense	37	1,091	97
Effect of non-controlling interests arising from the above	(227)	(338)	(33)

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

1(b)(i) BALANCE SHEETS

	Note	GROUP 31/03/13 S$'000	GROUP 31/12/12 S$'000	REIT 31/03/13 S$'000	REIT 31/12/12 S$'000
Non-Current Assets					
Plant and equipment		47,666	50,327	9,482	10,078
Serviced residence properties	B.1	2,766,967	2,785,147	551,226	551,222
Interest in subsidiaries		-	-	166,617	166,583
Interest in associate		2,973	2,932	3,462	3,417
Financial derivatives	B.2	1	4	-	-
Deferred tax assets		2,651	2,583	-	-
		2,820,258	**2,840,993**	**730,787**	**731,300**
Current Assets					
Inventories		436	476	-	-
Trade receivables		10,314	11,940	1,267	1,523
Other receivables and deposits		22,409	23,918	1,483,140	1,490,553
Cash and bank balances	B.3	136,231	125,181	13,287	9,927
		169,390	**161,515**	**1,497,694**	**1,502,003**
Total Assets		**2,989,648**	**3,002,508**	**2,228,481**	**2,233,303**
Non-Current Liabilities					
Interest bearing liabilities	B.4	(843,111)	(1,003,056)	(213,569)	(349,650)
Financial derivatives	B.2	(18,206)	(18,757)	(12,524)	(13,691)
Deferred tax liabilities		(47,717)	(47,329)	-	-
		(909,034)	**(1,069,142)**	**(226,093)**	**(363,341)**
Current Liabilities					
Trade payables		(2,173)	(4,110)	(42)	(68)
Other payables		(106,848)	(106,617)	(341,460)	(340,219)
Interest bearing liabilities	B.4	(207,397)	(167,765)	(178,141)	(131,659)
Financial derivatives	B.2	(8)	(645)	(8)	(48)
Provision for taxation		(14,265)	(13,259)	(180)	(180)
		(330,691)	**(292,396)**	**(519,831)**	**(472,174)**
Total Liabilities		**(1,239,725)**	**(1,361,538)**	**(745,924)**	**(835,515)**
Net Assets		**1,749,923**	**1,640,970**	**1,482,557**	**1,397,788**
Represented by:					
Unitholders' funds	1(d)(i)	1,656,969	1,547,373	1,482,557	1,397,788
Non-controlling interests	1(d)(i)	92,954	93,597	-	-
Total Equity	1(d)(i)	**1,749,923**	**1,640,970**	**1,482,557**	**1,397,788**

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

B.1 Serviced residence properties

The decrease in the Group's serviced residences as at 31 March 2013 was mainly due to foreign currency differences arising from translating the Group's overseas serviced residences as a result of the weakening of foreign currencies, particularly JPY, against Singapore dollar.

B.2 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.3 Cash and bank balances

The increase in the Group's cash and bank balances as at 31 March 2013 was mainly due to the cash generated from operations and net proceeds from the equity placement on 6 February 2013, partially offset by distribution paid to unitholders, capital expenditure on serviced residence properties and interest payments.

B.4 Interest bearing liabilities

	GROUP		REIT	
	31/03/13	31/12/12	31/03/13	31/12/12
	S$'000	S$'000	S$'000	S$'000
Amount repayable in one year or less or on demand				
- Secured	207,806	123,341	178,550	87,235
- Unsecured	-	44,612	-	44,612
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(409)	(188)	(409)	(188)
	207,397	167,765	178,141	131,659
Amount repayable after one year				
- Secured	588,224	757,184	206,325	351,041
- Unsecured	258,123	250,000	8,123	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(3,236)	(4,128)	(879)	(1,391)
	843,111	1,003,056	213,569	349,650
Total	**1,050,508**	**1,170,821**	**391,710**	**481,309**

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 2013, the Group's gearing was 36.0 percent, well within the 60 percent gearing limit allowable under MAS property fund guidelines. The average cost of debt was 3.1 percent per annum, with an interest cover of 3.7 times. S$702.3 million or 67 percent of the Group's borrowings are on fixed interest rates with S$50.2 million due for refinancing in the next 12 months. 3 percent of the Group's borrowings are on floating rates with interest rate caps.

