



**ASCOTT RESIDENCE TRUST**  
**UNAUDITED RESULTS FOR THE QUARTER**  
**ENDED 30 SEPTEMBER 2013**  
**TABLE OF CONTENTS**

Item No.	Description	Page No.
	<b>Summary of Group Results</b>	1
	Introduction	2
1(a)(i)	Consolidated Statement of Total Return and Reconciliation Statement	3 – 4
1(a)(ii)	Explanatory Notes to Consolidated Statement of Total Return	4 – 6
1(b)(i)	Statement of Financial Position	7
1(b)(ii)	Explanatory Notes to Statement of Financial Position	7 – 9
1(c)	Consolidated Statement of Cash Flows	10
1(d)(i)	Statement of Movements in Unitholders' Funds	11 – 12
1(d)(ii)	Details of Any Change in the Units	12
2 & 3	Audit Statement	12
4 & 5	Changes in Accounting Policies	13
6	Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")	13
7	Net Asset Value ("NAV") Per Unit	14
8	Group Performance Review	14 – 19
9	Outlook and Prospects	20
10	Distributions	20
11	General mandate for Interested Person Transactions	20
12	Confirmation pursuant to Rule 705(5) of the Listing Manual	20

**ASCOTT RESIDENCE TRUST**  
**2013 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT**

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**Summary of Group Results**

	<b>3Q 2013 S\$'000</b>	<b>3Q 2012 S\$'000</b>	<b>Better/ (Worse) %</b>	<b>YTD Sep 2013 S\$'000</b>	<b>YTD Sep 2012 S\$'000</b>	<b>Better/ (Worse) %</b>
Revenue	86,111	77,376	11	232,701	227,907	2
Gross Profit	44,820	40,734	10	119,543	120,638	(1)
Unitholders' Distribution	30,010	25,638 <sup>1</sup>	17	88,559	76,912	15
Distribution Per Unit (cents)	2.37	2.24	6	7.07	6.76	5

<sup>(1)</sup> Unitholders' distribution in 3Q 2012 included a reversal of over-provision of prior years' tax expense of S\$2.0 million.

# ASCOTT RESIDENCE TRUST

## 2013 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

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### 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 “2012 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, which is expected to be in 4Q 2017.

On 28 June 2013, Ascott Reit completed the acquisitions of Somerset Heping Shenyang, Citadines Biyun Shanghai, Citadines Xinghai Suzhou and a portfolio of 11 rental housing properties in Japan.

As at 30 September 2013, Ascott Reit’s portfolio comprises 81 properties with 8,636 apartment units\* in 32 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		Better / (Worse) %	GROUP		Better / (Worse) %
		3Q 2013 S\$'000	3Q 2012 S\$'000		YTD Sep 2013 S\$'000	YTD Sep 2012 S\$'000	
<b>Revenue</b>	A.1	86,111	77,376	11	232,701	227,907	2
Direct expenses	A.2	(41,291)	(36,642)	(13)	(113,158)	(107,269)	(5)
<b>Gross Profit</b>	A.1	44,820	40,734	10	119,543	120,638	(1)
Finance income		540	499	8	1,586	1,532	4
Other operating income		36	91	(60)	228	1,474	(85)
Finance costs	A.3	(11,107)	(10,461)	(6)	(29,136)	(31,981)	9
Manager's management fees	A.3	(4,019)	(3,657)	(10)	(10,673)	(10,586)	(1)
Trustee's fee		(88)	(79)	(11)	(240)	(231)	(4)
Professional fees	A.3	(663)	(339)	(96)	(1,743)	(945)	(84)
Audit fees	A.3	(660)	(413)	(60)	(1,629)	(1,357)	(20)
Foreign exchange (loss) / gain	A.4	(1,243)	(1,610)	23	6,860	(3,348)	305
Other operating expenses		(85)	(127)	33	(680)	(504)	(35)
Share of profit of associate (net of tax)		7	3	133	-	24	(100)
<b>Net income before changes in fair value of financial derivatives and serviced residence properties</b>		<b>27,538</b>	<b>24,641</b>	<b>12</b>	<b>84,116</b>	<b>74,716</b>	<b>13</b>
Net change in fair value of financial derivatives	A.5	1,226	-	n.m.	2,511	(6)	n.m.
Net change in fair value of serviced residence properties	A.6	39,511	-	n.m.	65,433	127,913	(49)
Net divestment expenses	A.7	-	(10,057)	n.m.	-	(9,486)	n.m.
Assets written off		-	-	n.m.	-	(145)	100
<b>Total return for the period before tax</b>		<b>68,275</b>	<b>14,584</b>	<b>368</b>	<b>152,060</b>	<b>192,992</b>	<b>(21)</b>
Income tax expense	A.8	(5,110)	(5,723)	11	(25,910)	(19,956)	(30)
<b>Total return for the period after tax</b>		<b>63,165</b>	<b>8,861</b>	<b>613</b>	<b>126,150</b>	<b>173,036</b>	<b>(27)</b>
Attributable to:							
Unitholders		61,599	7,393		121,261	160,992	
Non-controlling interests		1,566	1,468		4,889	12,044	
<b>Total return for the period</b>		<b>63,165</b>	<b>8,861</b>	<b>613</b>	<b>126,150</b>	<b>173,036</b>	<b>(27)</b>

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

	Note	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
		3Q 2013 S\$'000	3Q 2012 S\$'000		YTD Sep 2013 S\$'000	YTD Sep 2012 S\$'000	
Total return for the period attributable to unitholders		61,599	7,393		121,261	160,992	
Net effect of non-tax deductible / chargeable items and other adjustments	A.9	(31,589)	18,245		(32,702)	(84,080)	
<b>Total amount distributable to Unitholders for the period</b>		<b>30,010</b>	<b>25,638</b>	<b>17</b>	<b>88,559</b>	<b>76,912</b>	<b>15</b>
<b>Comprises :</b>							
- from operations		(1,299)	7,858		36,985	27,550	
- from unitholders' contributions		31,309	17,780		51,574	49,362	
		<b>30,010</b>	<b>25,638</b>	<b>17</b>	<b>88,559</b>	<b>76,912</b>	<b>15</b>

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

**A.1 Revenue and Gross profit**

Revenue for 3Q 2013 of S\$86.1 million comprised S\$15.3 million (18% of total revenue) from serviced residences on Master Leases, S\$20.7 million (24%) from serviced residences on management contracts with minimum guaranteed income and S\$50.1 million (58%) from serviced residences on management contracts.

