

**ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE QUARTER
ENDED 31 MARCH 2015
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ASCOTT RESIDENCE TRUST
2015 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

Summary of Group Results

	1Q 2015 S\$'000	1Q 2014 S\$'000	Better / (Worse) %
Revenue	90,013	80,365	12
Gross Profit	43,115	39,169	10
Unitholders' Distribution	27,017	26,654	1
Distribution Per Unit ("DPU") (cents)	1.76	1.75	1

ASCOTT RESIDENCE TRUST

2015 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

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 up to and including 30 March 2006. On 31 March 2006, Ascott Reit was listed on the Singapore Exchange Securities Trading Limited with an initial portfolio of 12 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 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.

In the year 2013, Ascott Reit acquired Somerset Heping Shenyang, Citadines Biyun Shanghai, Citadines Xinghai Suzhou and a portfolio of 11 rental housing properties in Japan. On 23 December 2013, Ascott Reit entered into the sale and purchase agreement to acquire the New Cairnhill Serviced Residence following the satisfaction of the conditions under the New Cairnhill Serviced Residence put and call option agreement.

On 20 March 2014, Ascott Reit acquired Infini Garden, a 389-unit rental housing property in Fukuoka, Japan. In the year 2014, Ascott Reit also acquired Somerset Grand Central Dalian, Citadines Gaoxin Xi’an, Citadines Zhuankou Wuhan and Somerset Ampang Kuala Lumpur, Best Western Shinjuku Astina Hotel and a portfolio of three serviced residence properties located in Greater Sydney, New South Wales, Australia. The nine properties acquired in the year 2014 are collectively termed as the “2014 Acquisitions”.

On 27 October 2014, Ascott Reit issued S\$150.0 million fixed rate perpetual securities. These perpetual securities are classified as equity instruments and recorded as equity in the Statements of Movements in Unitholders’ Funds. In December 2014, Ascott Reit issued its first ten-year Euro-denominated fixed rate notes of EUR80.0 million.

As at 31 March 2015, Ascott Reit’s portfolio comprises 90 properties with 10,500 apartment units in 37 cities across 13 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. Since its listing, Ascott Reit has paid 100% of its distributable income.

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

	Note	GROUP		Better / (Worse) %
		1Q 2015 S\$'000	1Q 2014 S\$'000	
Revenue	A.1	90,013	80,365	12
Direct expenses	A.2	(46,898)	(41,196)	(14)
Gross Profit	A.1	43,115	39,169	10
Finance income		409	696	(41)
Other operating income	A.3	33	1,033	(97)
Finance costs	A.4	(11,848)	(9,026)	(31)
Manager's management fees	A.4	(4,282)	(3,761)	(14)
Trustee's fee	A.4	(100)	(90)	(11)
Professional fees		(547)	(514)	(6)
Audit fees	A.4	(599)	(542)	(11)
Foreign exchange (loss) / gain	A.5	(2,804)	2,935	(196)
Other operating expenses		(202)	(216)	6
Share of results of associate (net of tax)		2	(6)	133
Net income before changes in fair value of financial derivatives		23,177	29,678	(22)
Net change in fair value of financial derivatives	A.6	1,443	244	491
Assets written off	A.7	(29)	(504)	94
Total return for the period before tax		24,591	29,418	(16)
Income tax expense	A.8	(5,693)	(5,374)	(6)
Total return for the period after tax		18,898	24,044	(21)
Attributable to:				
Unitholders / perpetual securities holders		17,164	22,375	
Non-controlling interests		1,734	1,669	
Total return for the period		18,898	24,044	(21)

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

	Note	GROUP		Better / (Worse) %
		1Q 2015 S\$'000	1Q 2014 S\$'000	
Total return for the period attributable to Unitholders / perpetual securities holders		17,164	22,375	
Net effect of non-tax deductible / chargeable items and other adjustments	A.9	11,702	4,279	
Total amount distributable for the period		28,866	26,654	8
Amount distributable				
- Unitholders		27,017	26,654	
- perpetual securities holders		1,849	-	
		28,866	26,654	8
Comprises:				
- from operations		(4,619)	(2,606)	
- from unitholders' contributions		31,636	29,260	
		27,017	26,654	1

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

A.1 Revenue and Gross profit

Revenue for 1Q 2015 of S\$90.0 million comprised S\$17.3 million (19% of total revenue) from serviced residences on Master Leases, S\$15.6 million (17%) from serviced residences on management contracts with minimum guaranteed income and S\$57.1 million (64%) from serviced residences on management contracts.