Out of the Group's total borrowings, 6 percent falls due in 2013, 28 percent falls due in 2014, 33 percent falls due in 2015, 21 percent falls due in 2016, and the balance falls due after 2016.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	1Q 2013 S$'000	1Q 2012 S$'000
Operating Activities		
Total return for the period before tax	22,878	22,082
Adjustments for:		
Depreciation and amortisation	3,271	2,988
Gain on disposal of plant and equipment	(5)	(13)
Finance costs	9,435	10,679
Finance income	(608)	(457)
Provision for doubtful debts addition / (reversal)	204	(10)
Manager's management fees payable / paid partially in units	2,456	2,420
Foreign exchange loss - unrealised	6,108	1,702
Net change in fair value of financial derivatives	17	6
Share of loss / (profit) of associate	4	(25)
Operating profit before working capital changes	**43,760**	**39,372**
Changes in working capital	(6,934)	(3,588)
Cash generated from operations	**36,826**	**35,784**
Income tax paid	(4,367)	(4,465)
Cash flows from operating activities	**32,459**	**31,319**
Investing Activities		
Acquisition of plant and equipment	(1,256)	(3,506)
Acquisition of serviced residence properties, net of cash acquired	-	(1,169)
Capital expenditure on serviced residence properties	(14,334)	(983)
Expenses incurred for divestment of serviced residence properties	(836)	-
Interest received	608	457
Proceeds from sale of plant and equipment	22	15
Cash flows from investing activities	**(15,796)**	**(5,186)**
Financing Activities		
Distribution to unitholders	(48,433)	(45,907)
Interest paid	(7,189)	(10,098)
Payment of finance lease	(849)	(840)
Proceeds from bank borrowings	13,215	52,429
Proceeds from issue of new units	150,001	-
Payment of issue expenses	(1,843)	-
Repayment of bank borrowings	(109,440)	(35,903)
Cash flows from financing activities	**(4,538)**	**(40,319)**
Increase / (decrease) in cash & cash equivalents	**12,125**	**(14,186)**
Cash and cash equivalents at beginning of the period	**125,181**	**145,466**
Effect of exchange rate changes on balances held in foreign currencies	(1,075)	(3,294)
Cash and cash equivalents at end of the period	**136,231**	**127,986**

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

	Note	GROUP 1Q 2013 S$'000	GROUP 1Q 2012 S$'000	REIT 1Q 2013 S$'000	REIT 1Q 2012 S$'000
Unitholders' Contribution					
Balance as at beginning of period		1,187,024	1,228,759	1,187,024	1,228,759
Issue of new units					
- equity placement on 6 February 2013		150,001	-	150,001	-
- payment of manager's management fees in units		2,767	2,605	2,767	2,605
Issue expenses		(2,093)	-	(2,093)	-
Distribution to Unitholders		(30,888)	(25,547)	(30,888)	(25,547)
Balance as at end of period		**1,306,811**	**1,205,817**	**1,306,811**	**1,205,817**
Operations					
Balance as at beginning of period		463,359	341,173	225,835	194,981
Total return for the period attributable to Unitholders		16,109	16,726	(19,023)	(18,589)
Distribution to Unitholders		(17,545)	(20,360)	(17,545)	(20,360)
Balance as at end of period		**461,923**	**337,539**	**189,267**	**156,032**
Foreign Currency Translation Reserve					
Balance as at beginning of period		(90,420)	(28,269)	-	-
Translation differences relating to financial statements of foreign subsidiaries		(11,219)	(25,664)	-	-
Balance as at end of period		**(101,639)**	**(53,933)**	**-**	**-**
Capital Reserve					
Balance as at beginning and end of period		**1,753**	**1,637**	**-**	**-**
Hedging Reserve					
Balance as at beginning of period		(14,343)	(6,288)	(15,071)	(10,012)
Change in fair value of financial derivatives		2,464	(1,422)	1,550	(1,256)
Balance as at end of period		**(11,879)**	**(7,710)**	**(13,521)**	**(11,268)**
Unitholders' Funds	**1(b)(i)**	**1,656,969**	**1,483,350**	**1,482,557**	**1,350,581**
Non-controlling Interests					
Balance as at beginning of period		93,597	91,018	-	-
Total return for the period		1,441	1,284	-	-
Translation differences relating to financial statements of foreign subsidiaries		(2,084)	4,103	-	-
Balance as at end of period	**1(b)(i)**	**92,954**	**96,405**	**-**	**-**
Equity	**1(b)(i)**	**1,749,923**	**1,579,755**	**1,482,557**	**1,350,581**