Revenue for 3Q 2013 increased by S\$8.7 million or 11% as compared to 3Q 2012. This was mainly contributed by the additional revenue of S\$14.1 million from the properties acquired in second half last year and on 28 June 2013. The increase was partially offset by the decrease in revenue of S\$4.7 million from the divestment of Somerset Grand Cairnhill in September 2012 and lower contribution of S\$0.7 million from the existing properties, mainly properties in Philippines and Japan (arising from depreciation of JPY against SGD).

The Group achieved a REVPAU of S\$133 in 3Q 2013, a decrease of 10% as compared to 3Q 2012. The decrease in REVPAU was mainly due to divestment of Somerset Grand Cairnhill Singapore, which had a relatively higher ADR, and weaker performance from Philippines and Japan (arising from depreciation of JPY).

Gross profit for 3Q 2013 of S\$44.8 million comprised S\$13.8 million (31% of total gross profit) from serviced residences on Master Leases, S\$9.2 million (20%) from serviced residences on management contracts with minimum guaranteed income and S\$21.8 million (49%) from serviced residences on management contracts.

As compared to 3Q 2012, gross profit increased by S\$4.1 million or 10%. On a same store basis, gross profit decreased by S\$0.9 million.

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

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

	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
	3Q 2013 S\$'000	3Q 2012 S\$'000		YTD Sep 2013 S\$'000	YTD Sep 2012 S\$'000	
Depreciation and amortisation	(3,554)	(2,961)	(20)	(9,916)	(8,775)	(13)
Staff costs	(8,687)	(7,678)	(13)	(24,034)	(22,681)	(6)

**A.3 Finance costs / Manager's management fees / professional fees / audit fees**

The increase in the above expenses mainly arose due to the new properties injected into the portfolio in the second half of 2012 and on 28 June 2013.

**A.4 Foreign exchange loss**

The foreign exchange loss recognised in 3Q 2013 was largely due to unrealised exchange loss on GBP denominated bank loans, as a result of the appreciation of the GBP against SGD as at balance sheet date and unrealised exchange loss on USD shareholders' loans from the Philippines subsidiary, as a result of the depreciation of PHP against USD.

**A.5 Net change in fair value of financial derivatives**

This mainly relates to the fair value gain of interest rate swaps and interest rate caps.

**A.6 Net change in fair value of serviced residence properties**

This relates to the surplus on revaluation of the 81 units in Somerset Grand Fortune Garden pursuant to the announcement for the proposed divestment of these units on a strata sale basis on 18 October 2013. The fair value of these units was based on an independent valuation carried out by DTZ Debenham Tie Leung Limited, using the direct comparison and investment approaches, after deducting incidental transaction costs in connection with the divestment of these 81 units.

**A.7 Net divestment expenses**

The net divestment expenses recognised in 3Q 2012 relates to the expenses incurred in connection with the divestment of Somerset Grand Cairnhill. These expenses mainly comprised the divestment fee, professional fees and fee for pre-termination of the existing management agreement.

**A.8 Income tax expense**

Taxation for 3Q 2013 was lower by S\$0.6 million as compared to the corresponding period last year. This was mainly due to lower deferred tax expense in respect of the unrealised foreign exchange loss arising from revaluation of USD denominated shareholders' loans from the Philippines subsidiary.

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

	GROUP		Better / (Worse) %	GROUP		Better / (Worse) %
	3Q 2013 S\$'000	3Q 2012 S\$'000		YTD Sep 2013 S\$'000	YTD Sep 2012 S\$'000	
Depreciation and amortisation	3,554	2,961	(20)	9,916	8,775	(13)
Manager's management fee payable / paid partially in units	3,068	2,731	(12)	8,413	7,920	(6)
Trustee's fees*	15	17	12	41	49	16
Foreign exchange loss	1,933	1,780	(9)	2,783	4,294	35
Net change in fair value of financial derivatives	248	-	n.m.	265	6	n.m.
Net change in fair value of serviced residence properties (Note A.6)	(39,511)	-	n.m.	(65,433)	(127,913)	(49)
Net divestment expenses (Note A.7)	-	10,057	n.m.	-	9,486	n.m.
Assets written off	-	-	n.m.	-	145	100
Deferred tax expense	(861)	820	205	12,433	7,528	(65)
Effect of non-controlling interests arising from the above	(273)	(337)	(19)	(920)	6,729	114

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

1(b)(i) **STATEMENT OF FINANCIAL POSITION**

	Note	GROUP		REIT	
		30/09/13 S\$'000	31/12/12 S\$'000	30/09/13 S\$'000	31/12/12 S\$'000
<b>Non-Current Assets</b>					
Plant and equipment	B.1	55,409	50,327	8,693	10,078
Serviced residence properties	B.2	3,097,214	2,785,147	555,546	551,222
Interest in subsidiaries		-	-	242,045	166,583
Interest in associate		3,085	2,932	3,570	3,417
Financial derivatives	B.3	26	4	26	-
Deferred tax assets		2,734	2,583	-	-
		<b>3,158,468</b>	<b>2,840,993</b>	<b>809,880</b>	<b>731,300</b>
<b>Current Assets</b>					
Assets held for sale	B.4	87,651	-	-	-
Inventories		453	476	-	-
Trade receivables		11,651	11,940	1,385	1,523
Other receivables and deposits		20,248	23,918	1,599,041	1,490,553
Cash and bank balances	B.5	121,619	125,181	12,400	9,927
		<b>241,622</b>	<b>161,515</b>	<b>1,612,826</b>	<b>1,502,003</b>
<b>Total Assets</b>		<b>3,400,090</b>	<b>3,002,508</b>	<b>2,422,706</b>	<b>2,233,303</b>
<b>Non-Current Liabilities</b>					
Interest bearing liabilities	B.7	(1,184,614)	(1,003,056)	(370,536)	(349,650)
Financial derivatives	B.3	(15,798)	(18,757)	(10,501)	(13,691)
Deferred tax liabilities	B.6	(61,623)	(47,329)	-	-
		<b>(1,262,035)</b>	<b>(1,069,142)</b>	<b>(381,037)</b>	<b>(363,341)</b>
<b>Current Liabilities</b>					
Trade payables		(5,420)	(4,110)	(180)	(68)
Other payables		(108,605)	(106,617)	(406,728)	(340,219)
Interest bearing liabilities	B.7	(180,804)	(167,765)	(146,601)	(131,659)
Financial derivatives	B.3	(248)	(645)	(248)	(48)
Provision for taxation		(4,216)	(13,259)	(354)	(180)
		<b>(299,293)</b>	<b>(292,396)</b>	<b>(554,111)</b>	<b>(472,174)</b>
<b>Total Liabilities</b>		<b>(1,561,328)</b>	<b>(1,361,538)</b>	<b>(935,148)</b>	<b>(835,515)</b>
<b>Net Assets</b>		<b>1,838,762</b>	<b>1,640,970</b>	<b>1,487,558</b>	<b>1,397,788</b>
Represented by:					
Unitholders' funds	1(d)(i)	1,744,326	1,547,373	1,487,558	1,397,788
Non-controlling interests	1(d)(i)	94,436	93,597	-	-
<b>Total Equity</b>	1(d)(i)	<b>1,838,762</b>	<b>1,640,970</b>	<b>1,487,558</b>	<b>1,397,788</b>

