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# Ascott Residence Trust

## *1H 2011 Financial Results Media & Analysts Briefing*



22 July 2011



# Agenda

- **Results Highlights**
- **2Q 2011 Portfolio Performance**
- **Portfolio Information**
- **Capital and Risk Management**
- **Prospects**

## **IMPORTANT NOTICE**

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

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

*Unitholders of Ascott Reit (the “Unitholders”) have no right to request the Manager to redeem their units in Ascott Reit while the units in Ascott Reit are listed. It is intended that Unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.*

# Results Highlights



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# 1H 2011 vs 1H 2010 Performance

	1H 2011	1H 2010	Change
<b>Revenue (S\$m)</b>	<b>140.4</b>	<b>87.9</b>	<b>+60%</b> ↑
<b>Gross Profit (S\$m)</b>	<b>77.5</b>	<b>40.9</b>	<b>+89%</b> ↑
<b>Unitholders' Distribution (S\$m)</b>	<b>50.3</b>	<b>21.8</b>	<b>+130%</b> ↑
<b>Distribution Per Unit (S cents)</b>	<b>4.47</b>	<b>3.53</b>	<b>+27%</b> ↑
<b>Revenue Per Available Unit (S\$/day) – serviced residences</b>	<b>140</b>	<b>124</b>	<b>+13%</b> ↑

- Increase in revenue and gross profit mainly due to the additional revenue of S\$60.6 million and additional gross profit of S\$38.0 million from the 28 properties acquired on 1 October 2010 (the “Acquisitions”), partially offset by the decrease in revenue of S\$9.8 million and gross profit of S\$3.2 million from the divestment of Ascott Beijing and Country Woods Jakarta (the “Divestments”).
- On a same store basis, revenue and gross profit also increased by S\$1.7 million to S\$79.8 million and S\$1.8 million to S\$39.5 million respectively.
- Increase in RevPAU driven by an increase in the average rental rates of the Group’s serviced residences.



## 2Q 2011 vs 2Q 2010 Performance

	2Q 2011	2Q 2010	Change
Revenue (S\$m)	73.1	44.4	+65%↑
Gross Profit (S\$m)	41.2	20.8	+98%↑
Revenue Per Available Unit (S\$/day) – serviced residences	147	126	+17%↑

- Increase in revenue and gross profit mainly due to the additional revenue of S\$33.1 million and additional gross profit of S\$20.9 million from the Acquisitions, partially offset by the decrease in revenue of S\$5.1 million and gross profit of S\$1.8 million from the Divestments.
- Gross profit margin increased from 47% in 2Q 2010 to 56% in 2Q 2011 due to high margins for properties on master leases, and better margins achieved by properties on management contracts as a result of higher rental rates achieved and better cost management.
- On a same store basis, revenue also increased by S\$0.7 million to S\$40.0 million mainly due to the higher contribution from serviced residences in Singapore, partially offset by weaker performance from the serviced residences in Japan and Vietnam. Similarly, gross profit also increased by S\$1.3 million to S\$20.3 million.
- Increase in RevPAU mainly due to the existing Singapore properties and the newly acquired United Kingdom properties.



# 2Q 2011 vs 2Q 2010 Performance

	2Q 2011	2Q 2010	Change
<b>Unitholders' Distribution (S\$m)</b>	26.3	11.6	+127 ↑
<b>Distribution Per Unit (S cents)</b>	2.33	1.87	+25% ↑

- Distribution per Unit was higher mainly due to the yield accretive acquisition of the 28 properties on 1 October 2010, and better performance from the Singapore properties.



# 2Q 2011 vs Forecast Performance

	2Q 2011	Forecast <sup>(1)</sup>	Change
<b>Revenue (S\$m)</b>	73.1	73.4	-
<b>Gross Profit (S\$m)</b>	41.2	39.5	+4% ↑
<b>Revenue Per Available Unit (S\$/day) – serviced residences</b>	147	138	+7% ↑

- Revenue was lower by S\$0.3 million as compared to the forecast as the forecast included a S\$1.1 million contribution from Country Woods Jakarta, which was divested on 29 October 2010. On a same store basis (excluding the revenue from Country Woods Jakarta), revenue was higher by S\$0.8 million or 1% mainly due to higher contribution from serviced residences in Singapore and United Kingdom, partially offset by a lower contribution from the serviced residences in Vietnam and Japan.
- Gross profit was higher by S\$1.7 million or 4% as compared to the forecast. On a same store basis (excluding the S\$0.3 million contribution from Country Woods Jakarta in the forecast), gross profit was higher by S\$2.0 million or 5%.

**Notes:**

(1) The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.





# 2Q 2011 vs Forecast Performance

	2Q 2011	Forecast <sup>(1)</sup>	Change
<b>Unitholders' Distribution (S\$m)</b>	26.3	22.7	+16%↑
<b>Distribution Per Unit (S cents)</b>	2.33	2.01	+16%↑

- Distribution per Unit was higher than the forecast due to higher gross profit mainly from Singapore properties and lower finance costs. Finance costs were S\$1.8 million or 16% lower than the forecast mainly due to lower interest rates achieved as compared to the forecast.

**Notes:**

*(1) The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.*



# Distribution Details

	<b>To Be Paid</b>
<b>Distribution Period</b>	<b>1 January to 30 June 2011</b>
<b>Distribution Rate</b>	<b>4.466 cents per unit</b>
<b>Last Day of Trading on “cum” Basis</b>	<b>27 July 2011, 5:00pm</b>
<b>Ex-Date</b>	<b>28 July 2011, 9:00am</b>
<b>Book Closure Date</b>	<b>1 August 2011</b>
<b>Distribution Payment Date</b>	<b>26 August 2011</b>



# Property Valuations

- Property value higher by S\$82.8 million following latest revaluations by HVS and Savills Advisory Services Limited
  - Mainly from the higher valuation of serviced residences in Singapore and France
- NAV per unit as at 30 June 2011 was S\$1.33, an increase of 4% from 31 December 2010.

# 2Q 2011 Portfolio Performance



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# Master Leases



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# Master Leases



Citadines  
Louvre  
Paris



Citadines  
Les Halles  
Paris



Citadines  
Place  
d'Italie  
Paris



Citadines  
Croisette  
Cannes



Citadines  
Arnulfpark  
Munich



Citadines  
Kurfursten-  
damm  
Berlin



Somerset  
Salcedo  
Property  
Makati

	Revenue			Gross Profit		
	2Q 2011 S\$'M	2Q 2010 S\$'M	Forecast <sup>1</sup> S\$'M	2Q 2011 S\$'M	2Q 2010 S\$'M	Forecast <sup>1</sup> S\$'M
<b>France<sup>2</sup></b> <i>(17 properties)</i>	<b>9.7</b>	-	<b>9.5</b>	<b>9.0</b>	-	<b>8.9</b>
<b>Germany<sup>2</sup></b> <i>(2 properties)</i>	<b>1.0</b>	-	<b>0.9</b>	<b>1.0</b>	-	<b>0.9</b>
<b>Philippines</b> <i>(Somerset Salcedo Property Makati)</i>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
<b>Master Leases Total</b>	<b>10.9</b>	<b>0.2</b>	<b>10.6</b>	<b>10.2</b>	<b>0.2</b>	<b>10.0</b>

**Master Leases constituted 25% of the Group's 2Q 2011 gross profit and have average weighted remaining tenures of 7 years**

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> France and Germany portfolios were acquired on 1 October 2010. Information for 2Q 2010 is not applicable.



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# Management Contracts with Minimum Guaranteed Income



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# Overview of Management Contracts with Minimum Guaranteed Income

- 8 out of Ascott Reit's 64 properties are on management contracts that provide minimum guaranteed income.
- These properties contributed 22% of the Group's gross profit for 2Q 2011.
- These management contracts have an average weighted remaining tenure of about 7 years.