Revenue for 1Q 2015 increased by S\$9.6 million or 12% as compared to 1Q 2014. This was mainly contributed by the additional revenue of S\$12.5 million from the 2014 Acquisitions.

These increases were partially offset by the decrease in revenue of S\$2.5 from the existing properties and decrease in revenue of S\$0.4 million due to the expiry of the deed of yield protection for Somerset West Lake Hanoi.

The Group achieved a REVPAU of S\$114 for 1Q 2015, a decrease of 8% as compared to 1Q 2014. The decrease in REVPAU was mainly due to weaker performance from Singapore and Vietnam properties and lower ADR from the China properties acquired in 2014. On a same store basis, excluding the acquisitions, REVPAU decreased by 2%.

Gross profit for 1Q 2015 of S\$43.1 million comprised S\$15.1 million (35% of total gross profit) from serviced residences on Master Leases, S\$5.5 million (13%) from serviced residences on management contracts with minimum guaranteed income and S\$22.5 million (52%) from serviced residences on management contracts.

As compared to 1Q 2014, gross profit increased by S\$3.9 million or 10%. On a same store basis, gross profit decreased by S\$1.0 million or 3%.

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

A.2 Direct expenses include the following items:

	GROUP		Better / (Worse) %
	1Q 2015 S\$'000	1Q 2014 S\$'000	
Depreciation and amortisation*	(4,577)	(3,668)	(25)
Staff costs*	(10,283)	(9,005)	(14)

* The increase in the above expenses mainly arose due to the new properties injected into the portfolio in 2014.

A.3 Other operating income

Other operating income for 1Q 2014 was higher as it included contracted compensation received from early termination of an office rental contract as well as insurance claim for a damaged generator.

A.4 Finance costs / Manager's management fees / Trustee's fee / Audit fees

The increase in the above expenses mainly arose due to the new properties injected into the portfolio in 2014.

A.5 Foreign exchange loss

The foreign exchange loss recognised in 1Q 2015 was mainly due to unrealised exchange loss on EUR denominated shareholders' loans extended to the Group's subsidiaries, as a result of the depreciation of EUR against SGD as at balance sheet date.

A.6 Net change in fair value of financial derivatives

This mainly relates to the fair value change of foreign currency forward contracts.

A.7 Assets written off

The assets written off in 1Q 2014 were in relation to the disposal of assets arising from the reconfiguration and refurbishment of Somerset Olympic Tower Tianjin and Somerset Hoa Binh Hanoi.

A.8 Income tax expense

Taxation for 1Q 2015 was higher by S\$0.3 million as compared to the corresponding period last year, despite a lower total return before tax.

This was mainly due to higher deferred tax expense in respect of the unrealised foreign exchange gain arising from revaluation of USD denominated shareholders' loans from the Philippines subsidiary, and higher withholding tax expense on dividend income received from the Group's subsidiaries.

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

	GROUP		Better / (Worse) %
	1Q 2015 S\$'000	1Q 2014 S\$'000	
Depreciation and amortisation	4,577	3,668	(25)
Manager's management fee payable / paid partially in units	3,217	2,893	(11)
Trustee's fees*	15	16	6
Unrealised foreign exchange loss / (gain)	5,007	(2,412)	(308)
Net change in fair value of financial derivatives	(1,443)	(244)	491
Assets written off (Note A.7)	29	504	94
Deferred tax expense	685	367	(87)
Effect of non-controlling interests arising from the above	(134)	(204)	(34)