1(b)(ii) **Explanatory Notes to Statement of Financial Position**

**B.1 Plant and equipment**

The increase in the plant and equipment as at 30 September 2013 was mainly due to the acquisition of the 14 properties on 28 June 2013, partially offset by the reclassification of the plant and equipment of the 81 units in Somerset Grand Fortune Garden to assets held for sale under Current Assets.

**B.2 Serviced residence properties**

The increase in the Group's serviced residences as at 30 September 2013 was mainly due to the acquisition of the 14 properties on 28 June 2013, increase in valuation of the serviced residences on 30 June 2013 and foreign currency differences arising from translating the Group's overseas serviced residences as a result of the strengthening of foreign currencies, particularly EUR and GBP, against Singapore dollar.



The increase was partially offset by the reclassification of the 81 units in Somerset Grand Fortune Garden from serviced residence properties to assets held for sale under Current Assets .

**B.3 Financial derivatives**

The financial derivatives relate to the fair value of interest rate swaps and interest rate caps, entered into to hedge interest rate risk, and fair value of foreign currency forward contracts, entered into to hedge distribution income.

**B.4 Assets held for sale**

This relates to the reclassification of the 81 units in Somerset Grand Fortune Garden from serviced residence properties and plant and equipment under Non-Current Assets. Please refer to notes B.1 and B.2 above.

**B.5 Cash and bank balances**

The decrease in the Group's cash and bank balances as at 30 September 2013 was mainly due to the distribution paid to unitholders, partially offset by cash generated from operations.

**B.6 Deferred tax liabilities**

The increase in the Group's deferred tax liabilities as at 30 September 2013 was mainly due to the deferred tax liability provided on those serviced residence properties that have increased in fair value.

**B.7 Interest bearing liabilities**

	GROUP		REIT	
	30/09/13 S\$'000	31/12/12 S\$'000	30/09/13 S\$'000	31/12/12 S\$'000
<b>Amount repayable in one year or less or on demand</b>				
- Secured	158,210	123,341	124,007	87,235
- Unsecured	22,755	44,612	22,755	44,612
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(161)	(188)	(161)	(188)
	180,804	167,765	146,601	131,659
<b>Amount repayable after one year</b>				
- Secured	789,615	757,184	287,795	351,041
- Unsecured	400,013	250,000	85,212	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(5,014)	(4,128)	(2,471)	(1,391)
	1,184,614	1,003,056	370,536	349,650
<b>Total</b>	<b>1,365,418</b>	<b>1,170,821</b>	<b>517,137</b>	<b>481,309</b>

**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 30 September 2013, the Group's gearing was 41.1 percent, well within the 60 percent gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. The average cost of debts was 3.2 percent per annum, with an interest cover of 4.2 times. S\$945.0 million or 69 percent of the Group's borrowings are on fixed interest rates with S\$19.2 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, 1 percent falls due in 2013, 16 percent falls due in 2014, 28 percent falls due in 2015, 22 percent falls due in 2016, and the balance falls due after 2016.

The Manager adopts a proactive capital management strategy and has commenced discussions to refinance the loan facilities due in 2014 and 2015, ahead of their maturity dates.

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

	<b>GROUP</b>			
	<b>3Q 2013 S\$'000</b>	<b>3Q 2012 S\$'000</b>	<b>YTD Sep 2013 S\$'000</b>	<b>YTD Sep 2012 S\$'000</b>
<b>Operating Activities</b>				
Total return for the period before tax	68,275	14,584	152,060	192,992
<u>Adjustments for:</u>				
Depreciation and amortisation	3,554	2,961	9,916	8,775
Net divestment expenses	-	10,057	-	9,486
Loss on disposal of plant and equipment	38	10	30	94
Assets written off	-	-	-	145
Finance costs	11,107	10,461	29,136	31,981
Finance income	(540)	(499)	(1,586)	(1,532)
Provision for doubtful debts	15	8	119	21
Manager's management fees payable / paid partially in units	3,068	2,731	8,413	7,920
Foreign exchange loss - unrealised	1,933	1,780	2,783	4,294
Net change in fair value of financial derivatives	(1,226)	-	(2,511)	6
Net change in fair value of serviced residence properties	(39,511)	-	(65,433)	(127,913)
Share of profit of associate	(7)	(3)	-	(24)
<b>Operating profit before working capital changes</b>	<b>46,706</b>	<b>42,090</b>	<b>132,927</b>	<b>126,245</b>
Changes in working capital	422	3,299	(7,866)	(8,749)
<b>Cash generated from operations</b>	<b>47,128</b>	<b>45,389</b>	<b>125,061</b>	<b>117,496</b>
Income tax paid	(5,715)	(3,328)	(23,247)	(16,268)
<b>Cash flows from operating activities</b>	<b>41,413</b>	<b>42,061</b>	<b>101,814</b>	<b>101,228</b>
<b>Investing Activities</b>				
Acquisition of plant and equipment	(4,104)	(860)	(8,632)	(8,168)
Acquisition of serviced residence properties, net of cash acquired	(5,056)	(278,057)	(159,025)	(279,491)
Capital expenditure on serviced residence properties	(5,522)	(3,375)	(21,010)	(6,333)
Expenses incurred for divestment	-	(330)	(887)	(748)
Interest received	540	499	1,586	1,532
Proceeds from divestment of serviced residence property	-	359,000	-	374,335
Proceeds from sale of plant and equipment	29	3	77	44
<b>Cash flows from investing activities</b>	<b>(14,113)</b>	<b>76,880</b>	<b>(187,891)</b>	<b>81,171</b>
<b>Financing Activities</b>				
Distribution to unitholders	(51,486)	(51,258)	(106,970)	(97,165)
Dividend paid to non-controlling shareholders	(164)	(503)	(3,508)	(2,150)
Interest paid	(9,057)	(8,846)	(26,937)	(29,663)
Payment of finance lease	(903)	(802)	(2,620)	(2,448)
Proceeds from issue of new units	-	-	150,001	-
Payment of issue expenses	(129)	-	(2,032)	-
Proceeds from bank borrowings	115,184	82,385	299,290	238,633
Proceeds from issue of medium term notes	63,585	-	63,585	-
Repayment of bank borrowings	(165,284)	(68,018)	(288,935)	(213,516)
<b>Cash flows from financing activities</b>	<b>(48,254)</b>	<b>(47,042)</b>	<b>81,874</b>	<b>(106,309)</b>
<b>(Decrease) / Increase in cash &amp; cash equivalents</b>	<b>(20,954)</b>	<b>71,899</b>	<b>(4,203)</b>	<b>76,090</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>141,235</b>	<b>147,152</b>	<b>125,181</b>	<b>145,466</b>
Effect of exchange rate changes on balances held in foreign currencies	1,338	(2,008)	641	(4,513)
<b>Cash and cash equivalents at end of the period</b>	<b>121,619</b>	<b>217,043</b>	<b>121,619</b>	<b>217,043</b>