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

	REIT	
	1Q 2013 '000	1Q 2012 '000
Balance as at beginning of period	1,142,819	1,129,871
Issue of new units :		
- equity placement on 6 February 2013	114,943	-
- partial payment of manager's management fees	2,036	2,632
Balance as at end of period	**1,259,798**	**1,132,503**

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

On 1 January 2013, the Group adopted the revised version of the Statement of Recommended Accounting Practice 7 (2012) issued by the Institute of Certified Public Accountants of Singapore which has no significant impact to the financial statements of the Group.

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 2012.

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 2013	1Q 2012
Number of units on issue at end of period ('000)	1,259,798	1,132,503
Weighted average number of units for the period ('000)	1,213,006	1,131,549
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	1.33*	1.48

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

* The decrease in EPU was mainly due to the placement units issued on 6 February 2013. Excluding the effect from the equity placement, the EPU would be 1.41 cents.

Distribution per unit (DPU)	1Q 2013 1 Jan 2013 to 5 Feb 2013	1Q 2013 6 Feb 2013 to 31 Mar 2013	1Q 2013 1 Jan 2013 to 31 Mar 2013	1Q 2012
Number of units on issue at end of period (‘000)	1,142,819	1,259,798	1,259,798	1,132,503
DPU (cents) – Basic and diluted	0.617*	1.633	2.25	2.14

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

* Refer to Para 10 for details of the advanced distribution for the period from 1 January 2013 to 5 February 2013, prior to the date on which the placement units were issued.

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

	Group		REIT	
	31/03/13	31/12/12	31/03/13	31/12/12
NAV per unit (S$)	1.32*	1.35	1.18	1.22

* The decrease in NAV per unit as at 31 March 2013 was mainly due to the distribution paid to unitholders on 28 February 2013 for period 1 July 2012 to 31 December 2012.

8. GROUP PERFORMANCE REVIEW

8(a) Revenue and Gross Profit Analysis – 1Q 2013 vs. 1Q 2012 (Local Currency (“LC”))