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

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

	Note	GROUP		REIT	
		31/03/15 S\$'000	31/12/14 S\$'000	31/03/15 S\$'000	31/12/14 S\$'000
Non-Current Assets					
Plant and equipment		54,253	54,100	5,743	6,307
Serviced residence properties	B.1	3,750,712	3,724,036	558,739	558,693
Interest in subsidiaries		-	-	297,603	297,603
Interest in associate		3,319	3,152	3,803	3,638
Deposits		20,250	20,250	20,250	20,250
Deferred tax assets		2,793	3,382	-	-
		3,831,327	3,804,920	886,138	886,491
Current Assets					
Assets held for sale		87,403	87,403	-	-
Inventories		365	286	-	-
Trade receivables		18,668	13,202	1,639	1,234
Other receivables and deposits		22,620	23,172	1,960,632	1,972,348
Financial derivatives	B.2	1,796	353	1,796	353
Cash and bank balances	B.3	157,202	192,556	10,299	50,618
		288,054	316,972	1,974,366	2,024,553
Total Assets		4,119,381	4,121,892	2,860,504	2,911,044
Non-Current Liabilities					
Interest bearing liabilities	B.4	(1,128,790)	(1,301,564)	(274,364)	(460,996)
Financial derivatives	B.2	(7,496)	(14,120)	(4,686)	(10,429)
Deferred tax liabilities		(76,314)	(77,244)	-	-
		(1,212,600)	(1,392,928)	(279,050)	(471,425)
Current Liabilities					
Trade payables		(7,971)	(7,933)	(9)	(51)
Other payables		(113,803)	(110,601)	(603,596)	(598,023)
Interest bearing liabilities	B.4	(427,767)	(249,348)	(199,486)	(12,959)
Financial derivatives	B.2	(4,351)	(15)	(4,723)	(12)
Provision for taxation		(6,783)	(7,831)	(230)	(70)
		(560,675)	(375,728)	(808,044)	(611,115)
Total Liabilities		(1,773,275)	(1,768,656)	(1,087,094)	(1,082,540)
Net Assets		2,346,106	2,353,236	1,773,410	1,828,504
Represented by:					
Unitholders' funds	1(d)(i)	2,089,970	2,106,078	1,622,210	1,679,153
Perpetual securities holders	1(d)(i)	151,200	149,351	151,200	149,351
Non-controlling interests	1(d)(i)	104,936	97,807	-	-
Total Equity		2,346,106	2,353,236	1,773,410	1,828,504

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

B.1 Serviced residence properties

The increase in the Group's serviced residences as at 31 March 2015 was mainly due to foreign currency differences arising from translating the Group's overseas serviced residences as a result of the strengthening of foreign currencies, particularly RMB, VND and JPY, against Singapore dollar. The increase was partially offset by weakening of EUR against Singapore dollar.

B.2 Financial derivatives

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

B.3 Cash and bank balances

The decrease in the Group's cash and bank balances as at 31 March 2015 was mainly due to distribution paid to unitholders and interest payments, partially offset by cash generated from operations.

B.4 Interest bearing liabilities

	GROUP		REIT	
	31/03/15	31/12/14	31/03/15	31/12/14
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less or on demand				
- Secured	256,344	99,445	177,935	12,959
- Unsecured	171,785	150,000	21,785	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(362)	(97)	(234)	-
	427,767	249,348	199,486	12,959
Amount repayable after one year				
- Secured	720,079	948,517	218,728	464,790
- Unsecured	417,002	362,075	58,897	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(8,291)	(9,028)	(3,261)	(3,794)
	1,128,790	1,301,564	274,364	460,996
Total	1,556,557	1,550,912	473,850	473,955

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 from 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 2015, the Group's gearing was 38.7 percent, well below the 60 percent gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. The average cost of debts was 2.9 percent per annum, with an interest cover of 3.7 times. S\$1,240.4 million of the Group's borrowings are on fixed interest rates with S\$356.3 million due for refinancing in the next 12 months.

Out of the Group's total borrowings, 13 percent falls due in 2015, 17 percent falls due in 2016, 8 percent falls due in 2017, 14 percent falls due in 2018, and the balance falls due after 2018.