# United Kingdom<sup>1</sup>



Citadines Barbican London



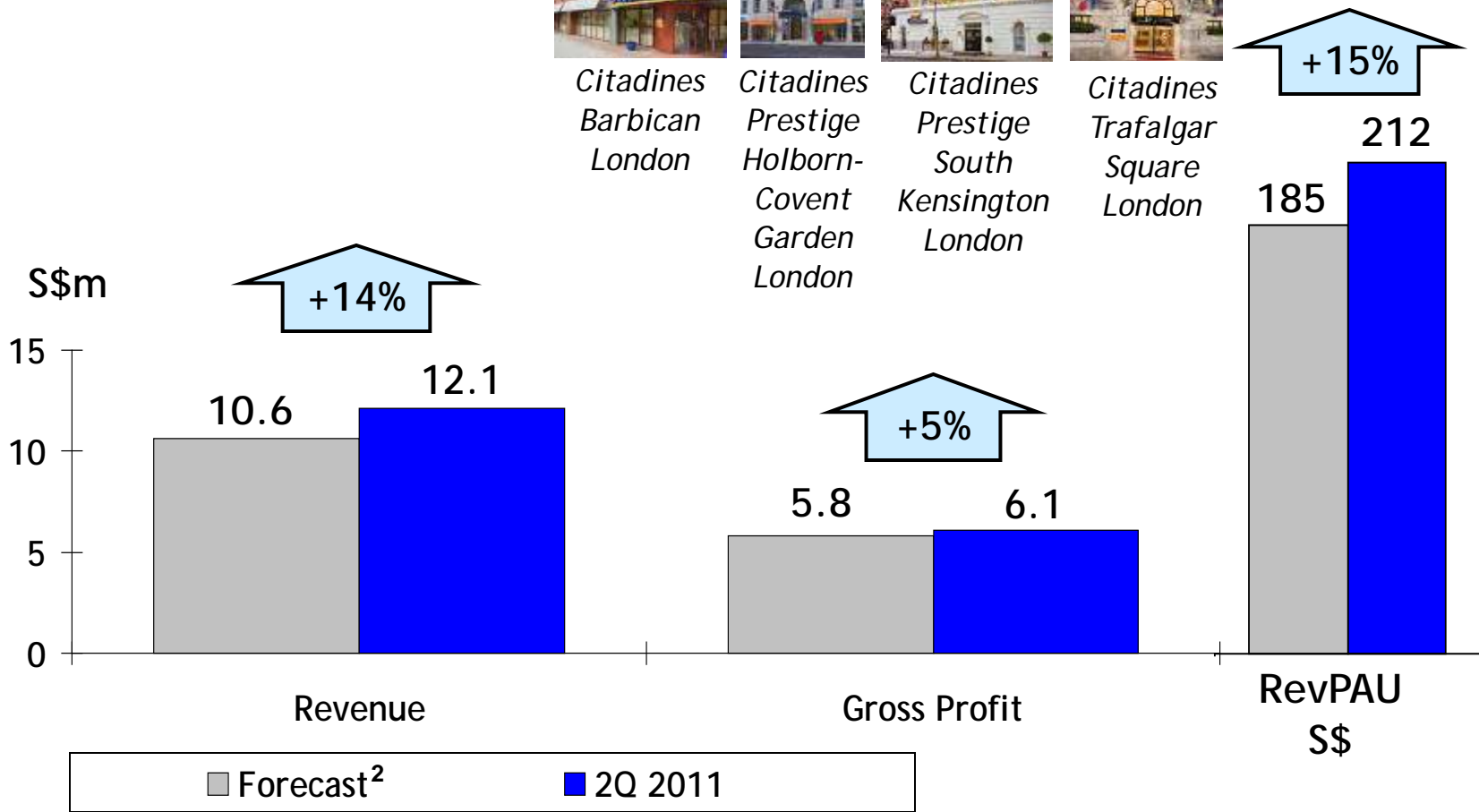
Citadines Prestige Holborn-Covent Garden London



Citadines Prestige South Kensington London



Citadines Trafalgar Square London



**Continued market improvement enabled the refurbished apartments to achieve higher occupancy and rental rates than that assumed in the forecast.**

<sup>1</sup> United Kingdom portfolio was acquired on 1 October 2010. Information for 2Q 2010 is not applicable.

<sup>2</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.



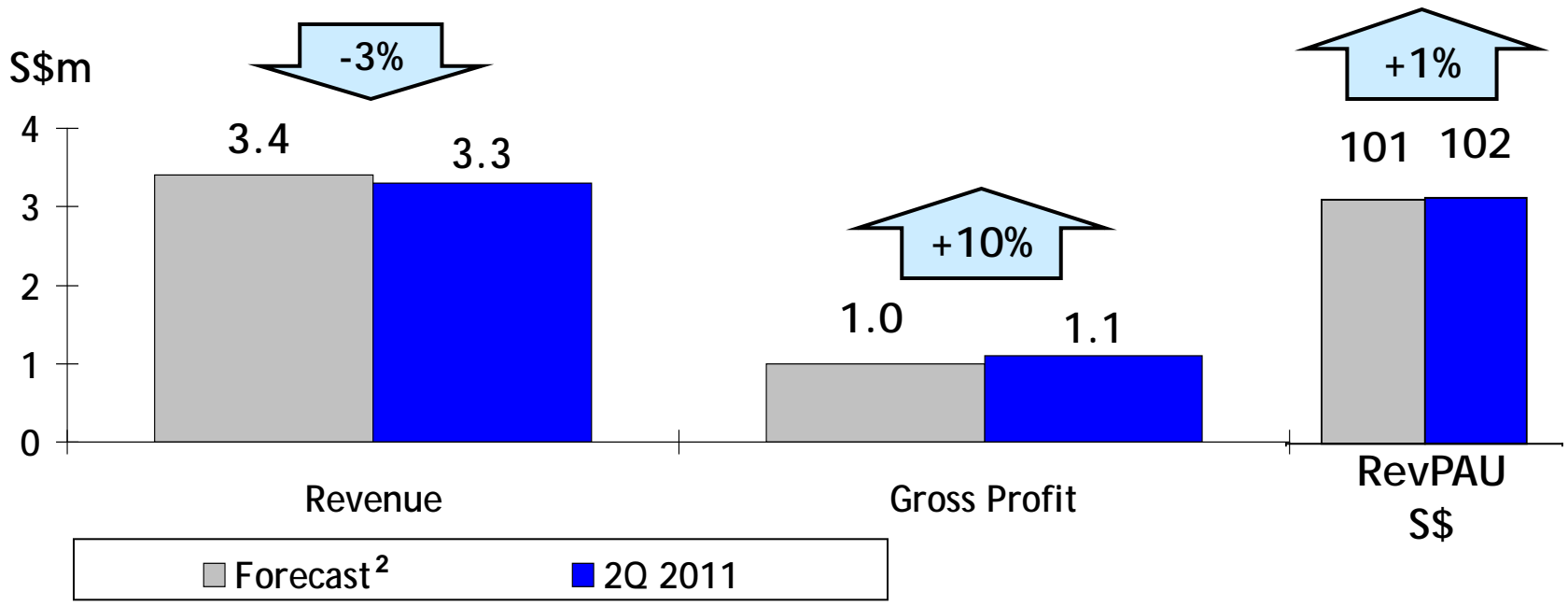
# Belgium<sup>1</sup>



Citadines Sainte-Catherine Brussels



Citadines Toison d'Or Brussels



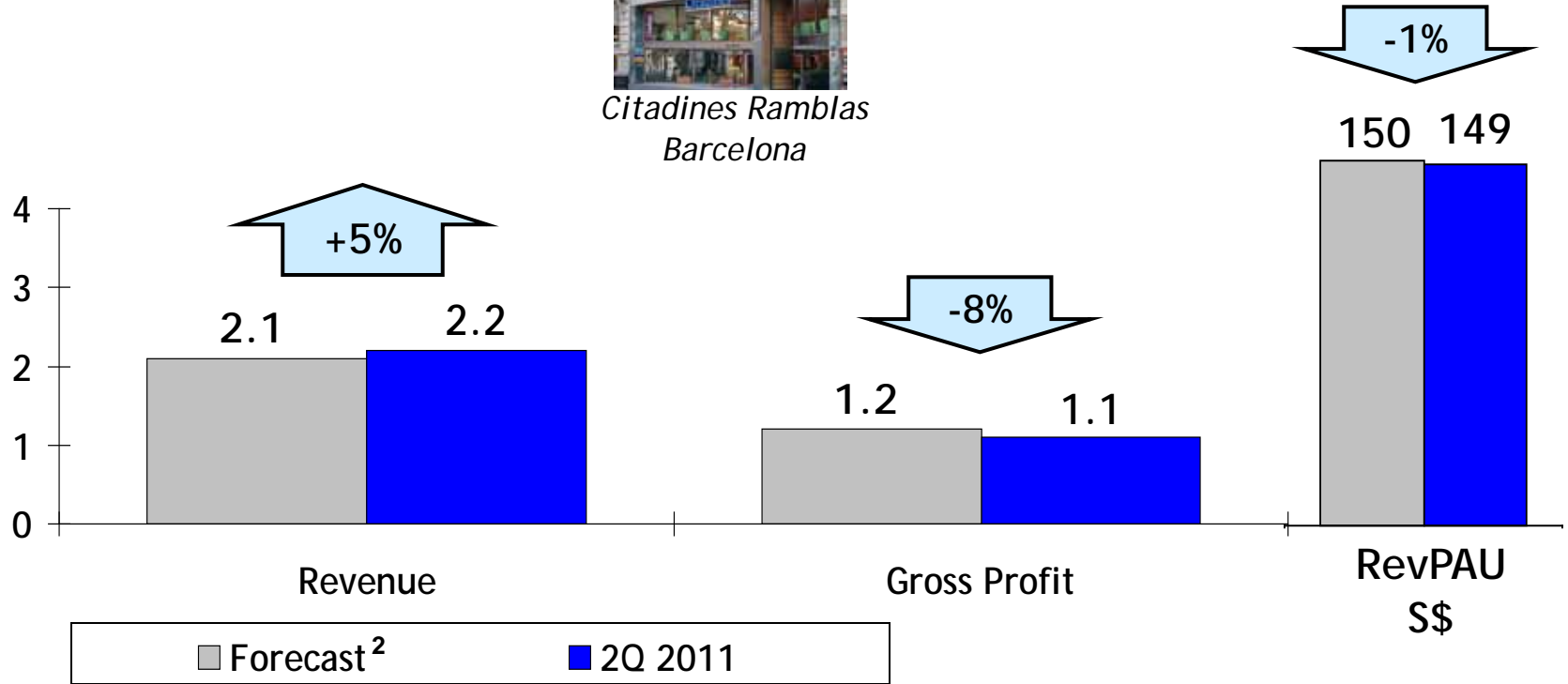
**Higher gross profit due to better cost management.**

<sup>1</sup> Belgium portfolio was acquired on 1 October 2010. Information for 2Q 2010 is not applicable.

<sup>2</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.



