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Ascott Residence Trust

Serviced Residence: An Attractive Asset Class with Balance of Stability and Growth

CIMB Non Deal Roadshow, KL
3 - 4 September 2012

Agenda

- Business Overview
- Portfolio Information
- Results Highlights
- Capital and Risk Management
- Appendix

Disclaimer

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.

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Business Overview

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Ascott Reit Overview

Business Overview	**Ascott Residence Trust (Ascott Reit) invests primarily in real estate and real estate related assets, which are income-producing and used predominantly as serviced residences, rental housing properties and other hospitality assets.**
Sponsor	**Ascott Reit's Sponsor, The Ascott Limited is the world's largest serviced apartment owner-operator with over 30,000 apartment units in key cities of Asia Pacific, Europe and the Gulf region**
Portfolio	**Owns 7,260 apartments in 24 cities across 12 countries in Asia Pacific and Europe(1)** **Operates under Ascott, Citadines and Somerset Brands**
Portfolio Value	**S$2.93 billion**
Market Cap	**S$1.42 billion** as at 29 August 2012
Major Unitholder	**CapitaLand's ownership is 49.02%** as at 29 August 2012

(1) Post divestment of Somerset Grand Cairnhill Singapore, acquisition of Ascott Raffles Place, Ascott Guangzhou and New Cairnhill SR.

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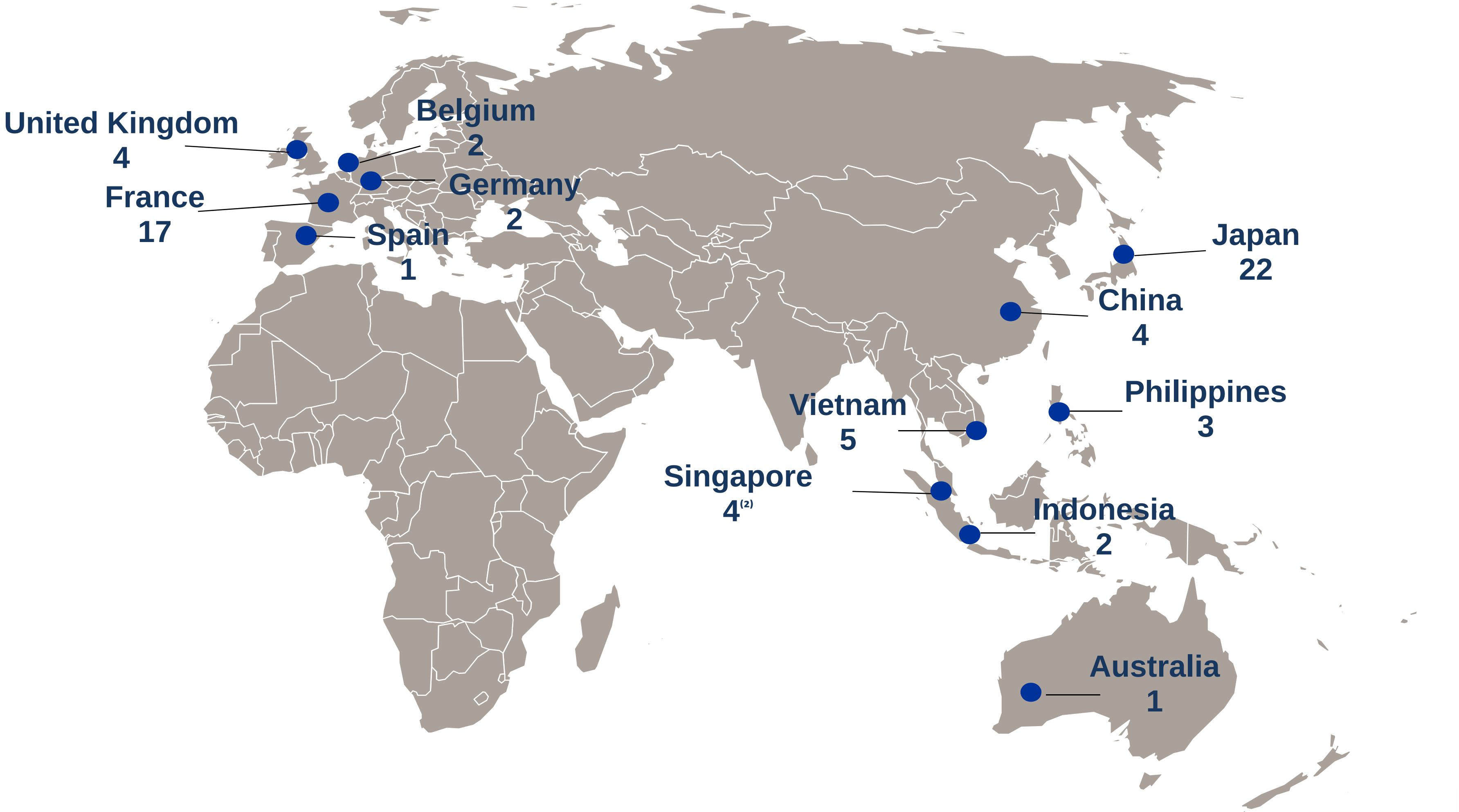
Ascott Reit's Global Footprint(1)