The Manager adopts a proactive capital management strategy and has commenced discussions to refinance the loan facilities due in 2015 and 2016, ahead of their maturity dates.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	1Q 2015 S\$'000	1Q 2014 S\$'000
Operating Activities		
Total return for the period before tax	24,591	29,418
<u>Adjustments for:</u>		
Depreciation and amortisation	4,577	3,668
(Gain) / loss on disposal of plant and equipment	(8)	4
Assets written off	29	504
Finance costs	11,848	9,026
Finance income	(409)	(696)
Provision for doubtful debts addition / (reversal)	3	(82)
Manager's management fees payable / paid partially in units	3,217	2,893
Foreign exchange loss / (gain) - unrealised	5,007	(2,412)
Net change in fair value of financial derivatives	(1,443)	(244)
Share of results of associate	(2)	6
Operating profit before working capital changes	47,410	42,085
Changes in working capital	(7,676)	(7,363)
Cash generated from operations	39,734	34,722
Income tax paid	(5,388)	(5,719)
Cash flows from operating activities	34,346	29,003
Investing Activities		
Acquisition of plant and equipment	(3,751)	(3,223)
Acquisition of serviced residence properties, net of cash acquired	-	(22,066)
Capital expenditure on serviced residence properties	(3,245)	(4,521)
Deposit paid for acquisition of an investment property	-	(11,820)
Interest received	409	696
Proceeds from sale of plant and equipment	25	35
Cash flows from investing activities	(6,562)	(40,899)
Financing Activities		
Distribution to unitholders	(65,453)	(56,302)
Interest paid	(9,221)	(6,374)
Payments on finance lease	(689)	(949)
Payment of transaction costs on issue of perpetual securities	(312)	-
Proceeds from bank borrowings	67,617	104,833
Repayment of bank borrowings	(58,847)	(75,861)
Cash flows from financing activities	(66,905)	(34,653)
Decrease in cash & cash equivalents	(39,121)	(46,549)
Cash and cash equivalents at beginning of the period	192,556	204,518
Effect of exchange rate changes on balances held in foreign currencies	3,767	459
Cash and cash equivalents at end of the period	157,202	158,428

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

	Note	GROUP	
		1Q 2015 S\$'000	1Q 2014 S\$'000
<u>Unitholders' Contribution</u>			
Balance as at beginning of period		1,476,104	1,547,895
Issue of new units			
- payment of manager's management fees in units		3,484	3,052
Distribution to Unitholders		(20,929)	(45,921)
Balance as at end of period		1,458,659	1,505,026
<u>Operations</u>			
Balance as at beginning of period		707,167	615,777
Total return for the period attributable to Unitholders / perpetual securities holders		17,164	22,375
Total return attributable to perpetual securities holders		(1,849)	-
Distribution to Unitholders		(44,524)	(10,381)
Balance as at end of period		677,958	627,771
<u>Foreign Currency Translation Reserve</u>			
Balance as at beginning of period		(64,084)	(61,641)
Translation differences relating to financial statements of foreign subsidiaries		28,825	14,203
Balance as at end of period		(35,259)	(47,438)
<u>Capital Reserve</u>			
Balance as at beginning and end of period		2,008	1,818
<u>Hedging Reserve</u>			
Balance as at beginning of period		(15,117)	(10,769)
Effective portion of change in fair values of cash flow hedges		1,721	(1,627)
Balance as at end of period		(13,396)	(12,396)
Unitholders' Funds	1(b)(i)	2,089,970	2,074,781
<u>Perpetual Securities</u>			
Balance as at beginning of period		149,351	-
Total return attributable to perpetual securities holders		1,849	-
Balance as at end of period	1(b)(i)	151,200	-
<u>Non-controlling Interests</u>			
Balance as at beginning of period		97,807	94,050
Total return for the period		1,734	1,669
Translation differences relating to financial statements of foreign subsidiaries		5,354	267
Effective portion of change in fair value of cash flow hedges		41	-
Balance as at end of period	1(b)(i)	104,936	95,986
Equity	1(b)(i)	2,346,106	2,170,767