Citadines Ramblas  
Barcelona



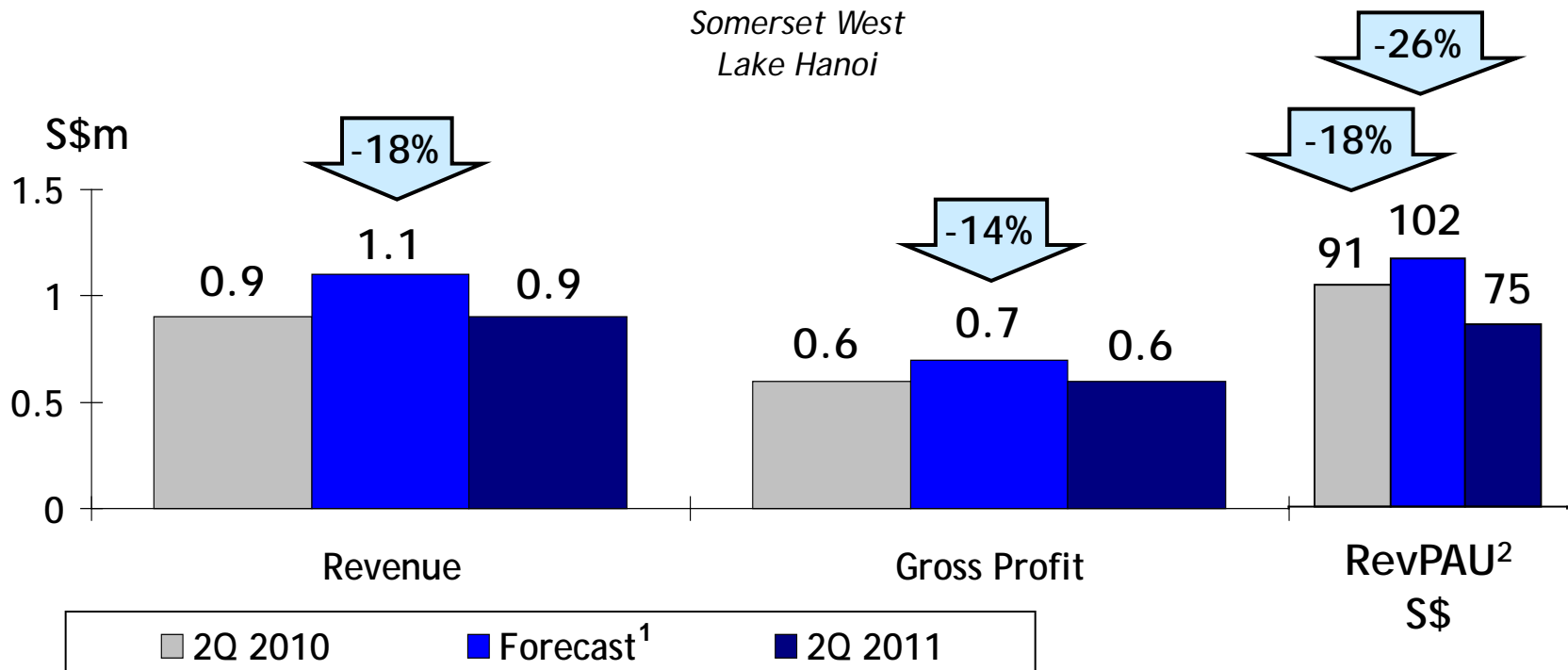
Revenue for 2Q 2011 included a top-up by the property manager of S\$0.2 million for Citadines Ramblas Barcelona, as assumed in the forecast.

<sup>1</sup> Spain portfolio was acquired on 1 October 2010. Information for 2Q 2010 is not applicable.

<sup>2</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.



Somerset West  
Lake Hanoi



As compared to the forecast, revenue and gross profit decreased due to weaker performance and a lower USD exchange rate than that assumed in the forecast. Revenue for 2Q 2011 included a yield protection amount of S\$0.2 million as assumed in the forecast.

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> RevPAU for 2Q 2010 has been adjusted to be consistent with current period's presentation

# Management Contracts



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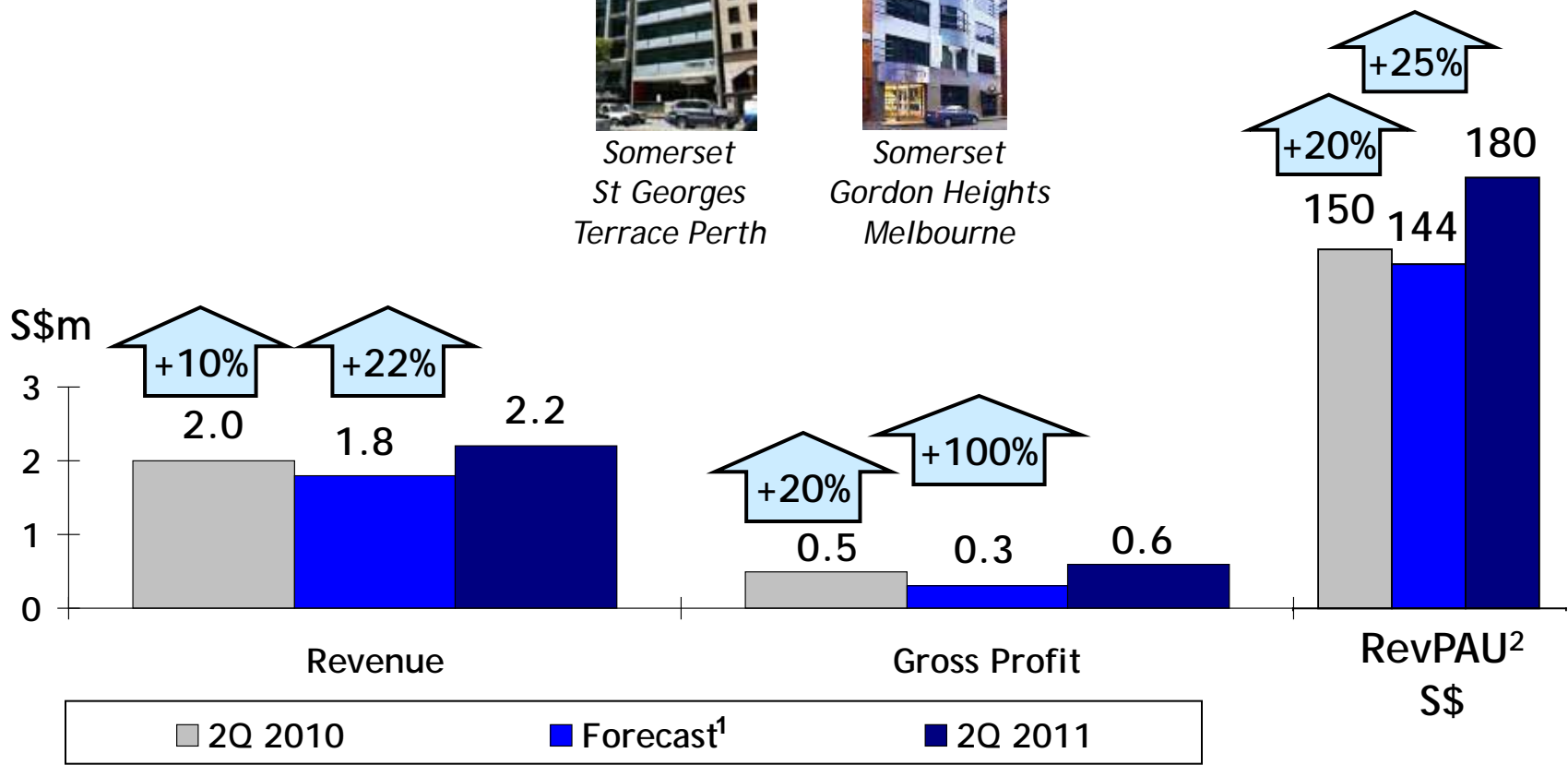
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Somerset  
St Georges  
Terrace Perth



Somerset  
Gordon Heights  
Melbourne



Revenue and RevPAU increased mainly due to the strengthening of AUD against SGD and higher demand for serviced residences as a result of increased business from the oil and gas, and mining industries

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> RevPAU for 2Q 2010 has been adjusted to be consistent with current period's presentation