1(d)(i) STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

	Note	GROUP		GROUP	
		3Q 2013 S\$'000	3Q 2012 S\$'000	YTD Sep 2013 S\$'000	YTD Sep 2012 S\$'000
<b><u>Unitholders' Contribution</u></b>					
<b>Balance as at beginning of period</b>		1,302,334	1,208,356	1,187,024	1,228,759
Issue of new units					
- equity placement on 6 February 2013		-	-	150,001	-
- payment of manager's management fees in units		2,821	2,714	8,162	7,858
- payment of manager's acquisition fees in units		3,063	-	3,063	-
Issue expenses		61	-	(2,032)	-
Distribution to Unitholders		(13,202)	(31,566)	(51,141)	(57,113)
<b>Balance as at end of period</b>		<b>1,295,077</b>	<b>1,179,504</b>	<b>1,295,077</b>	<b>1,179,504</b>
<b><u>Operations</u></b>					
<b>Balance as at beginning of period</b>		505,476	474,412	463,359	341,173
Total return for the period attributable to Unitholders		61,599	7,393	121,261	160,992
Distribution to Unitholders		(38,284)	(19,692)	(55,829)	(40,052)
<b>Balance as at end of period</b>		<b>528,791</b>	<b>462,113</b>	<b>528,791</b>	<b>462,113</b>
<b><u>Foreign Currency Translation Reserve</u></b>					
<b>Balance as at beginning of period</b>		(88,710)	(59,340)	(90,420)	(28,269)
Translation differences relating to financial statements of foreign subsidiaries		18,987	(13,886)	20,697	(44,957)
<b>Balance as at end of period</b>		<b>(69,723)</b>	<b>(73,226)</b>	<b>(69,723)</b>	<b>(73,226)</b>
<b><u>Capital Reserve</u></b>					
<b>Balance as at beginning and end of period</b>		<b>1,753</b>	<b>1,637</b>	<b>1,753</b>	<b>1,637</b>
<b><u>Hedging Reserve</u></b>					
<b>Balance as at beginning of period</b>		(10,733)	(9,750)	(14,343)	(6,288)
Change in fair value of financial derivatives		635	(1,528)	5,547	(4,990)
Net change in fair value of cash flow hedges reclassified to total return		(1,474)	-	(2,776)	-
<b>Balance as at end of period</b>		<b>(11,572)</b>	<b>(11,278)</b>	<b>(11,572)</b>	<b>(11,278)</b>
<b>Unitholders' Funds</b>	<b>1(b)(i)</b>	<b>1,744,326</b>	<b>1,558,750</b>	<b>1,744,326</b>	<b>1,558,750</b>
<b><u>Non-controlling Interests</u></b>					
<b>Balance as at beginning of period</b>		92,038	100,721	93,597	91,018
Total return for the period		1,566	1,468	4,889	12,044
Acquisition of subsidiaries		-	-	-	2,249
Dividend paid to non-controlling shareholders		(164)	(503)	(3,508)	(2,150)
Translation differences relating to financial statements of foreign subsidiaries		996	(2,866)	(542)	(4,341)
<b>Balance as at end of period</b>	<b>1(b)(i)</b>	<b>94,436</b>	<b>98,820</b>	<b>94,436</b>	<b>98,820</b>
<b>Equity</b>	<b>1(b)(i)</b>	<b>1,838,762</b>	<b>1,657,570</b>	<b>1,838,762</b>	<b>1,657,570</b>

1(d)(i) STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

	Note	REIT		REIT	
		3Q 2013 S\$'000	3Q 2012 S\$'000	YTD Sep 2013 S\$'000	YTD Sep 2012 S\$'000
<b><u>Unitholders' Contribution</u></b>					
<b>Balance as at beginning of period</b>		1,302,334	1,208,356	1,187,024	1,228,759
Issue of new units					
- equity placement on 6 February 2013		-	-	150,001	-
- payment of manager's management fees in units		2,821	2,714	8,162	7,858
- payment of manager's acquisition fees in units		3,063	-	3,063	-
Issue expenses		61	-	(2,032)	-
Distribution to Unitholders		(13,202)	(31,566)	(51,141)	(57,113)
<b>Balance as at end of period</b>		<b>1,295,077</b>	<b>1,179,504</b>	<b>1,295,077</b>	<b>1,179,504</b>
<b><u>Operations</u></b>					
<b>Balance as at beginning of period</b>		231,112	253,526	225,835	194,981
Total return for the period attributable to Unitholders		10,732	(10,723)	33,554	68,182
Distribution to Unitholders		(38,284)	(19,692)	(55,829)	(40,052)
<b>Balance as at end of period</b>		<b>203,560</b>	<b>223,111</b>	<b>203,560</b>	<b>223,111</b>
<b><u>Hedging Reserve</u></b>					
<b>Balance as at beginning of period</b>		(11,970)	(13,671)	(15,071)	(10,012)
Change in fair value of financial derivatives		891	(1,770)	3,992	(5,429)
<b>Balance as at end of period</b>		<b>(11,079)</b>	<b>(15,441)</b>	<b>(11,079)</b>	<b>(15,441)</b>
<b>Unitholders' Funds</b>	<b>1(b)(i)</b>	<b>1,487,558</b>	<b>1,387,174</b>	<b>1,487,558</b>	<b>1,387,174</b>

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

	REIT			
	3Q 2013 '000	3Q 2012 '000	YTD Sep 2013 '000	YTD Sep 2012 '000
<b>Balance as at beginning of period</b>	1,261,596	1,134,781	1,142,819	1,129,871
<b>Issue of new units :</b>				
- equity placement on 6 February 2013	-	-	114,943	-
- partial payment of manager's management fees	2,158	2,238	5,992	7,148
- payment of manager's acquisition fee	2,560	-	2,560	-
<b>Balance as at end of period</b>	<b>1,266,314</b>	<b>1,137,019</b>	<b>1,266,314</b>	<b>1,137,019</b>

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 Singapore Chartered Accountants 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.