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

	Note	REIT	
		1Q 2015 S\$'000	1Q 2014 S\$'000
Unitholders' Contribution			
Balance as at beginning of period		1,476,104	1,547,895
Issue of new units			
- payment of manager's management fees in units		3,484	3,052
Distribution to Unitholders		(20,929)	(45,921)
Balance as at end of period		1,458,659	1,505,026
Operations			
Balance as at beginning of period		214,631	212,960
Total return for the period attributable to Unitholders / perpetual securities holders		5,986	6,726
Total return attributable to perpetual securities holders		(1,849)	-
Distribution to Unitholders		(44,524)	(10,381)
Balance as at end of period		174,244	209,305
Hedging Reserve			
Balance as at beginning of period		(11,582)	(9,608)
Effective portion of change in fair values of cash flow hedges		889	(1,221)
Balance as at end of period		(10,693)	(10,829)
Unitholders' Funds	1(b)(i)	1,622,210	1,703,502
Perpetual Securities			
Balance as at beginning of period		149,351	-
Total return attributable to perpetual securities holders		1,849	-
Balance as at end of period	1(b)(i)	151,200	-
Equity	1(b)(i)	1,773,410	1,703,502

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

	REIT	
	1Q 2015 '000	1Q 2014 '000
Balance as at beginning of period	1,535,023	1,522,495
Issue of new units :		
- partial payment of manager's management fees	2,709	2,576
Balance as at end of period	1,537,732	1,525,071

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**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2014.

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**

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2015. The adoption of new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

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.

	GROUP	
	1Q 2015 S\$'000	1Q 2014 S\$'000
Total return for the period attributable to Unitholders / perpetual securities holders	17,164	22,375
Less: Total return attributable to perpetual securities holders	(1,849)	-
Total return for the period attributable to Unitholders	15,315	22,375

Earnings per unit (EPU)

Number of units on issue at end of period ('000)

Weighted average number of units for the period ('000)

EPU (cents) – Basic and Diluted
(based on the weighted average number of units for the period)

	1Q 2015	1Q 2014
Number of units on issue at end of period ('000)	1,537,732	1,525,071
Weighted average number of units for the period ('000)	1,536,769	1,524,069
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	1.00	1.47

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

Distribution per unit (DPU)

Number of units on issue at end of period ('000)

DPU (cents) – Basic and diluted

	1Q 2015	1Q 2014
Number of units on issue at end of period ('000)	1,537,732	1,525,071
DPU (cents) – Basic and diluted	1.76	1.75

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

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

	GROUP		REIT	
	31/03/15	31/12/14	31/03/15	31/12/14
NAV per unit (S\$)	1.36	1.37	1.05	1.09

8. **GROUP PERFORMANCE REVIEW**

8(a) **Revenue and Gross Profit Analysis – 1Q 2015 vs. 1Q 2014 (Local Currency (“LC”))**

		Revenue ¹				Gross Profit ¹				REVPAU Analysis ²		
		1Q 2015	1Q 2014	Better/ (Worse)		1Q 2015	1Q 2014	Better/ (Worse)		1Q 2015	1Q 2014	Better/ (Worse)
		LC'm		LC'm	%	LC'm		LC'm	%	LC/day		%
<u>Master Leases</u>												
Australia	AUD	1.7	-	1.7	n.m.	1.6	-	1.6	n.m.	-	-	-
France	EUR	5.8	5.9	(0.1)	(2)	5.3	5.4	(0.1)	(2)	-	-	-
Germany	EUR	1.4	1.4	-	-	1.1	1.3	(0.2)	(15)	-	-	-
Japan	JPY	187.8	99.2	88.6	89	150.4	83.6	66.8	80	-	-	-
Singapore	S\$	2.2	2.1	0.1	5	1.8	1.7	0.1	6	-	-	-
<u>Management contracts with minimum guaranteed income</u>												
Belgium	EUR	1.7	1.6	0.1	6	0.2	0.1	0.1	100	52	49	6
Spain	EUR	0.9	0.6	0.3	50	0.3	0.1	0.2	200	67	48	40
United Kingdom	GBP	5.7	5.5	0.2	4	2.2	1.6	0.6	38	97	96	1
<u>Management contracts</u>												
Australia	AUD	1.2	1.1	0.1	9	0.4	0.3	0.1	33	144	141	2
China	RMB	70.2	53.6	16.6	31	14.7	14.7	-	-	377	464	(19)
Indonesia	USD	2.9	3.2	(0.3)	(9)	1.1	1.2	(0.1)	(8)	77	85	(9)
Japan	JPY	1,020.7	675.0	345.7	51	553.9	390.8	163.1	42	11,158	9,553	17
Malaysia	MYR	4.3	-	4.3	n.m.	1.3	-	1.3	n.m.	227	-	n.m.
Philippines	PHP	252.1	263.5	(11.4)	(4)	87.4	84.7	2.7	3	4,253	4,491	(5)
Singapore	S\$	6.2	6.5	(0.3)	(5)	2.6	2.8	(0.2)	(7)	197	205	(4)
Vietnam ³	VND ¹	153.2	169.4	(16.2)	(10)	84.1	101.2	(17.1)	(17)	1,496	1,604	(7)

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.