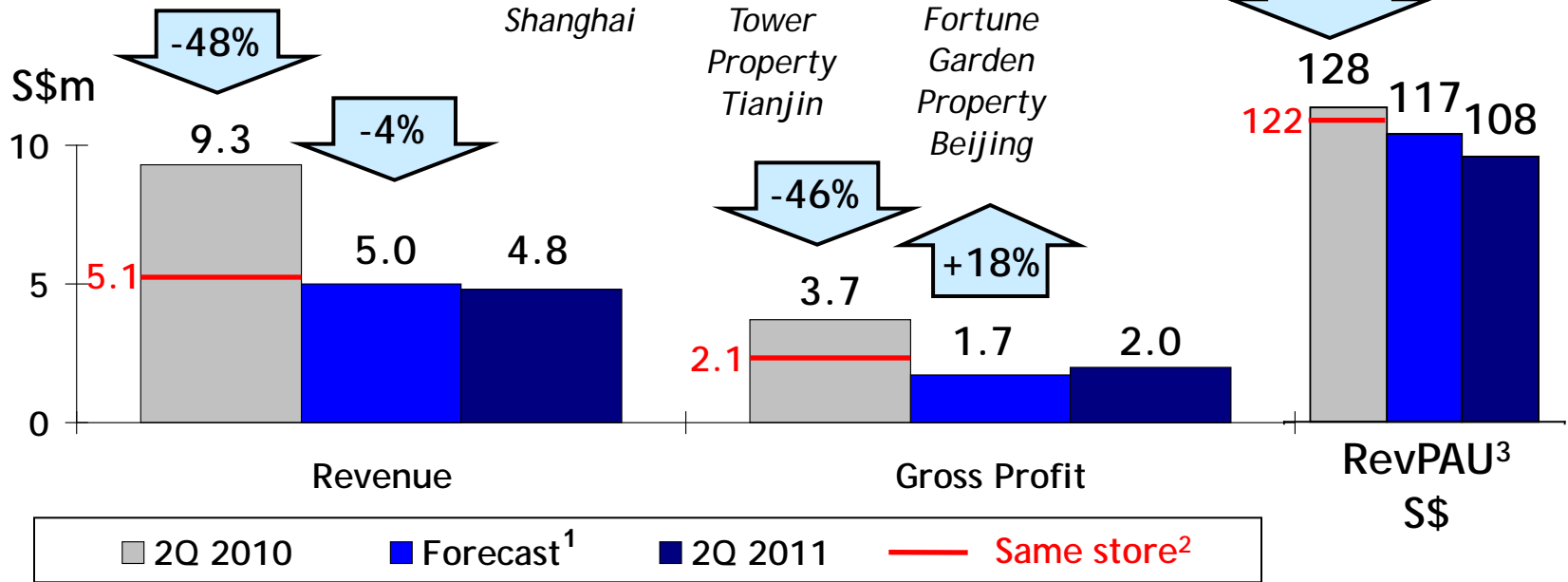
# China



Somerset Xu Hui Shanghai

Somerset Olympic Tower Property Tianjin

Somerset Grand Fortune Garden Property Beijing



Lower performance in Shanghai due to increased competition from the new supply of serviced residences added during the Shanghai World Expo. Lower performance in Tianjin due to the on-going renovation. Better performance in Beijing due to a reduced supply of serviced residences upon the conversion of several serviced residences into strata-titled residential projects for sale.

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> Excludes Ascott Beijing divested on 1 October 2010.

<sup>3</sup> RevPAU for 2Q 2010 has been adjusted to be consistent with current period's presentation



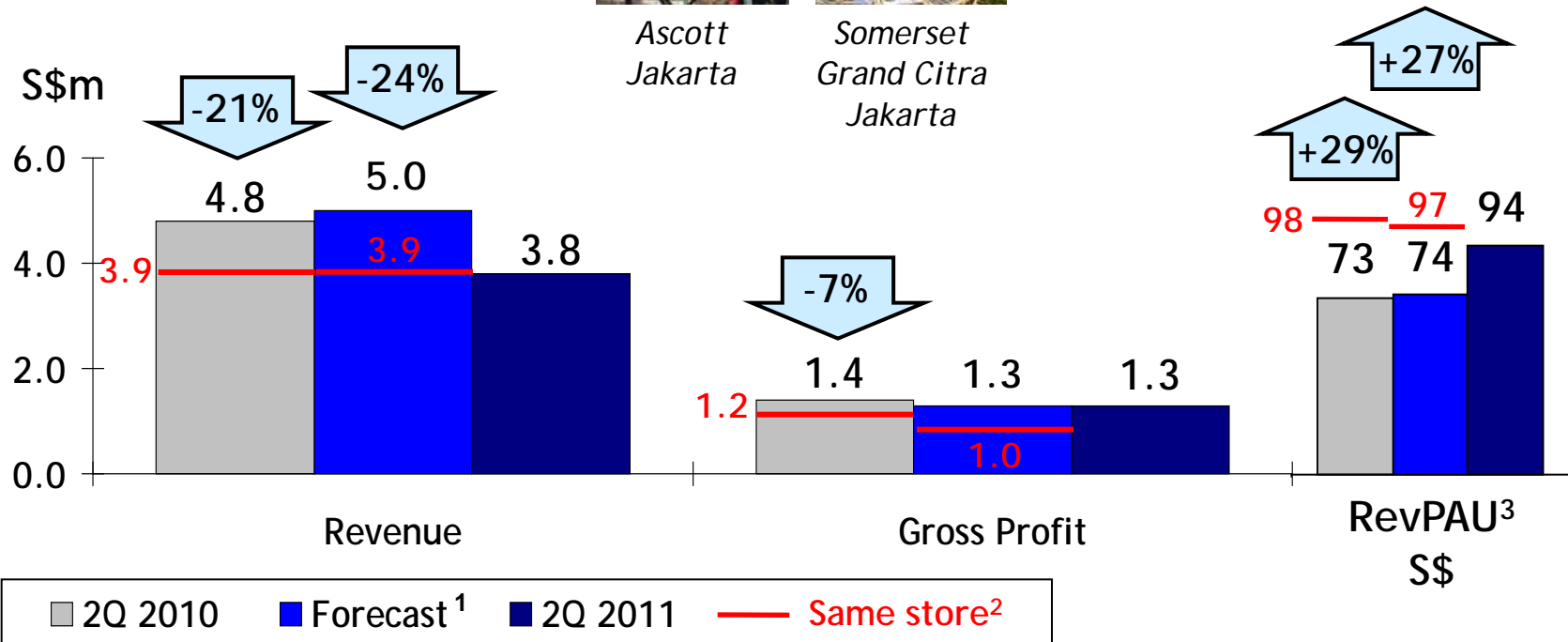
# Indonesia



Ascott  
Jakarta



Somerset  
Grand Citra  
Jakarta



**On a same store basis, revenue decreased as compared to 2Q 2010 due to weakening of USD against SGD. In USD terms, both revenue and gross profit increased 11% mainly due to higher demand for serviced residences as a result of increased business from the oil and gas industries.**

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> Excludes Country Woods Jakarta divested on 29 October 2010.

<sup>3</sup> RevPAU for 2Q 2010 has been adjusted to be consistent with current period's presentation





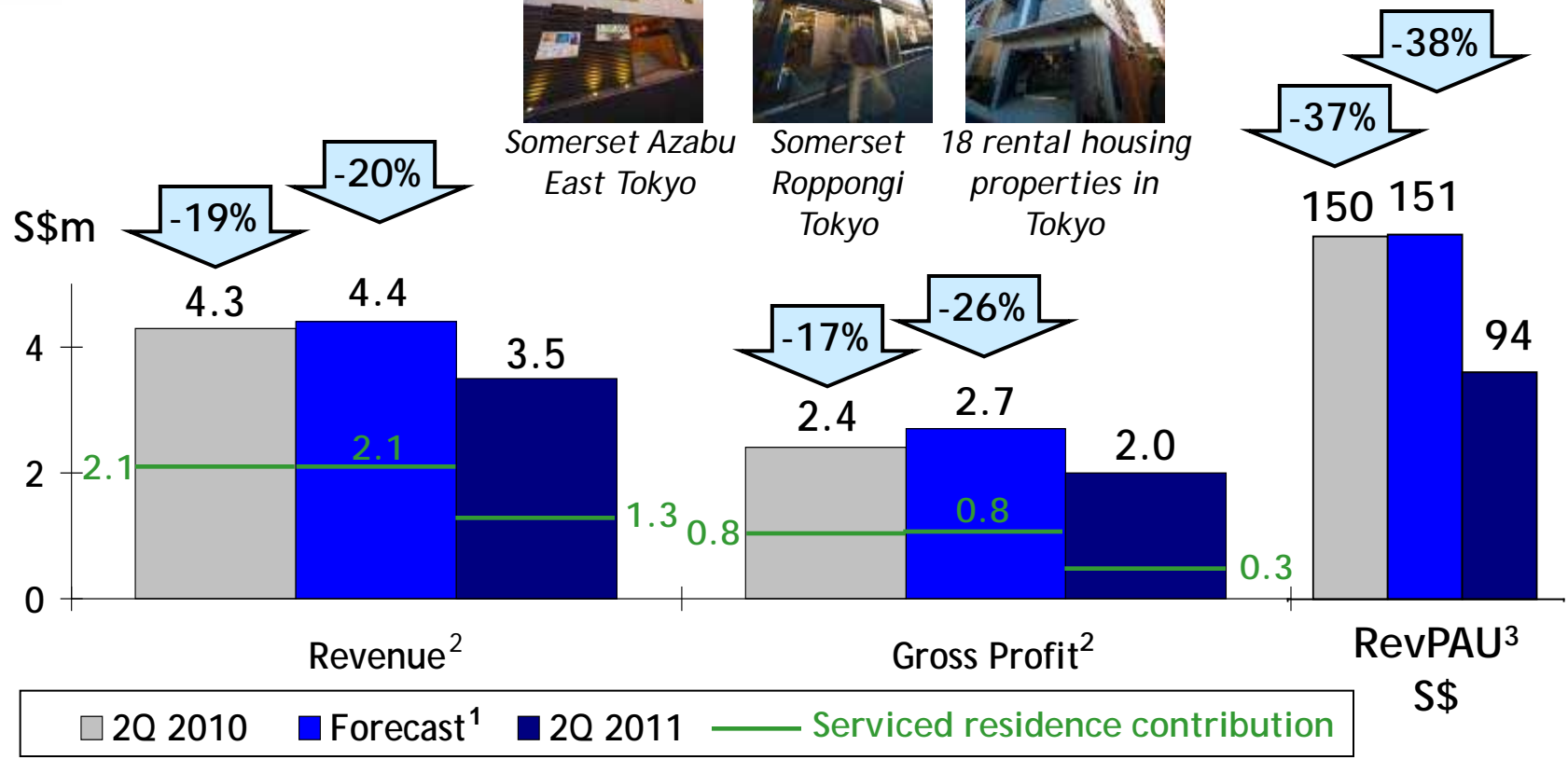
Somerset Azabu East Tokyo



Somerset Roppongi Tokyo



18 rental housing properties in Tokyo



Revenue and RevPAU decreased due to weaker performance of the serviced residence properties as a result of the aftermath effect of the earthquake in March 2011. Revenue from the rental housing properties was at the same level as 2Q 2010 on higher occupancy of 90% but at lower rental rates.