	3Q 2013	3Q 2012	YTD Sep 2013	YTD Sep 2012
<b>Earnings per unit (EPU)</b>				
Number of units on issue at end of period ('000)	1,266,314	1,137,019	1,266,314	1,137,019
Weighted average number of units for the period ('000)	1,263,588	1,136,119	1,246,018	1,133,883
<b>EPU (cents) – Basic and Diluted</b> (based on the weighted average number of units for the period)	4.87 <sup>(1)</sup>	0.65 <sup>(1)</sup>	9.73 <sup>(1)</sup>	14.20 <sup>(1)</sup>

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

**Note 1:** The computation of EPU included the net change in fair value of serviced residence properties, net of tax and non-controlling interests as well as net divestment expenses. Excluding these effects, the EPU for 3Q 2013 and 3Q 2012 would be 1.75 cents and 1.54 cents respectively, and the EPU for YTD Sep 2013 and YTD Sep 2012 would be 5.58 cents and 4.97 cents respectively.

	3Q 2013	3Q 2012	YTD Sep 2013	YTD Sep 2012
<b>Distribution per unit (DPU)</b>				
Number of units on issue at end of period ('000)	1,266,314	1,137,019	1,266,314	1,137,019
<b>DPU (cents) – Basic and diluted</b>	2.37	2.24	7.07	6.76

	1 Jan 2013 to 5 Feb 2013	6 Feb 2013 to 30 Sep 2013	YTD Sep 2013	YTD Sep 2012
<b>Distribution per unit (DPU)</b>				
Number of units on issue at end of period ('000)	1,142,819	1,266,314	1,266,314	1,137,019
<b>DPU (cents) – Basic and diluted</b>	0.617 <sup>(2)</sup>	6.453	7.07	6.76

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

**Note 2:** This pertains to 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) which was paid on 5 April 2013.

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

	Group		REIT	
	30/09/13	31/12/12	30/09/13	31/12/12
NAV per unit (S\$)	1.38	1.35	1.17	1.22

8. GROUP PERFORMANCE REVIEW

8(a) Revenue and Gross Profit Analysis – 3Q 2013 vs. 3Q 2012 (Local Currency (“LC”))

		Revenue <sup>1</sup>				Gross Profit <sup>1</sup>				REVPAU Analysis <sup>2</sup>		
		3Q 2013	3Q 2012	Better/ (Worse)		3Q 2013	3Q 2012	Better/ (Worse)		3Q 2013	3Q 2012	Better/ (Worse)
		LC'm	LC'm	LC'm	%	LC'm	LC'm	LC'm	%	LC/day	LC/day	%
<b>Master Leases</b>												
France	EUR	5.8	5.6	0.2	4	5.4	5.2	0.2	4	-	-	-
Germany	EUR	1.6	0.5	1.1	n.m.	1.3	0.5	0.8	n.m.	-	-	-
Singapore	S\$	2.4	0.1	2.3	n.m.	2.0	0.1	1.9	n.m.	-	-	-
Japan	JPY	55.6	-	55.6	n.m.	46.8	-	46.8	n.m.	-	-	-
<b>Management contracts with minimum guaranteed income</b>												
Belgium	EUR	1.7	1.5	0.2	13	0.4	0.3	0.1	33	52	47	11
Spain	EUR	1.5	1.3	0.2	15	0.9	0.7	0.2	29	84	92	(9)
United Kingdom	GBP	7.2	6.8	0.4	6	3.2	3.4	(0.2)	(6)	127	115	10
Vietnam	VND <sup>1</sup>	18.7	16.2	2.5	15	12.2	10.0	2.2	22	1,315	1,338	(2)
<b>Management contracts</b>												
Australia	AUD	1.0	1.3	(0.3)	(23)	0.4	0.6	(0.2)	(33)	124	165	(25)
China	RMB	61.7	26.8	34.9	n.m.	20.1	10.4	9.7	93	497	627	(21)
Indonesia	USD	3.1	3.0	0.1	3	1.0	1.1	(0.1)	(9)	80	79	1
Japan	JPY	674.5	494.8	179.7	36	375.3	227.3	148.0	65	9,313	8,247	13
Philippines	PHP	242.6	270.6	(28.0)	(10)	83.5	100.4	(16.9)	(17)	4,484	5,040	(11)
Singapore	S\$	7.5	12.5	(5.0)	(40)	3.5	6.6	(3.1)	(47)	230	239	(4)
Vietnam	VND <sup>1</sup>	152.7	153.5	(0.8)	(1)	86.3	87.3	(1.0)	(1)	1,605	1,629	(1)

<sup>1</sup> Revenue and Gross Profit figures are stated in millions, except for VND which are stated in billions.

<sup>2</sup> REV PAU for Japan refers to serviced residences and excludes rental housing. REVPAU for VND are stated in thousands.