		Revenue[1]				Gross Profit[1]				REVPAU Analysis[2]		
		1Q 2013	1Q 2012	Better/ (Worse)		1Q 2013	1Q 2012	Better/ (Worse)		1Q 2013	1Q 2012	Better/ (Worse)
		LC’m		LC’m	%	LC’m		LC’m	%	LC/day		%
France	EUR	5.7	5.5	0.2	4	5.3	5.2	0.1	2	-	-	-
Germany	EUR	1.2	0.5	0.7	140	1.2	0.5	0.7	140	-	-	-
Philippines	PHP	-	8.1	(8.1)	n.m.	-	6.6	(6.6)	n.m.	-	-	-
Singapore	S$	2.2	-	2.2	n.m.	1.8	-	1.8	n.m.	-	-	-
Master Leases												
Belgium	EUR	1.4	1.5	(0.1)	(7)	0.1	0.2	(0.1)	(50)	44	45	(2)
Spain	EUR	0.7	0.8	(0.1)	(13)	0.2	0.3	(0.1)	(33)	47	50	(6)
United Kingdom	GBP	4.9	4.7	0.2	4	1.7	1.9	(0.2)	(11)	85	84	1
Vietnam	VND[1]	17.0	17.3	(0.3)	(2)	11.3	10.2	1.1	11	1,335	1,403	(5)
Management contracts with minimum guaranteed income												
Australia	AUD	1.2	1.8	(0.6)	(33)	0.4	0.7	(0.3)	(43)	146	144	1
China	RMB	35.3	25.4	9.9	39	10.7	8.7	2.0	23	572	602	(5)
Indonesia	USD	3.0	3.0	-	-	0.8	1.0	(0.2)	(20)	80	79	1
Japan	JPY	467.3	365.8	101.5	28	213.7	174.1	39.6	23	8,120	7,018	16
Philippines	PHP	271.9	269.1	2.8	1	102.4	110.1	(7.7)	(7)	5,156	5,917	(13)
Singapore	S$	6.1	12.4	(6.3)	(51)	2.4	7.1	(4.7)	(66)	193	235	(18)
Vietnam	VND[1]	149.0	154.1	(5.1)	(3)	83.6	84.8	(1.2)	(1)	1,562	1,597	(2)
Management contracts												

[1] Revenue and Gross Profit figures are stated in millions, except for VND which are stated in billions.
[2] REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for VND are stated in thousands.

8(a) Revenue and Gross Profit Analysis – 1Q 2013 vs. 1Q 2012 (S$)

	Revenue				Gross Profit				REVPAU Analysis[1]		
	1Q 2013	1Q 2012	Better/ (Worse)		1Q 2013	1Q 2012	Better/ (Worse)		1Q 2013	1Q 2012	Better/ (Worse)
	S$'M		S$M	%	S$'M		S$'M	%	S$/day	S$/day	%
France	9.4	9.3	0.1	1	8.7	8.7	-	-	-	-	-
Germany	2.0	1.0	1.0	100	1.9	0.9	1.0	111	-	-	-
Philippines	-	0.2	(0.2)	n.m.	-	0.2	(0.2)	n.m.	-	-	-
Singapore	2.2	-	2.2	n.m.	1.8	-	1.8	n.m.	-	-	-
Master Leases	**13.6**	**10.5**	**3.1**	**30**	**12.4**	**9.8**	**2.6**	**27**	**-**	-	**-**
Belgium	2.3	2.5	(0.2)	(8)	0.2	0.4	(0.2)	(50)	72	76	(5)
Spain	1.1	1.3	(0.2)	(15)	0.3	0.4	(0.1)	(25)	77	83	(7)
United Kingdom	9.5	9.4	0.1	1	3.3	3.8	(0.5)	(13)	164	167	(2)
Vietnam	1.0	1.1	(0.1)	(9)	0.7	0.6	0.1	17	79	86	(8)
Management contracts with minimum guaranteed income	**13.9**	**14.3**	**(0.4)**	**(3)**	**4.5**	**5.2**	**(0.7)**	**(13)**	**122**	**126**	**(3)**
Australia	1.5	2.3	(0.8)	(35)	0.5	0.9	(0.4)	(44)	186	191	(3)
China	6.9	5.1	1.8	35	2.1	1.8	0.3	17	112	121	(7)
Indonesia	3.8	3.8	-	-	1.0	1.3	(0.3)	(23)	98	100	(2)
Japan	6.4	5.9	0.5	8	2.9	2.8	0.1	4	111	114	(3)
Philippines	8.2	7.9	0.3	4	3.1	3.2	(0.1)	(3)	156	174	(10)
Singapore	6.1	12.4	(6.3)	(51)	2.4	7.1	(4.7)	(66)	193	235	(18)
Vietnam	8.8	9.4	(0.6)	(6)	4.9	5.1	(0.2)	(4)	92	97	(5)
Management contracts	**41.7**	**46.8**	**(5.1)**	**(11)**	**16.9**	**22.2**	**(5.3)**	**(24)**	**125**	**142**	**(12)**
Group	**69.2**	**71.6**	**(2.4)**	**(3)**	**33.8**	**37.2**	**(3.4)**	**(9)**	**124**	**138**	**(10)**