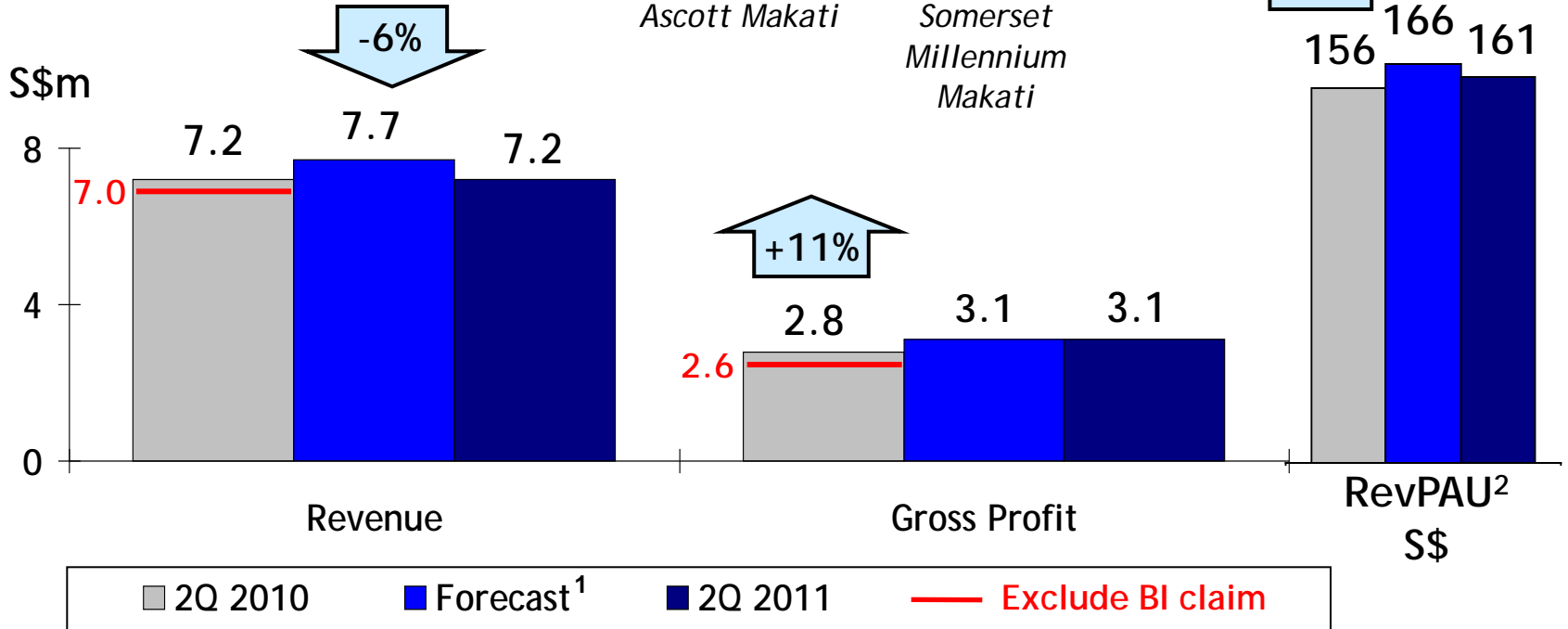
<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.  
<sup>2</sup> Revenue and Gross Profit includes contribution from serviced residence and rental housing properties.  
<sup>3</sup> RevPAU for serviced residence properties only. RevPAU for 2Q 2010 has been adjusted to be consistent with current period's presentation.



Ascott Makati



Somerset Millennium Makati



Excluding the BI claim, revenue and gross profit increased as compared to 2Q 2010. Revenue and RevPAU increased as compared to 2Q 2010 due to higher demand for serviced residences from project groups. Gross profit increased due to higher revenue and lower utilities expense arising from lower utility rate.

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> RevPAU for 2Q 2010 has been adjusted to be consistent with current period's presentation





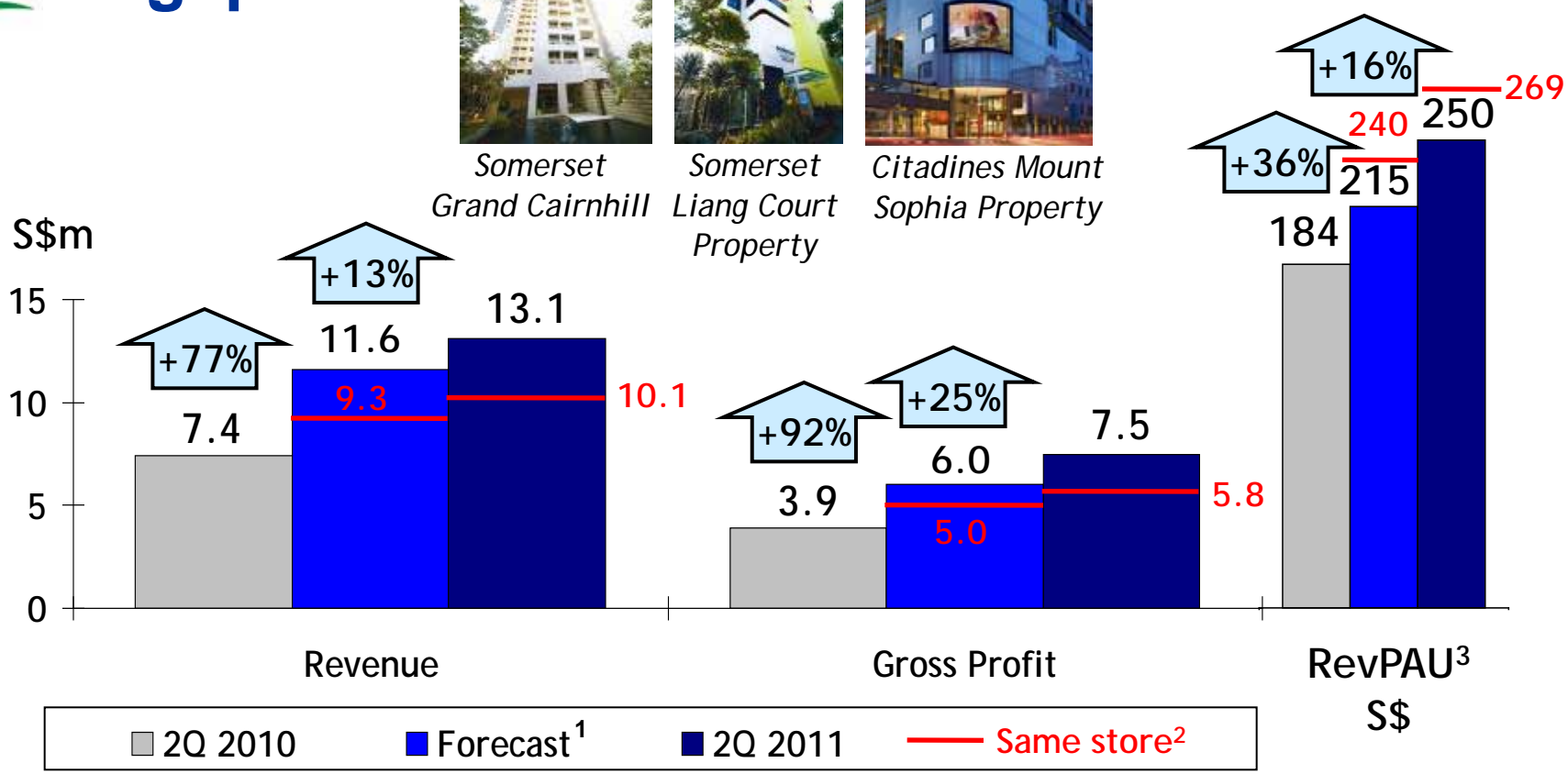
Somerset Grand Cairnhill



Somerset Liang Court Property



Citadines Mount Sophia Property



**On a same store basis, revenue was higher due to the strong market demand and successful launch of Somerset Grand Cairnhill's and Somerset Liang Court's refurbished apartment units. Increase in RevPAU due to higher rental rates and occupancy achieved.**

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> Excludes Citadines Mount Sophia acquired on 1 October 2010.