Portfolio diversified across economic cycles

(1) Post acquisition of Ascott Raffles Place, Ascott Guangzhou and New Cairnhill SR.
(2) Post divestment of Somerset Grand Cairnhill Singapore as part of the Transactions.

Divestment of Somerset Grand Cairnhill and Acquisition of 3 Target Properties

Ascott Guangzhou

Acquisition price: S$63.3m

Ascott Raffles Place Singapore

Acquisition price: S$220m

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Somerset Grand Cairnhill Singapore

Divestment price: S$359m

New Cairnhill SR with Hotel Licence

Agreed Divestment Price: S$405m

Expected to be delivered in 2017

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Benefits of the Transactions

Divestment Unlocks Value	■ Divestment of Somerset Grand Cairnhill Singapore unlocks value. ■ Divestment price of S$359 million at 32% above valuation. ■ Proceeds can be immediately re-invested in Ascott Raffles Place Singapore and Ascott Guangzhou. ■ Gross divestment gain of S$87.1 million.
Yield Accretion	■ Transactions are yield accretive. ■ Yield accretion for the Transactions (excluding the New Cairnhill SR) from 8.53 cents to 8.55 cents. ■ Increase in FY 2011 pro forma DPU by 4.1% from 8.53 cents to 8.88 cents post Transactions. ■ Divestment of one property, and acquisition of two other properties with no equity call[1].
Quality Assets in Key Global Cities	■ Asia likely to outperform global growth. ■ Strengthen presence in growing markets - Singapore and China. ■ Good opportunity to acquire strategically located assets and expand footprint into another new city – Guangzhou. ■ Acquisition of Target Properties will increase asset size to S$3.3 billion.
Income Certainty	■ Under the Master Lease arrangement, fixed rent component constitutes approximately 70% of total lease payment, provides certainty to Ascott Reit's income and limits potential downside risks. ■ Variable rent component of Master Lease enables Ascott Reit to enjoy any upside from a rising market.

(1) Acquisition of New Cairnhill SR to be funded by remaining proceeds from Divestment and external financing upon expected delivery in 2017.

Portfolio Information

Serviced Residences – An Attractive Asset Class

	Apartments for Rent	Serviced Residences	Hotels
Lease Structure & Terms	**Long-term leases**	▪ Hybrid between hotels and apartments/condominiums ▪ **Variable lease terms** from one week to one year or longer	**Short-term accommodation**
Seasonality	Dependent on general **property sector conditions**	▪ **Some seasonality** of hospitality industry, though longer lease terms provide certain level of rental support ▪ Correlated to GDP growth and FDI inflows	▪ **Seasonal** nature of hotel industry ▪ Highly correlated with the tourism industry
Range of Services	**No service provided**	**Limited services provided** ▪ Role and involvement of property manager less intensive compared to hotels	**Full range of hospitality services** ▪ Including food & beverage (F&B) ▪ Role and involvement of property manager most intensive
Cost Structure	▪ **Low investment cost** - Unfurnished - Less common facilities ▪ **Low operating costs** - Minimal staffing	▪ **Low investment cost** - High building efficiency - No F&B outlets ▪ **Low operating costs** - **Less intensive staffing** requirements as only limited services are provided - **Lower marketing and maintenance costs** as average length of stay is longer	▪ **High investment cost** - Land (premium location) - Lower building efficiency (more common facilities) ▪ **High operating costs** - **More intensive staffing** requirements due to complete range of services - **High maintenance** due to significant wear and tear