[1] REVPAU for Japan refers to serviced residences and 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 EUR 0.2 million or 4% in 1Q 2013 as compared to 1Q 2012 mainly due to higher indexation and pre-determined increase in lease income. In line with the increase in revenue, gross profit increased by EUR 0.1 million or 2%.

In SGD terms, revenue increased by S$0.1 million or 1% in 1Q 2013 mainly due to stronger performance, offset by depreciation of EUR against SGD. Gross profit for 1Q 2013 remained at the same level as 1Q 2012.

Germany

Both revenue and gross profit increased by EUR 0.7 million in 1Q 2013 as compared to 1Q 2012. This was mainly due to contribution from the newly acquired Madison Hamburg in November 2012. On a same store basis, revenue and gross profit for 1Q 2013 remained at the same level as 1Q 2012.

In SGD terms, both revenue and gross profit increased by S$1.0 million in 1Q 2013. On a same store basis, revenue and gross profit decreased by S$0.1 million due to the depreciation of EUR against SGD.

Philippines

There was no revenue and gross profit in 1Q 2013 due to contribution from Salcedo Residences being classified to "Management contracts" category from July 2012 after its conversion from a master lease arrangement to a management contract.

Singapore

Revenue and gross profit increased by S$2.2 million and S$1.8 million respectively as compared to 1Q 2012, due to the contribution from the newly acquired Ascott Raffles Place in end September 2012 under a fixed and variable lease arrangement.

B. Management contracts with minimum guaranteed income

Belgium

Both revenue and gross profit decreased by EUR 0.1 million in 1Q 2013 as compared to 1Q 2012. REVPAU decreased by 2% from EUR 45 in 1Q 2012 to EUR 44 in 1Q 2013. The decrease was mainly due to the refurbishment of Citadines Toison d'Or during the quarter, expected to be completed in 2Q 2013.

In SGD terms, both revenue and gross profit decreased by S$0.2 million due to lower underlying performance and depreciation of EUR against SGD.

Spain

Both revenue and gross profit decreased by EUR 0.1 million in 1Q 2013 as compared to 1Q 2012. REVPAU decreased by 6% from EUR 50 in 1Q 2012 to EUR 47 in 1Q 2013. The decrease was mainly due to weaker market demand arising from a union strike that lasted 15 days in Barcelona.

In SGD terms, revenue decreased by S$0.2 million or 15%. In line with the decrease in revenue, gross profit decreased by S$0.1 million or 25%. The decrease was mainly due to weaker underlying performance and depreciation of EUR against SGD.

United Kingdom

Revenue increased by GBP 0.2 million or 4% in 1Q 2013 as compared to 1Q 2012. REVPAU increased from GBP 84 in 1Q 2012 to GBP 85 in 1Q 2013. The increase was mainly due to stronger performance from the rebranded Citadines Prestige Trafalgar Square, enabling the refurbished apartments to achieve higher rental rates.

Gross profit decreased by GBP 0.2 million or 11% mainly due to higher depreciation arising from completed refurbishment of Citadines Prestige Trafalgar Square and higher staff costs, partially offset by stronger underlying performance.

In SGD terms, revenue increased by S$0.1 million or 1% due to stronger performance, offset by depreciation of GBP against SGD. Gross profit, in SGD terms, decreased by S$0.5 million or 13% due to higher expenses coupled with depreciation of GBP against SGD.