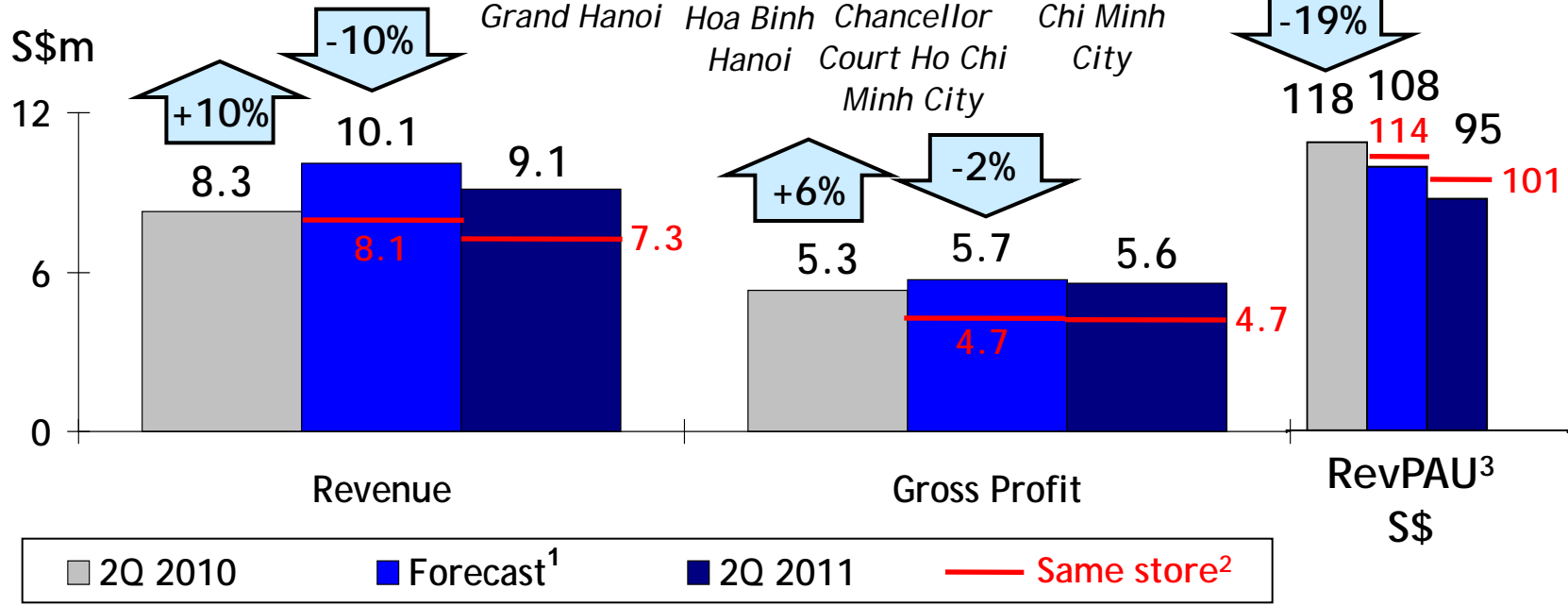
<sup>3</sup> RevPAU for 2Q 2010 has been adjusted to be consistent with current period's presentation



# Vietnam



Somerset Grand Hanoi    Somerset Hoa Binh Hanoi    Somerset Chanceller Court Ho Chi Minh City    Somerset Ho Chi Minh City



On a same store basis, revenue and gross profit were lower as compared to 2Q 2010 due to the weakening of USD against SGD. In USD terms, revenue and gross profit remained at the same level as that in 2Q 2010 due to higher office rental income, offset by a decline in the serviced residence revenue. Lower serviced residence revenue was due to reduction in corporate accommodation budget.

<sup>1</sup> The forecast is extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

<sup>2</sup> Excludes Somerset Hoa Binh Hanoi acquired on 1 October 2010.

<sup>3</sup> RevPAU for 2Q 2010 has been adjusted to be consistent with current period's presentation

# Portfolio Information



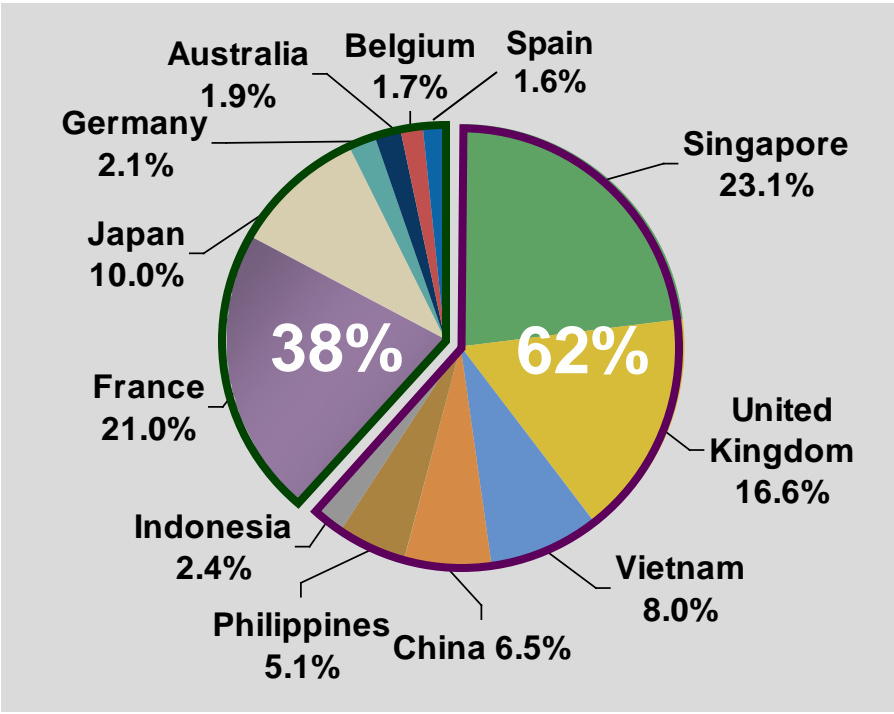
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# Geographical Diversification

## Ascott Reit's Share of Asset Values As at 30 June 2011



Total = S\$2.73 billion

Portfolio diversified across property and economic cycles

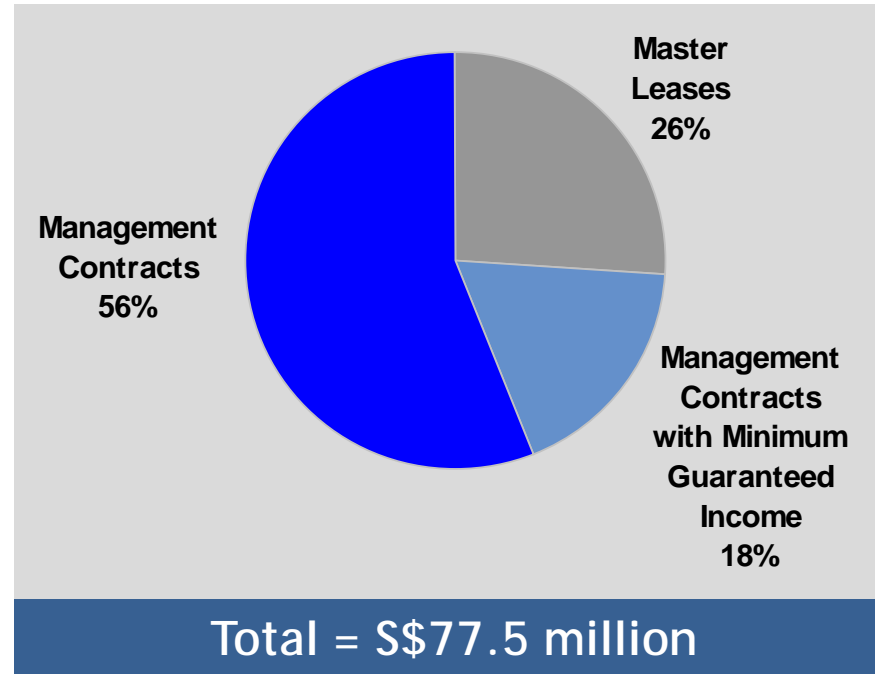


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# Balance of Income Stability and Growth

**YTD 30 June 2011 Gross Profit**

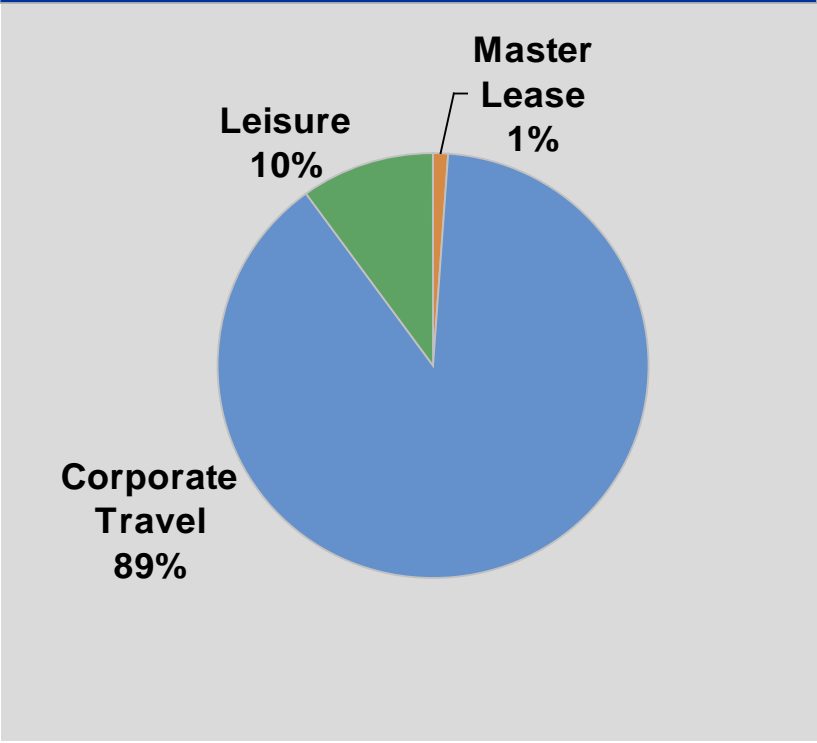


Both master leases and serviced residence management contracts with minimum guaranteed income have average weighted remaining tenures of about 7 years