³ Revenue and gross profit for Somerset West Lake in 1Q 2015 have been classified under “Management contracts” category as the deed of yield protection has expired on 31 March 2014. For comparison purpose, the revenue and gross profit for Somerset West Lake for 1Q 2014 have been classified under “Management contracts” category.

8(a) **Revenue and Gross Profit Analysis – 1Q 2015 vs. 1Q 2014 (S\$)**

	Revenue				Gross Profit				REVPAU Analysis		
	1Q 2015	1Q 2014	Better/ (Worse)		1Q 2015	1Q 2014	Better/ (Worse)		1Q 2015	1Q 2014	Better/ (Worse)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%	S\$/day	S\$/day	%
Master Leases											
Australia	1.8	-	1.8	n.m.	1.7	-	1.7	n.m.	-	-	-
France	9.0	10.2	(1.2)	(12)	8.2	9.4	(1.2)	(13)	-	-	-
Germany	2.2	2.5	(0.3)	(12)	1.7	2.2	(0.5)	(23)	-	-	-
Japan	2.1	1.2	0.9	75	1.7	1.0	0.7	70	-	-	-
Singapore	2.2	2.1	0.1	5	1.8	1.7	0.1	6	-	-	-
Sub-total	17.3	16.0	1.3	8	15.1	14.3	0.8	6	-	-	-
Management contracts with minimum guaranteed income											
Belgium	2.6	2.7	(0.1)	(4)	0.4	0.2	0.2	100	81	85	(5)
Spain	1.3	1.1	0.2	18	0.5	0.2	0.3	150	104	83	25
United Kingdom	11.7	11.7	-	-	4.6	3.4	1.2	35	201	203	(1)
Sub-total	15.6	15.5	0.1	1	5.5	3.8	1.7	45	152	152	-
Management contracts											
Australia	1.2	1.3	(0.1)	(8)	0.4	0.4	-	-	154	159	(3)
China	15.3	11.1	4.2	38	3.2	3.1	0.1	3	82	96	(15)
Indonesia	3.9	4.0	(0.1)	(3)	1.5	1.5	-	-	104	108	(4)
Japan	11.5	8.3	3.2	39	6.3	4.8	1.5	31	126	118	7
Malaysia	1.6	-	1.6	n.m.	0.5	-	0.5	n.m.	86	-	n.m.
Philippines	7.7	7.5	0.2	3	2.7	2.4	0.3	13	129	127	2
Singapore	6.2	6.5	(0.3)	(5)	2.6	2.8	(0.2)	(7)	197	205	(4)
Vietnam	9.7	10.2	(0.5)	(5)	5.3	6.1	(0.8)	(13)	94	96	(2)
Sub-total	57.1	48.9	8.2	17	22.5	21.1	1.4	7	106	116	(9)
Group	90.0	80.4	9.6	12	43.1	39.2	3.9	10	114	124	(8)

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

Australia

Revenue and gross profit were AUD 1.7 million (S\$1.8 million) and AUD 1.6 million (S\$1.7 million) respectively in 1Q 2015. This was contributed by the three serviced residence properties, which were acquired on 10 December 2014.

France

Both revenue and gross profit decreased by EUR 0.1 million as compared to 1Q 2014 due to negative indexation.

In SGD terms, revenue and gross profit decreased by S\$1.2 million as compared to 1Q 2014 due to depreciation of EUR against SGD.

Germany

Revenue remained at the same level as 1Q 2014. Gross profit decreased by EUR 0.2 million or 15% as compared to 1Q 2014 due to higher repair and maintenance costs.