Ascott Reit Sources of Income

	Management Contract	Master Leases	Management Contract with Minimum Income
Description	• Ascott manages Ascott Reit's portfolio in return for a fee	• Master Lessees (subsidiaries of Ascott) pay fixed net rental per annum to Ascott Reit	• Serviced residence contracts that offer minimum guaranteed net operating profit
Tenure	• Average weighted remaining tenure of about 5 years	• Average weighted remaining tenure of about 7 years	• Average weighted remaining tenure of about 6 years
Location	• 18 properties - 14 in Asia ex Japan[1] - 1 in Australia - 3 in Japan	• 22 properties - 19 in France and Germany - 1 in The Philippines - 2 in Singapore[2]	• 8 properties - 7 across UK, Belgium and Spain - 1 in Vietnam that offers minimum EBITDA guarantee

Note: 19 properties in Japan are under Rental Housing/Corporate Leasing

(1) Post divestment of Somerset Grand Cairnhill Singapore and acquisition of Ascott Guangzhou.
(2) Post acquisitions of Ascott Raffles Place and New Cairnhill SR. Master lease structure has a fixed and variable component.

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Strengths of Ascott Residence Trust

1	**Geographically Diversified Portfolio**	Diversification across economic cycles supports asset value and income stability
2	**Stability of Income from Extended-Stay Business Model**	Enhanced income visibility and stability through Master Lease and Minimum Guaranteed Income
3	**Quality Assets in Key International Gateway Cities Across Asia Pacific and Europe**	Close to 80% of properties are Freehold assets
4	**Aim to deliver stable and growing distributions**	Acquisition, active asset management, capital and risk management

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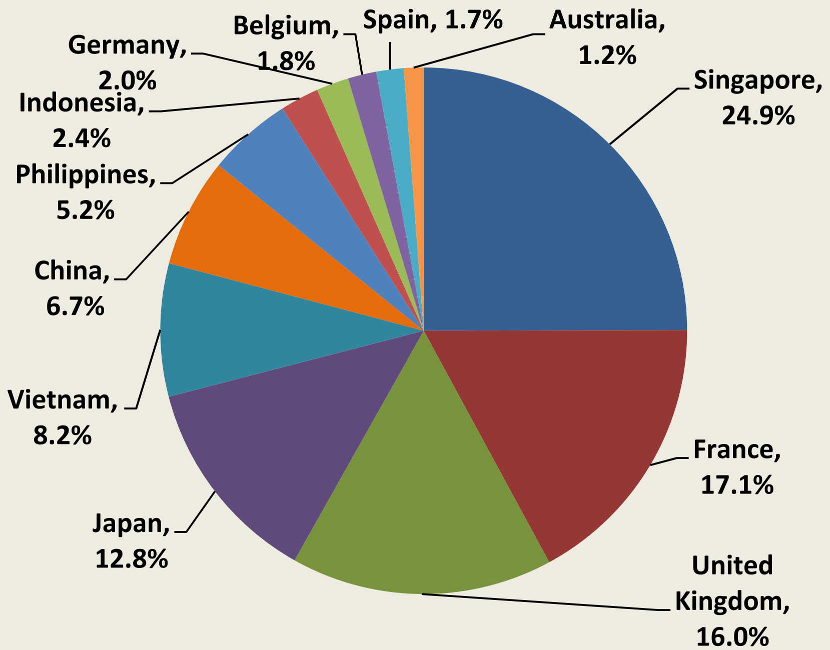
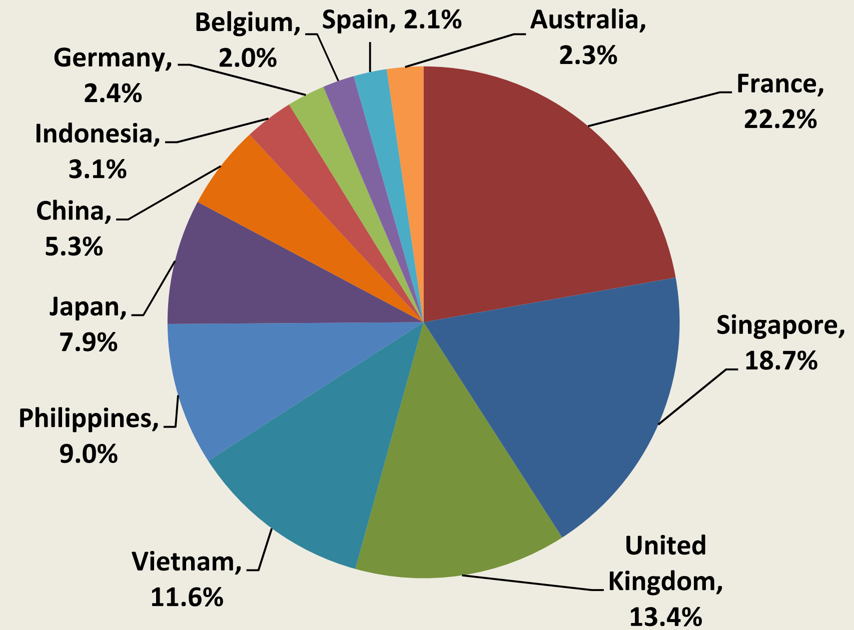
Geographical Diversification