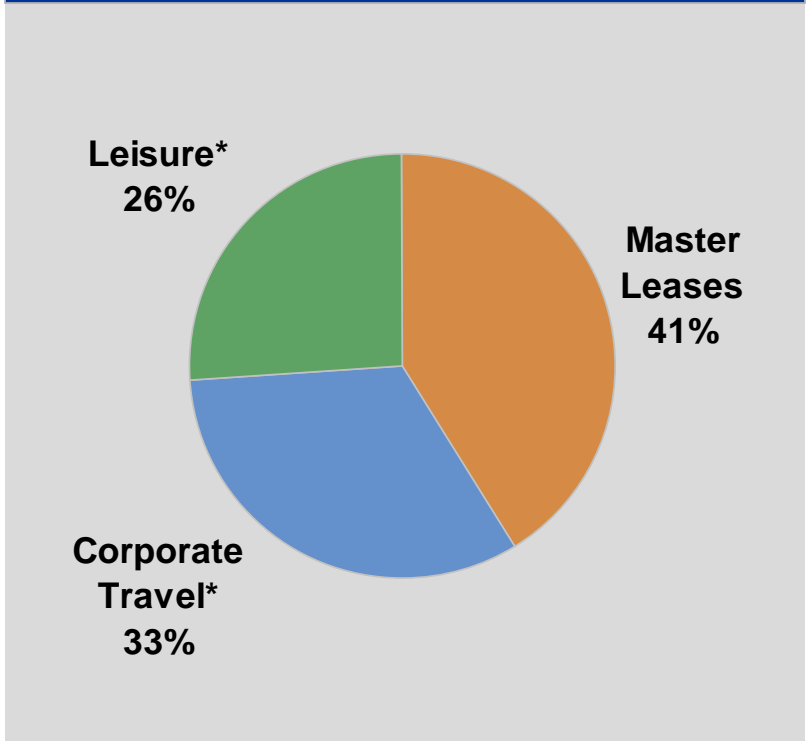


# Apartment Rental Income By Market Segment

## Pan-Asian Portfolio YTD 30 June 2011



## Europe Portfolio YTD 30 June 2011



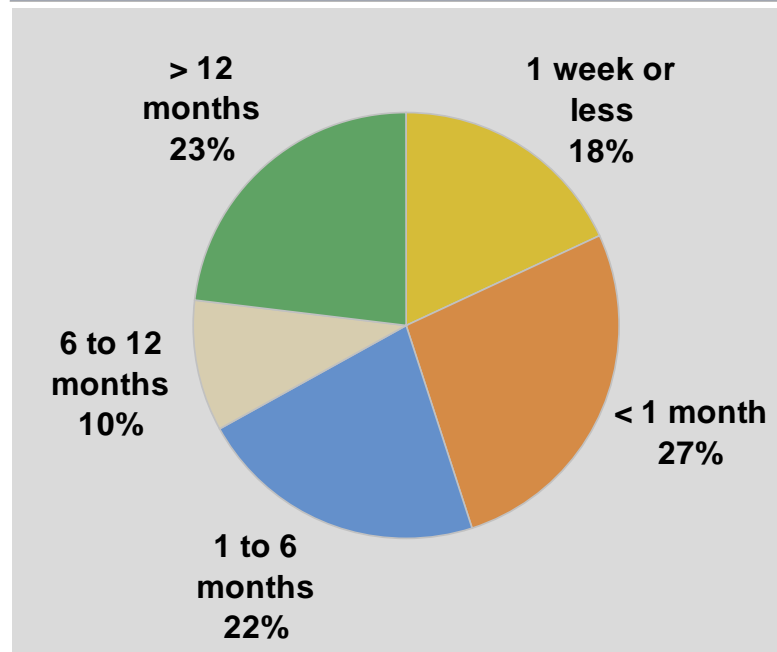
\* Rental income from Leisure and Corporate Travel segments in Europe relate to the United Kingdom, Belgium and Spain properties that are under serviced management contracts with minimum guaranteed income.





# Length of Stay

## Apartment Rental Income By Length of Stay<sup>1</sup> YTD 30 June 2011



Average length of stay is about 5 months<sup>2</sup>

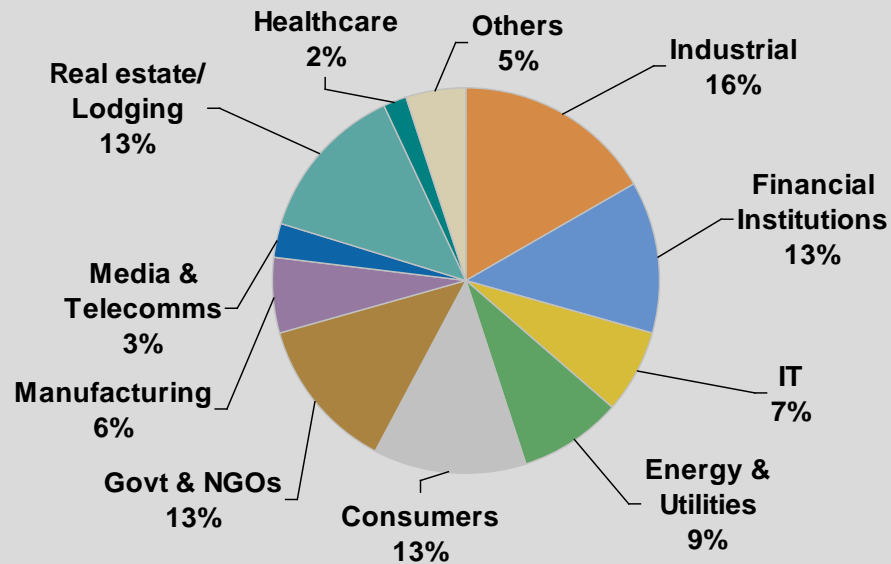
<sup>1</sup> Information for properties on serviced residence management contracts only. Information for properties on master leases is not included

<sup>2</sup> Based on length of stay profile in terms of apartment rental income



# Diverse Tenant Mix

## Apartment Rental Income By Industry<sup>1</sup> YTD 30 June 2011



Earnings diversified, not reliant on any single industry

<sup>1</sup> Information for properties on serviced residence management contracts only. Information for properties on master leases is not included

# Capital & Risk Management



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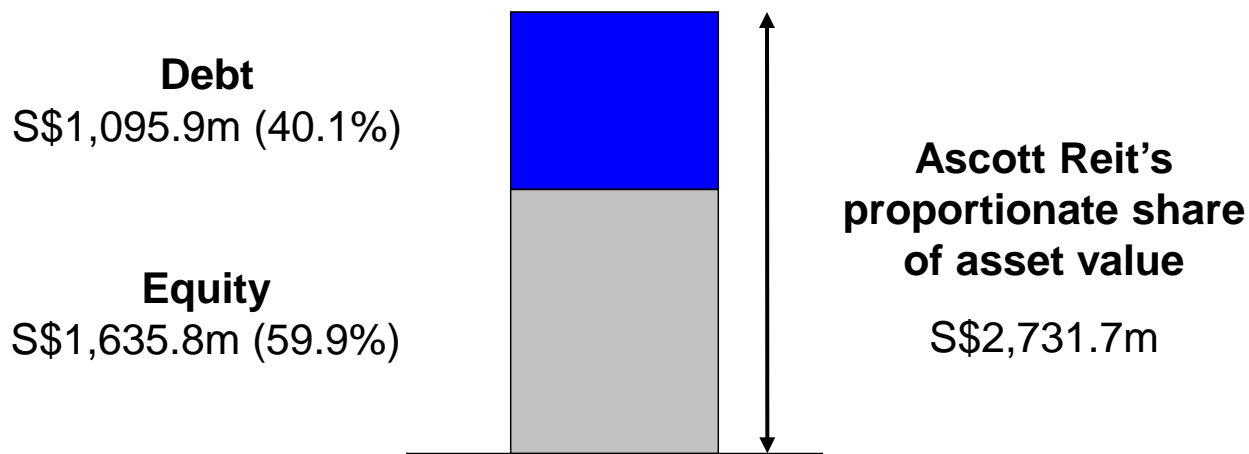
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# Healthy Balance Sheet

- Gearing of 40.1%, well within the 60% gearing limit allowable under MAS property fund guidelines