In SGD terms, revenue decreased by 12% due to depreciation of EUR against SGD. Gross profit, in SGD terms, decreased by 23% due to higher expenses and depreciation of EUR against SGD.

Japan

Revenue and gross profit increased by JPY 88.6 million or 89% and JPY 66.8 million or 80% respectively as compared to 1Q 2014. This was attributed to the full quarter contribution from Infini Garden, which was acquired on 20 March 2014.

In SGD terms, revenue and gross profit increased by 75% and 70% respectively due to depreciation of JPY against SGD.

Singapore

Revenue and gross profit increased by S\$0.1 million as compared to 1Q 2014. This was mainly due to the refurbishment of Ascott Raffles Place last year.

B. Management contracts with minimum guaranteed income

Belgium

Revenue increased by EUR 0.1 million or 6% in 1Q 2015 as compared to 1Q 2014. This was mainly due to refurbishment of Citadines Toison d'Or Brussels during 1Q 2014. REVPAU increased by 6% from EUR 49 in 1Q 2014 to EUR 52 in 1Q 2015.

Gross profit increased by EUR 0.1 million due to higher revenue, coupled with lower staff costs and operation and maintenance expense.

In SGD terms, revenue decreased by S\$0.1 million or 4% due to depreciation of EUR against SGD, partially offset by stronger underlying performance. Gross profit, in SGD terms, increased by S\$0.2 million due to lower operating expenses.

Spain

Revenue and gross profit increased by EUR 0.3 million or 50% and EUR 0.2 million or 200% respectively in 1Q 2015. REVPAU increased by 40% from EUR 48 in 1Q 2014 to EUR 67 in 1Q 2015 due to refurbishment of Citadines Ramblas Barcelona last year.

In SGD terms, revenue and gross profit increased by 18% and 150% respectively due to stronger underlying performance, partially offset by depreciation of EUR against SGD.

United Kingdom

Revenue increased by GBP 0.2 million or 4% in 1Q 2015 as compared to 1Q 2014. REVPAU increased by 1% from GBP 96 in 1Q 2014 to GBP 97 in 1Q 2015. The increase was mainly due to stronger demand from corporate sector and higher retail income.

Gross profit increased by GBP 0.6 million or 38% mainly due to higher revenue, coupled with lower property tax and staff costs.

In SGD terms, revenue remained at the same level as last year due to depreciation of GBP against SGD. Gross profit increased by 35% due to stronger underlying performance, partially offset by depreciation of GBP against SGD.

C. Management contracts

Australia

Both revenue and gross profit increased by AUD 0.1 million as compared to 1Q 2014. This was mainly due to refurbishment of Citadines St Georges Terrace last year. REVPAU increased by 2% from AUD 141 in 1Q 2014 to AUD 144 in 1Q 2015.

In SGD terms, revenue decreased by S\$0.1 million or 8% due to depreciation of AUD against SGD. Gross profit remained at the same level as last year.

China

Revenue increased by RMB 16.6 million or 31% as compared to 1Q 2014, mainly due to contribution from the three properties acquired in 2014. REVPAU decreased by 19% from RMB 464 in 1Q 2014 to RMB 377 in 1Q 2015 due to the newly acquired properties, which had a lower ADR, and weaker performance from the existing properties due to ongoing refurbishment. Gross profit remained at the same level as last year.

Excluding the contribution from the acquisitions, both revenue and gross profit decreased by 10% and 27% respectively as compared to 1Q 2014 due to ongoing refurbishment at Somerset Xu Hui Shanghai and Somerset Olympic Tower.

In SGD terms, revenue increased by S\$4.2 million or 38% mainly due to contribution from the acquired properties and appreciation of RMB against SGD. Gross profit, in SGD terms, increased by S\$0.1 million or 3%.

Indonesia

Revenue decreased by USD 0.3 million or 9% as compared to 1Q 2014 mainly due to weaker demand from corporate accounts. REVPAU decreased by 9% from USD 85 in 1Q 2014 to USD 77 in 1Q 2015. Gross profit decreased by USD 0.1 million or 8% in 1Q 2015 mainly due to lower revenue, partially offset by lower utility expense.

In SGD terms, revenue decreased by 3% as compared to 1Q 2014 due to weaker underlying performance, partially offset by appreciation of USD against SGD. Gross profit remained at the same level as last year.