8(a) **Revenue and Gross Profit Analysis – 3Q 2013 vs. 3Q 2012 (S\$)**

	Revenue				Gross Profit				REVPAU Analysis <sup>1</sup>		
	3Q 2013	3Q 2012	Better/ (Worse)		3Q 2013	3Q 2012	Better/ (Worse)		3Q 2013	3Q 2012	Better/ (Worse)
	S\$'M	S\$'M	S\$M	%	S\$'M	S\$'M	S\$'M	%	S\$/day	S\$/day	%
<b>Master Leases</b>											
France	9.6	8.7	0.9	10	9.0	8.1	0.9	11	-	-	-
Germany	2.6	0.9	1.7	n.m.	2.2	0.9	1.3	n.m.	-	-	-
Singapore	2.4	0.1	2.3	n.m.	2.0	0.1	1.9	n.m.	-	-	-
Japan	0.7	-	0.7	n.m.	0.6	-	0.6	n.m.	-	-	-
<b>Sub-total</b>	<b>15.3</b>	<b>9.7</b>	<b>5.6</b>	<b>58</b>	<b>13.8</b>	<b>9.1</b>	<b>4.7</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Management contracts with minimum guaranteed income</b>											
Belgium	2.9	2.4	0.5	21	0.7	0.5	0.2	40	87	73	19
Spain	2.5	2.0	0.5	25	1.5	1.1	0.4	36	140	145	(3)
United Kingdom	14.2	13.6	0.6	4	6.3	6.7	(0.4)	(6)	247	228	8
Vietnam	1.1	1.0	0.1	10	0.7	0.6	0.1	17	79	82	(4)
<b>Sub-total</b>	<b>20.7</b>	<b>19.0</b>	<b>1.7</b>	<b>9</b>	<b>9.2</b>	<b>8.9</b>	<b>0.3</b>	<b>3</b>	<b>176</b>	<b>163</b>	<b>8</b>
<b>Management contracts</b>											
Australia	1.1	1.7	(0.6)	(35)	0.4	0.7	(0.3)	(43)	142	214	(34)
China	12.6	5.3	7.3	n.m.	4.1	2.1	2.0	95	101	125	(19)
Indonesia	3.9	3.8	0.1	3	1.3	1.3	-	-	102	99	3
Japan	8.8	7.9	0.9	11	4.9	3.6	1.3	36	121	132	(8)
Philippines	7.0	8.1	(1.1)	(14)	2.4	3.0	(0.6)	(20)	130	151	(14)
Singapore	7.5	12.5	(5.0)	(40)	3.5	6.6	(3.1)	(47)	230	239	(4)
Vietnam	9.2	9.4	(0.2)	(2)	5.2	5.4	(0.2)	(4)	96	99	(3)
<b>Sub-total</b>	<b>50.1</b>	<b>48.7</b>	<b>1.4</b>	<b>3</b>	<b>21.8</b>	<b>22.7</b>	<b>(0.9)</b>	<b>(4)</b>	<b>119</b>	<b>142</b>	<b>(16)</b>
<b>Group</b>	<b>86.1</b>	<b>77.4</b>	<b>8.7</b>	<b>11</b>	<b>44.8</b>	<b>40.7</b>	<b>4.1</b>	<b>10</b>	<b>133</b>	<b>148</b>	<b>(10)</b>

<sup>1</sup> REV PAU 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**

Both revenue and gross profit increased by EUR 0.2 million or 4% in 3Q 2013 as compared to 3Q 2012 mainly due to higher indexation and pre-determined increase in lease income.

In SGD terms, revenue and gross profit increased by S\$0.9 million in 3Q 2013 mainly due to stronger performance and appreciation of EUR against SGD.

**Germany**

Revenue and gross profit increased by EUR 1.1 million and EUR 0.8 million respectively as compared to 3Q 2012, due to contribution from the newly acquired Madison Hamburg in November 2012. On a same store basis, revenue and gross profit for 3Q 2013 increased by EUR 0.1 million as compared to 3Q 2012.



In SGD terms, revenue increased by S\$1.7 million and gross profit increased by S\$1.3 million. On a same store basis, both revenue and gross profit increased by S\$0.1 million as compared to 3Q 2012.

### ***Singapore***

Revenue and gross profit increased by S\$2.3 million and S\$1.9 million respectively as compared to 3Q 2012. This was mainly due to the full quarter contribution by Ascott Raffles Place, which was acquired in end September 2012, and operating under a fixed and variable lease arrangement.

### ***Japan***

Revenue and gross profit were JPY 55.6 million (S\$0.7 million) and JPY 46.8 million (S\$0.6 million) respectively in 3Q 2013. This was contributed by the five rental housing properties, which were acquired on 28 June 2013.

## **B. Management contracts with minimum guaranteed income**

### ***Belgium***

Revenue increased by EUR 0.2 million or 13% in 3Q 2013 as compared to 3Q 2012. REVPAU increased by 11% from EUR 47 in 3Q 2012 to EUR 52 in 3Q 2013. The increase was mainly due to higher rental rates from the refurbished apartments at Citadines Sainte-Catherine Brussels. The ongoing refurbishment of Citadines Toison d'Or Brussels is expected to be completed in 1Q 2014.

In line with the increase in revenue, gross profit increased by EUR 0.1 million or 33%.

In SGD terms, both revenue and gross profit increased by 21% and 40% respectively as compared to 3Q 2012. This was mainly due to stronger underlying performance and appreciation of EUR against SGD.

### ***Spain***

Revenue and gross profit for 3Q 2013 included a top-up by the property manager of EUR 0.4 million. Excluding the top-up, both revenue and gross profit decreased by EUR 0.1 million in 3Q 2013 as compared to 3Q 2012. REVPAU decreased by 9% from EUR 92 in 3Q 2012 to EUR 84 in 3Q 2013. The decrease was mainly due to the ongoing refurbishment of Citadines Ramblas Barcelona, expected to be completed in 1Q 2014.

In SGD terms, revenue and gross profit increased by 25% and 36% respectively as compared to 3Q 2012 due to the top-up by the property manager and appreciation of EUR against SGD.

### ***United Kingdom***

Revenue increased by GBP 0.4 million or 6% in 3Q 2013 as compared to 3Q 2012. REVPAU increased by 10% from GBP 115 in 3Q 2012 to GBP 127 in 3Q 2013. The increase was mainly due to stronger demand from corporate and leisure sectors.

Despite higher revenue, gross profit decreased by GBP 0.2 million or 6% due to higher provision of incentive fee in view of the stronger performance in FY 2013.

In SGD terms, revenue increased by S\$0.6 million or 4% due to stronger performance, partially offset by depreciation of GBP against SGD. Gross profit, in SGD terms, decreased by S\$0.4 million or 6% due to higher expenses.

### ***Vietnam***

Revenue and gross profit increased by VND 2.5 billion and VND 2.2 billion respectively as compared to 3Q 2012 due to higher yield protection amount.

In SGD terms, both revenue and gross profit increased by S\$0.1 million. Revenue and gross profit for 3Q 2013 included a yield protection amount of S\$0.4 million.

## **C. Management contracts**

### ***Australia***

Revenue and gross profit decreased by AUD 0.3 million or 23% and AUD 0.2 million or 33% respectively as compared to 3Q 2012. REVPAU decreased by 25% from AUD 165 in 3Q 2012 to AUD 124 in 3Q 2013. This was mainly due to slow down in the Perth economy and ongoing renovation of Somerset St Georges Terrace. The ongoing refurbishment of Somerset St Georges Terrace is expected to be completed in 1Q 2014.

In SGD terms, both revenue and gross profit decreased by 35% and 43% respectively as compared to 3Q 2012. This was mainly due to weaker underlying performance and the depreciation of AUD against SGD.

### ***China***

Revenue and gross profit increased by RMB 34.9 million and RMB 9.7 million respectively as compared to 3Q 2012. The increase was mainly due to contributions from Ascott Guangzhou, which was acquired in end September 2012, and the three properties acquired on 28 June 2013. Gross profit increased by a lower extent as a result of higher staff costs and depreciation expense.