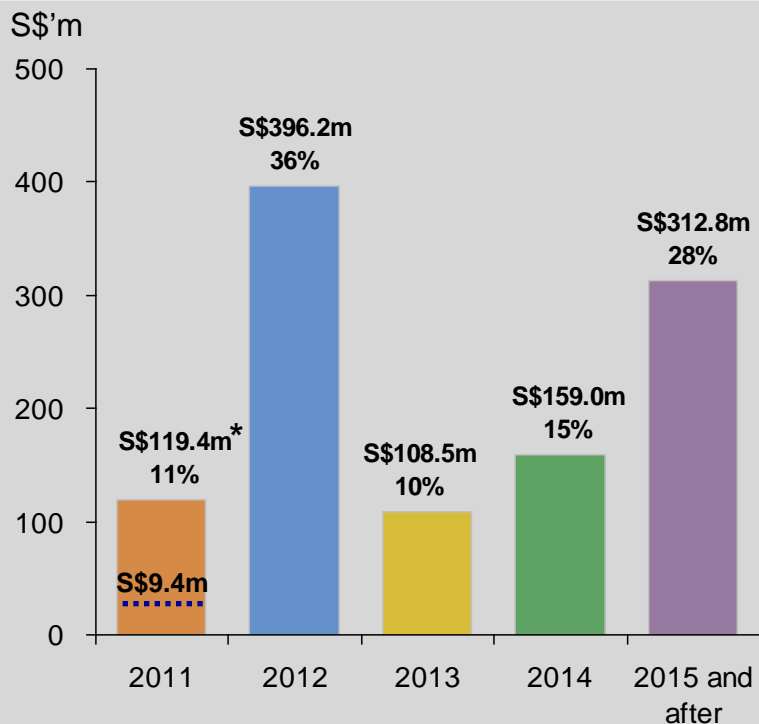
## Ascott Reit Gearing Profile As at 30 June 2011



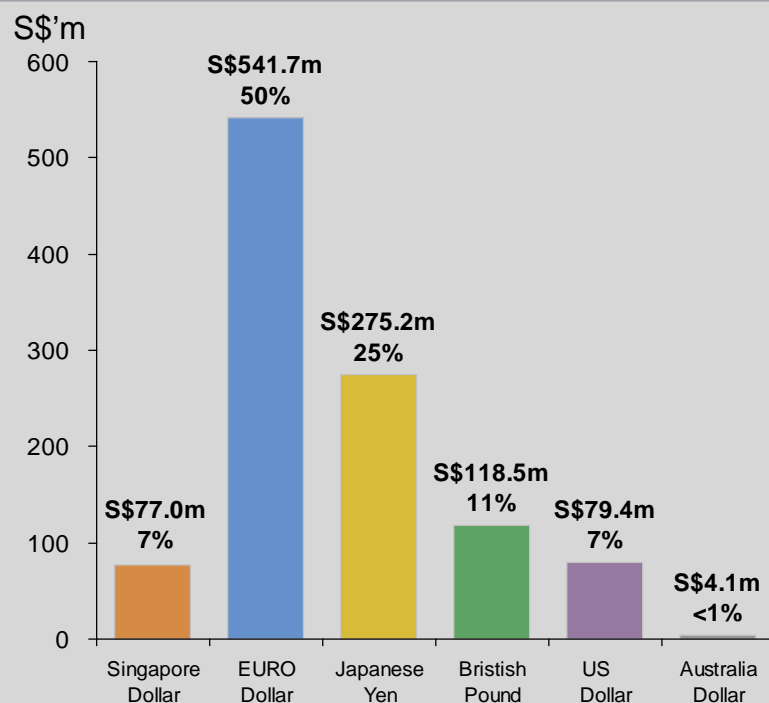


# Debt Profile

## Maturity Profile As at 30 June 2011



## Currency Profile As at 30 June 2011

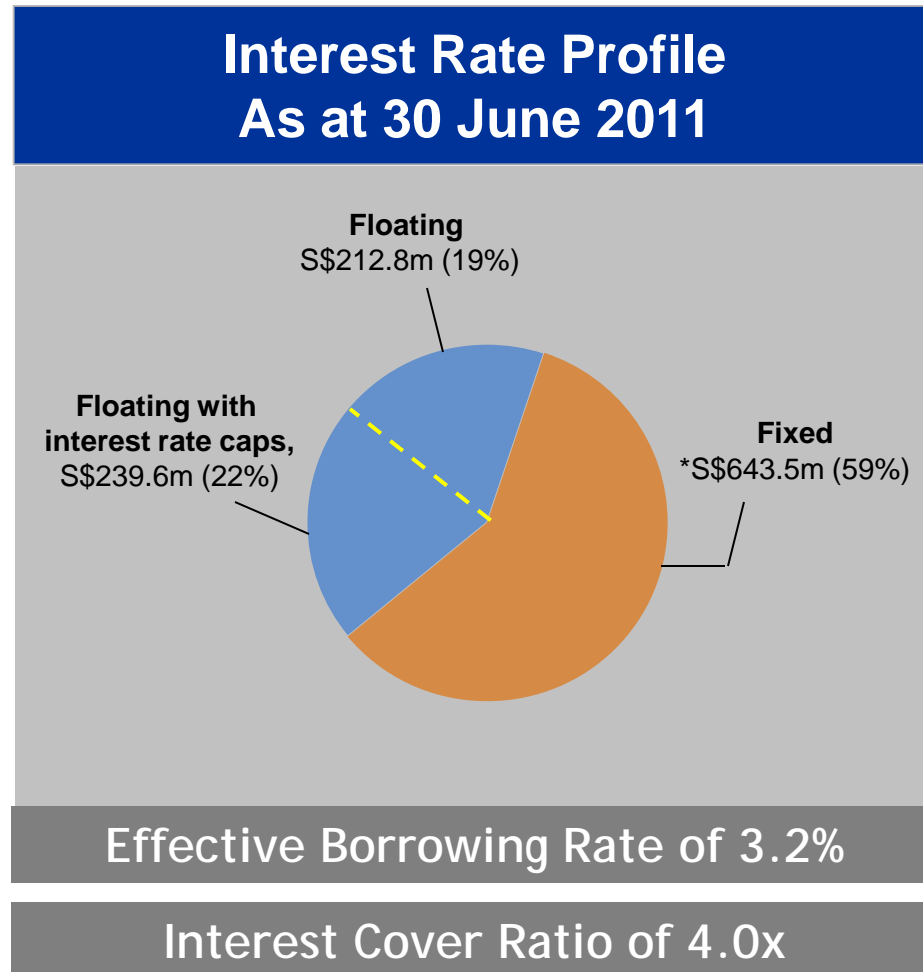


Ascott Reit's Share of Bank Loans = S\$1,095.9 m

\* The S\$119.4m has been substantially refinanced in July 2011. The remaining amount of S\$9.4m will be paid down according to the scheduled loan repayment terms.



# Interest Rate Profile

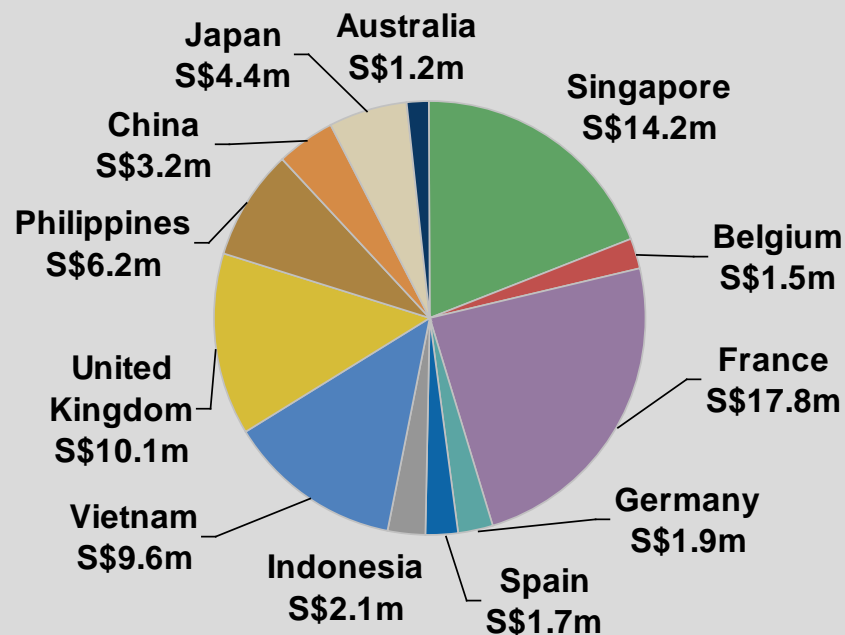


\* S\$190.1m is due for refinancing in the next 12 months, in line with the maturity dates of the underlying loans



# Foreign Exchange Profile

## Ascott Reit's Share of Gross Profit YTD 30 June 2011



Total = S\$73.9 million

## Foreign Exchange Movements

Currency	Percentage of Ascott Reit's Share of Gross Profit YTD June 2011	Foreign exchange rate movements from Dec '10 to Jun' 11
SGD	19	-
EUR	31	1.8%
USD	16	-4.6%
GBP	14	-1.3%
PHP	8	-2.9%
RMB	4	-2.9%
JPY	6	-1.8%
AUD	2	2.9%
<b>Total</b>	<b>100</b>	<b>-0.8%</b>

# Prospects



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# Prospects

The Group expects to continue to enjoy RevPAU growth led by Singapore and the United Kingdom (“UK”). We will also continue to enjoy income stability as a result of our geographical diversification across property and economic cycles and the stable base of income from master leases and serviced residence contracts with minimum guaranteed income.

In Japan, the 18 rental housing properties where tenants are mainly local Japanese have continued to perform well. Occupancy in the two serviced residence properties which cater mainly to an expatriate clientele has picked up in tandem with the improving business conditions in Japan.

On-going asset enhancement initiatives in China, Vietnam and UK will be completed in phases in 2011 and are expected to increase the returns of our portfolio. We will continue to seek yield accretive acquisitions in countries where we operate and explore opportunities in new emerging markets.

For FY 2011, the Manager expects to deliver the forecast distribution of 7.74 cents as disclosed in the Offer Information Statement dated 13 September 2010.

# Thank You



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