Vietnam

Revenue decreased by VND 0.3 billion or 2% in 1Q 2013 as compared to 1Q 2012 due to weaker market demand. However, gross profit increased by VND 1.1 billion mainly due to lower depreciation expense in 1Q 2013.

In SGD terms, revenue decreased by S$0.1 million or 9% due to weaker underlying performance and depreciation of VND against SGD. Gross profit, in SGD terms, increased by S$0.1 million or 17% mainly due to lower depreciation expense.

Revenue and gross profit for 1Q 2013 included a yield protection amount of S$0.3 million.

C. Management contracts

Australia

Revenue decreased by AUD 0.6 million or 33% in 1Q 2013 as compared to 1Q 2012 mainly due to the divestment of Somerset Gordon Heights Melbourne on 26 April 2012. In line with the decrease in revenue, gross profit decreased by AUD 0.3 million or 43% as compared to 1Q 2012.

On a same store basis, both revenue and gross profit decreased by AUD 0.2 million. REVPAU decreased by 14% from AUD 170 in 1Q 2012 to AUD 146 in 1Q 2013. In 1Q 2012, the more severe cyclones resulted in more repair works required in the oil and gas industry, leading to higher corporate demand for serviced residences.

In SGD terms, both revenue and gross profit decreased by 35% and 44% respectively as compared to 1Q 2012. This was mainly due to the divestment of Somerset Gordon Heights Melbourne and the depreciation of AUD against SGD.

China

Revenue and gross profit increased by RMB 9.9 million and RMB 2.0 million respectively as compared to 1Q 2012. The increase was mainly due to contribution from the newly acquired Ascott Guangzhou.

Excluding the contribution from Ascott Guangzhou, both revenue and gross profit decreased as compared to 1Q 2012 due to the refurbishment of Somerset Xu Hui during the quarter. REVPAU decreased by 2% from RMB 602 in 1Q 2012 to RMB 588 in 1Q 2013.

In SGD terms, revenue and gross profit increased by S$1.8 million and S$0.3 million respectively. The increase was mainly due to contribution from the newly acquired Ascott Guangzhou, offset by refurbishment of Somerset Xu Hui and depreciation of RMB against SGD.

Indonesia

Revenue for 1Q 2013 remained at the same level as 1Q 2012. Gross profit decreased by USD 0.2 million or 20% in 1Q 2013 mainly due to one-off provision of post employment benefits.

In SGD terms, revenue remained at the same level while gross profit decreased by S$0.3 million or 23%.

Japan

As compared to 1Q 2012, revenue increased by JPY 101.5 million or 28% in 1Q 2013 and gross profit increased by JPY 39.6 million or 23%. This was mainly due to the contribution from Citadines Kyoto acquired in March 2012. REVPAU increased by 16% from JPY 7,018 in 1Q 2012 to JPY 8,120 in 1Q 2013.

Excluding the contribution from Citadines Kyoto, both revenue and gross profit increased as compared to 1Q 2012 due to improved market sentiments.

In SGD terms, revenue and gross profit increased by S$0.5 million and S$0.1 million respectively. The increase was mainly due to the contribution from Citadines Kyoto and improved market sentiments, offset by depreciation of JPY against SGD.

The Philippines

Revenue in 1Q 2013 increased by PHP 2.8 million or 1% as compared to 1Q 2012. This was mainly due to higher demand from business process outsourcing industries as well as increased room inventory at Somerset Millennium Makati. REVPAU decreased from PHP 5,917 in 1Q 2012 to PHP 5,156 in 1Q 2013 due to lower REVPAU from Salcedo Residences. The contribution from Salcedo Residences was reclassified from “Master Leases” category after its conversion from a master lease arrangement to a management contract. On a same store basis, REVPAU increased by 1% as compared to 1Q 2012.