Excluding the contributions from the acquisitions, both revenue and gross profit decreased as compared to 3Q 2012 due to the refurbishment of Somerset Xu Hui, which was completed in September 2013. On a same store basis, REVPAU decreased by 10% as compared to 3Q 2012.

In SGD terms, revenue and gross profit increased by S\$7.3 million and S\$2.0 million respectively. The increase was mainly due to contribution from the newly acquired properties, partially offset by refurbishment of Somerset Xu Hui and higher expenses.

### ***Indonesia***

Revenue increased by USD 0.1 million or 3% in 3Q 2013 as compared to 3Q 2012. REVPAU increased by 1% from USD 79 in 3Q 2012 to USD 80 in 3Q 2013. Gross profit decreased by USD 0.1 million or 9% in 3Q 2013 mainly due to higher admin and general expenses. The ongoing refurbishment of Ascott Jakarta is expected to be completed in 4Q 2013.

In SGD terms, revenue increased by S\$ 0.1 million. Gross profit remained at the same level as 3Q 2012 in SGD terms due to appreciation of USD against SGD, offset by weaker underlying performance.

### ***Japan***

Revenue and gross profit increased by JPY 179.7 million or 36% and JPY 148.0 million or 65% respectively as compared to 3Q 2012. The increase was mainly due to the contribution from six rental housing properties acquired on 28 June 2013.

Excluding the contributions from the acquisition, revenue increased by 6% due to stronger demand from the corporate and leisure sectors. REVPAU increased by 13% from JPY 8,247 in 3Q 2012 to JPY 9,313 in 3Q 2013. Gross profit increased by 20% due to higher revenue, lower depreciation, and operation and maintenance expense.

In SGD terms, revenue and gross profit increased by S\$0.9 million and S\$1.3 million respectively. The increase was mainly due to contribution from the newly acquired properties, partially offset by depreciation of JPY against SGD by 19%. Gross profit increased by a higher extent due to lower depreciation, and operation and maintenance expense.

### ***The Philippines***

Revenue in 3Q 2013 decreased by PHP 28.0 million or 10% as compared to 3Q 2012 mainly due to reduction in corporate accommodation budgets and ongoing renovation of Ascott Makati, which is expected to be completed in 4Q 2013. REVPAU decreased by 11% from PHP 5,040 in 3Q 2012 to PHP 4,484 in 3Q 2013.

Gross profit in 3Q 2013 decreased by PHP 16.9 million or 17% as compared to 3Q 2012, mainly due to lower revenue, partially offset by lower utility expense.

In SGD terms, revenue decreased by S\$1.1 million or 14% due to weaker underlying performance and depreciation of PHP against SGD. Gross profit decreased by S\$0.6 million or 20% due to lower expenses and depreciation of PHP against SGD.

### ***Singapore***

Revenue decreased by S\$5.0 million or 40% and gross profit decreased by S\$3.1 million or 47% in 3Q 2013 as compared to 3Q 2012. This was mainly due to the divestment of Somerset Grand Cairnhill on 28 September 2012. REVPAU decreased by 4% from S\$239 in 3Q 2012 to S\$230 in 3Q 2013.

Excluding the contribution from Somerset Grand Cairnhill last year, revenue and gross profit decreased by S\$0.3 million and S\$0.5 million respectively as compared to 3Q 2012. The decrease was mainly due to disruption from the construction of MRT tunnel for the new downtown line near Somerset Liang Court, weaker demand from project groups and higher non-refundable GST.

## Vietnam

Revenue decreased by VND 0.8 billion or 1% and gross profit decreased by VND 1.0 billion or 1% as compared to 3Q 2012. The decrease in revenue was mainly due to weaker market demand. REVPAU decreased by 1% from VND 1,629,000 in 3Q 2012 to VND 1,605,000 in 3Q 2013.

In SGD terms, both revenue and gross profit decreased by S\$0.2 million due to weaker performance.

### 8(b) Revenue and Gross Profit Analysis – YTD Sep 2013 vs. YTD Sep 2012 (LC)

		Revenue <sup>1</sup>				Gross Profit <sup>1</sup>				REVPAU Analysis <sup>2</sup>		
		YTD Sep 2013	YTD Sep 2012	Better/ (Worse)		YTD Sep 2013	YTD Sep 2012	Better/ (Worse)		YTD Sep 2013	YTD Sep 2012	Better/ (Worse)
		LC'm	LC'm	LC'm	%	LC'm	LC'm	LC'm	%	LC/day	LC/day	%
<b>Master Leases</b>												
France	EUR	17.3	16.6	0.7	4	15.9	15.5	0.4	3	-	-	-
Germany	EUR	4.3	1.5	2.8	n.m.	3.8	1.5	2.3	n.m.	-	-	-
Philippines	PHP	-	16.2	(16.2)	n.m.	-	13.2	(13.2)	n.m.	-	-	-
Singapore	S\$	6.9	0.1	6.8	n.m.	5.6	0.1	5.5	n.m.	-	-	-
Japan	JPY	55.6	-	55.6	n.m.	46.8	-	46.8	n.m.	-	-	-
<b>Management contracts with minimum guaranteed income</b>												
Belgium	EUR	4.9	5.0	(0.1)	(2)	0.9	1.2	(0.3)	(25)	50	51	(2)
Spain	EUR	3.3	3.4	(0.1)	(3)	1.6	1.7	(0.1)	(6)	68	78	(13)
United Kingdom	GBP	19.2	17.9	1.3	7	8.2	8.5	(0.3)	(4)	112	104	8
Vietnam	VND <sup>1</sup>	53.3	49.4	3.9	8	34.9	29.5	5.4	18	1,294	1,368	(5)
<b>Management contracts</b>												
Australia	AUD	3.4	4.5	(1.1)	(24)	1.3	2.0	(0.7)	(35)	142	153	(7)
China	RMB	132.9	78.8	54.1	69	42.8	30.5	12.3	40	536	619	(13)
Indonesia	USD	9.2	9.2	-	-	2.8	3.2	(0.4)	(13)	81	81	-
Japan	JPY	1,677.4	350.2	327.2	24	873.9	632.3	241.6	38	9,079	8,060	13
Philippines	PHP	783.2	810.8	(27.6)	(3)	287.4	320.3	(32.9)	(10)	4,898	5,609	(13)
Singapore	S\$	20.9	37.7	(16.8)	(45)	9.6	20.9	(11.3)	(54)	217	241	(10)
Vietnam	VND <sup>1</sup>	453.2	466.5	(13.3)	(3)	257.5	262.7	(5.2)	(2)	1,583	1,627	(3)

<sup>1</sup> Revenue and Gross Profit figures are stated in millions, except for VND which are stated in billions.