Japan

Revenue and gross profit increased by JPY 345.7 million or 51% and JPY 163.1 million or 42% respectively as compared to 1Q 2014. The increase was mainly due to the contribution from the property acquired in October 2014 and stronger demand from the corporate and leisure sectors. REVPAU increased by 17% from JPY 9,553 in 1Q 2014 to JPY 11,158 in 1Q 2015.

On a same store basis, revenue and gross profit increased by 9% and 10% respectively as compared to 1Q 2014.

In SGD terms, revenue and gross profit increased by S\$3.2 million or 39% and S\$1.5 million or 31% respectively. The increase was mainly due to the contribution from the acquired property and stronger underlying performance, partially offset by depreciation of JPY against SGD.

Malaysia

Revenue and gross profit were MYR 4.3 million (S\$1.6 million) and MYR 1.3 million (S\$0.5 million) respectively in 1Q 2015. This was contributed by Somerset Ampang Kuala Lumpur, which was acquired on 18 August 2014.

The Philippines

Revenue in 1Q 2015 decreased by PHP 11.4 million or 4% as compared to 1Q 2014 mainly due to weaker demand from corporate accounts. REVPAU decreased by 5% from PHP 4,491 in 1Q 2014 to PHP 4,253 in 1Q 2015.

Despite the decrease in revenue, gross profit in 1Q 2015 increased by PHP 2.7 million or 3% due to lower utility expense and property tax.

In SGD terms, revenue and gross profit increased by S\$0.2 million or 3% and S\$0.3 million or 13% respectively. This was mainly due to appreciation of PHP against SGD.

Singapore

Revenue decreased by S\$0.3 million or 5% in 1Q 2015 as compared to 1Q 2014. REVPAU decreased by 4% from S\$205 in 1Q 2014 to S\$197 in 1Q 2015. The decrease was mainly due to lower corporate accommodation budgets and weaker demand from project groups.

Gross profit decreased by S\$0.2 million or 7% due to lower revenue.

Vietnam

Revenue and gross profit decreased by VND 16.2 billion or 10% and VND 17.1 billion or 17% respectively in 1Q 2015 as compared to 1Q 2014. The decrease was mainly due to the expiry of the deed of yield protection for Somerset West Lake Hanoi, refurbishment of Somerset Ho Chi Minh City and weaker market demand.

On a same store basis (excluding the yield protection amount for 1Q 2014), revenue decreased by 6%. REVPAU decreased by 7% from VND 1,604,000 in 1Q 2014 to VND 1,496,000 in 1Q 2015. Gross profit decreased by 11% due to lower revenue and higher staff costs.

In SGD terms, revenue decreased by S\$0.5 million or 5% and gross profit decreased by S\$0.8 million or 13%. This was mainly due to weaker underlying performance, partially offset by appreciation of VND against SGD.

9. OUTLOOK AND PROSPECTS

Ascott Reit's total assets as at 31 March 2015 was S\$4.1 billion, and has grown at a compound annual growth rate of 18% since listing. We will continue to actively look for accretive acquisitions to achieve our target portfolio size of S\$6.0 billion by 2017.

The Group will continue to refurbish Ascott Reit's properties to enhance guest experience and maximise returns to Unitholders. Approximately 80% of Ascott Reit's serviced residences have undergone or are undergoing asset enhancement and another 20% will undergo refurbishment by 2016.

As part of Ascott Reit's strategy to optimise returns for its Unitholders, Ascott Reit will commence the sale process for some of its properties with limited growth potential.

The Manager maintains a disciplined and prudent capital management approach. As at 31 March 2015, 80% of the total borrowings are on fixed interest rates. The Manager remains vigilant to changes in the macro and credit environment that may impact the Group's financing plans.

In 2015, the operational performance of our portfolio is expected to remain healthy through our resilient extended-stay business model and geographical diversification. The Group's financial performance for FY 2015 should 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 statements of financial position as at 31 March 2015, consolidated statement of total return, consolidated statement of cash flows and statement of movements in unitholders' funds for the three months ended 31 March 2015, together with their accompanying notes), to be false or misleading in any material aspect.

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

23 April 2015