Gross profit in 1Q 2013 decreased by PHP 7.7 million or 7% as compared to 1Q 2012, mainly due to higher operation and maintenance expense.

In SGD terms, revenue increased by S$0.3 million or 4% while gross profit decreased by S$0.1 million or 3%.

Singapore

Revenue decreased by S$6.3 million or 51% and gross profit decreased by S$4.7 million or 66% in 1Q 2013 as compared to 1Q 2012. This was mainly due to the divestment of Somerset Grand Cairnhill on 28 September 2012. REVPAU decreased by 18% from S$235 in 1Q 2012 to S$193 in 1Q 2013.

Excluding the contribution from Somerset Grand Cairnhill last year, revenue and gross profit decreased by S$0.9 million and S$1.5 million respectively as compared to 1Q 2012. REVPAU decreased by 11% from S$217 in 1Q 2012 to S$193 in 1Q 2013. The decrease was mainly due to lower occupancy as a result of disruption from the construction of MRT tunnel for the new downtown line near Somerset Liang Court and weaker demand from project groups, as well as higher non-refundable GST.

Vietnam

Revenue decreased by VND 5.1 billion or 3% and gross profit decreased by VND 1.2 billion or 1% as compared to 1Q 2012. The decrease in revenue was mainly due to lower office rental income and weaker market demand arising from an oversupply situation and reduction in corporate accommodation budgets. REVPAU decreased by 2% from VND 1,597,000 in 1Q 2012 to VND 1,562,000 in 1Q 2013. Gross profit decreased by a lesser extent due to lower depreciation expense, arising from a one-off adjustment from the change in functional currency from USD to VND in 1Q 2012.

In SGD terms, revenue and gross profit decreased by S$0.6 million and S$0.2 million respectively. The decrease was mainly due to weaker performance and weakening of VND against SGD.

9. OUTLOOK AND PROSPECTS

The recovery of the global economy has been slower because of the on-going global uncertainties. It has impacted the hospitality industry. Ascott Reit's extended stay business model, geographical diversification and resilience through stable income base have and will continue to help to mitigate such impact.

On 6 February 2013, Ascott Reit completed an equity placement of 114.9 million new units at S$1.305 per unit, raising total gross proceeds of S$150 million. The proceeds will be used to fund potential future acquisitions in key gateway cities. This will enable us to further grow and enhance Ascott Reit's portfolio to boost Unitholders' returns. In the interim, part of the proceeds has been used to pay down bank loans.

We will continue to actively look for accretive acquisitions in key gateway cities in Asia as well as London, Paris and key cities in Germany.

The Group is progressively executing our asset enhancement programmes on selected properties to capture RevPAU growth when the market conditions improve. Ascott Jakarta, Citadines Toison d'Or Brussels and Citadines Ramblas Barcelona are currently undergoing refurbishment which is expected to be completed in 2013.

The Group's operating performance for FY 2013 is expected to remain profitable.

10. DISTRIBUTIONS

In connection with the equity placement exercise, Ascott Reit made, in lieu of the scheduled semi-distribution, an advanced distribution of Ascott Reit's distributable income for the period from 1 January 2013 to 5 February 2013 (prior to the date on which the placement new units are issued).

10(a) Current financial period

Any distributions declared for the current financial period? Yes

Period of distribution : Distribution for 1 January 2013 to 5 February 2013

Distribution Type	Distribution Rate (cents)
Taxable Income	0.157
Capital	0.460
Total	**0.617**

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) 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%.

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 Ascott Reit Units, the amount of capital distribution will be applied to reduce the cost base of their Ascott Reit Units for tax purposes.

10(d) Book closure date : 5 February 2013 (Closed)

10(e) Date payable : 5 April 2013 (Paid)

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 2013 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 2013, 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	Tay Boon Hwee, Ronald 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 / Doris Lai
Joint Company Secretaries
Singapore
26 April 2013