<sup>2</sup> REVPAU for Japan refers to serviced residences and excludes rental housing. REVPAU for VND are stated in thousands.

8(b) Revenue and Gross Profit Analysis – YTD Sep 2013 vs. YTD Sep 2012 (S\$)

	Revenue				Gross Profit				REVPAU Analysis <sup>1</sup>		
	YTD Sep 2013	YTD Sep 2012	Better/(Worse)		YTD Sep 2013	YTD Sep 2012	Better/(Worse)		YTD Sep 2013	YTD Sep 2012	Better/(Worse)
	S\$'M	S\$'M	S\$'M	%	S\$'M	S\$'M	S\$'M	%	S\$/day	S\$/day	%
<b>Master Leases</b>											
France	28.4	27.0	1.4	5	26.3	25.1	1.2	5	-	-	-
Germany	7.0	2.8	4.2	n.m.	6.2	2.7	3.5	n.m.	-	-	-
Philippines	-	0.5	(0.5)	n.m.	-	0.4	(0.4)	n.m.	-	-	-
Singapore	6.9	0.1	6.8	n.m.	5.6	0.1	5.5	n.m.	-	-	-
Japan	0.7	-	0.7	n.m.	0.6	-	0.6	n.m.	-	-	-
<b>Sub-total</b>	<b>43.0</b>	<b>30.4</b>	<b>12.6</b>	<b>41</b>	<b>38.7</b>	<b>28.3</b>	<b>10.4</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Management contracts with minimum guaranteed income</b>											
Belgium	8.1	8.2	(0.1)	(1)	1.6	2.0	(0.4)	(20)	82	83	(1)
Spain	5.4	5.4	-	-	2.7	2.6	0.1	4	112	127	(12)
United Kingdom	37.1	35.8	1.3	4	15.7	16.9	(1.2)	(7)	216	208	4
Vietnam	3.2	3.0	0.2	7	2.1	1.8	0.3	17	78	83	(6)
<b>Sub-total</b>	<b>53.8</b>	<b>52.4</b>	<b>1.4</b>	<b>3</b>	<b>22.1</b>	<b>23.3</b>	<b>(1.2)</b>	<b>(5)</b>	<b>156</b>	<b>153</b>	<b>2</b>
<b>Management contracts</b>											
Australia	4.2	5.9	(1.7)	(29)	1.5	2.5	(1.0)	(40)	175	199	(12)
China	26.7	15.8	10.9	69	8.6	6.1	2.5	41	108	124	(13)
Indonesia	11.5	11.7	(0.2)	(2)	3.5	4.1	(0.6)	(15)	101	102	(1)
Japan	22.1	21.6	0.5	2	11.5	10.1	1.4	14	119	129	(8)
Philippines	23.3	24.0	(0.7)	(3)	8.6	9.5	(0.9)	(10)	146	166	(12)
Singapore	20.9	37.7	(16.8)	(45)	9.6	20.9	(11.3)	(54)	217	241	(10)
Vietnam	27.2	28.4	(1.2)	(4)	15.4	15.8	(0.4)	(3)	95	99	(4)
<b>Sub-total</b>	<b>135.9</b>	<b>145.1</b>	<b>(9.2)</b>	<b>(6)</b>	<b>58.7</b>	<b>69.0</b>	<b>(10.3)</b>	<b>(15)</b>	<b>125</b>	<b>145</b>	<b>(14)</b>
<b>Group</b>	<b>232.7</b>	<b>227.9</b>	<b>4.8</b>	<b>2</b>	<b>119.5</b>	<b>120.6</b>	<b>(1.1)</b>	<b>(1)</b>	<b>133</b>	<b>147</b>	<b>(10)</b>

<sup>1</sup> REV PAU for Japan refers to serviced residences and excludes rental housing.

For the nine months ended 30 September 2013 ("YTD Sep 2013"), revenue increased by S\$4.8 million or 2% as compared to the corresponding period last year ("YTD Sep 2012"). The increase in revenue was mainly due to additional contribution of S\$18.4 million from the 2012 Acquisitions and S\$7.9 million from the properties acquired on 28 June 2013. The increase was partially offset by decrease in revenue of S\$16.0 million from the divestments of Somerset Gordon Heights Melbourne and Somerset Grand Cairnhill in April 2012 and September 2012 respectively and lower revenue of S\$5.5 million from the existing properties.

On a same store basis, YTD Sep 2013 revenue decreased by S\$5.5 million due to weaker performance from the Group's serviced residences in Japan (arising from depreciation of JPY against SGD), Singapore, Australia and Philippines.

REVPAU decreased from S\$147 in YTD Sep 2012 to S\$133 in YTD Sep 2013, mainly due to divestment of Somerset Grand Cairnhill Singapore, which had a relatively higher ADR, and weaker performance from Philippines and Japan (arising from depreciation of JPY against SGD).

Despite higher revenue, gross profit decreased by S\$1.1 million or 1% as compared to YTD Sep 2012, due to higher staff costs and higher depreciation expense arising from the completed refurbishment of properties.

**9. OUTLOOK AND PROSPECTS**

Global economic recovery continues to remain slow and uncertain. Despite this, Ascott Reit has achieved better performance.

On 18 October 2013, Ascott Reit announced the launch of the strata sale of 81 units in Somerset Grand Fortune Garden Beijing. The proposed divestment enables Ascott Reit to unlock value and reconstitute its portfolio.

The Manager intends to reinvest the sales proceeds in other higher yielding assets. We will continue to actively look for attractive acquisitions in key gateway cities in China, Japan, Malaysia, Australia and Europe.

The Group's asset enhancement programmes are on track to capture RevPAU growth. The first phase of refurbishments at Citadines Toison d'Or Brussels and Somerset Xu Hui Shanghai have been completed as at 30 September 2013. Citadines Ramblas Barcelona, Ascott Jakarta, Ascott Makati Philippines, Somerset St Georges Terrace Perth and Citadines Toison d'Or Brussels (Phase two) are currently undergoing refurbishment. The Group will continue to execute its asset enhancement programmes to capture organic growth.

The Group's operating performance for FY 2013 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 statement of financial position as at 30 September 2013, consolidated statement of total return, consolidated statement of cash flows and statement of movements in unitholders' funds for the nine months ended 30 September 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 / Regina Tan  
Joint Company Secretaries  
Singapore  
25 October 2013