Ascott Reit's Share of Asset Values
As at 30 June 2012



Total= S$2.93 billion

Ascott Reit's Share of Gross Profit
YTD 30 June 2012



Total = S$76.1 million

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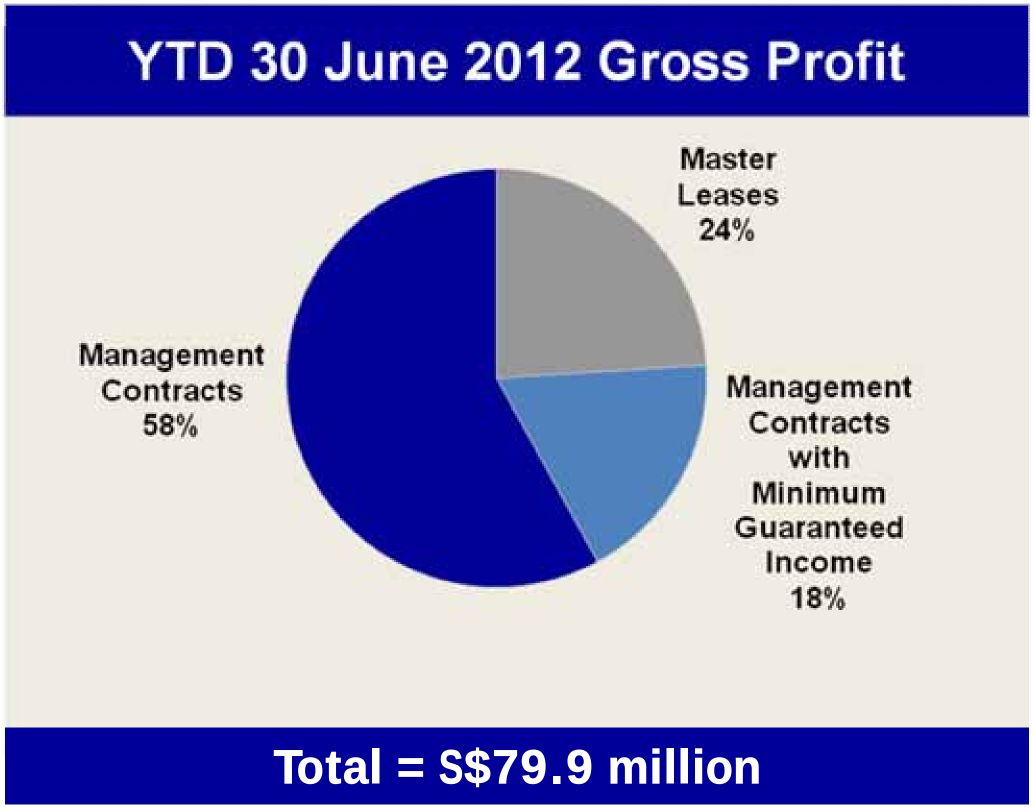
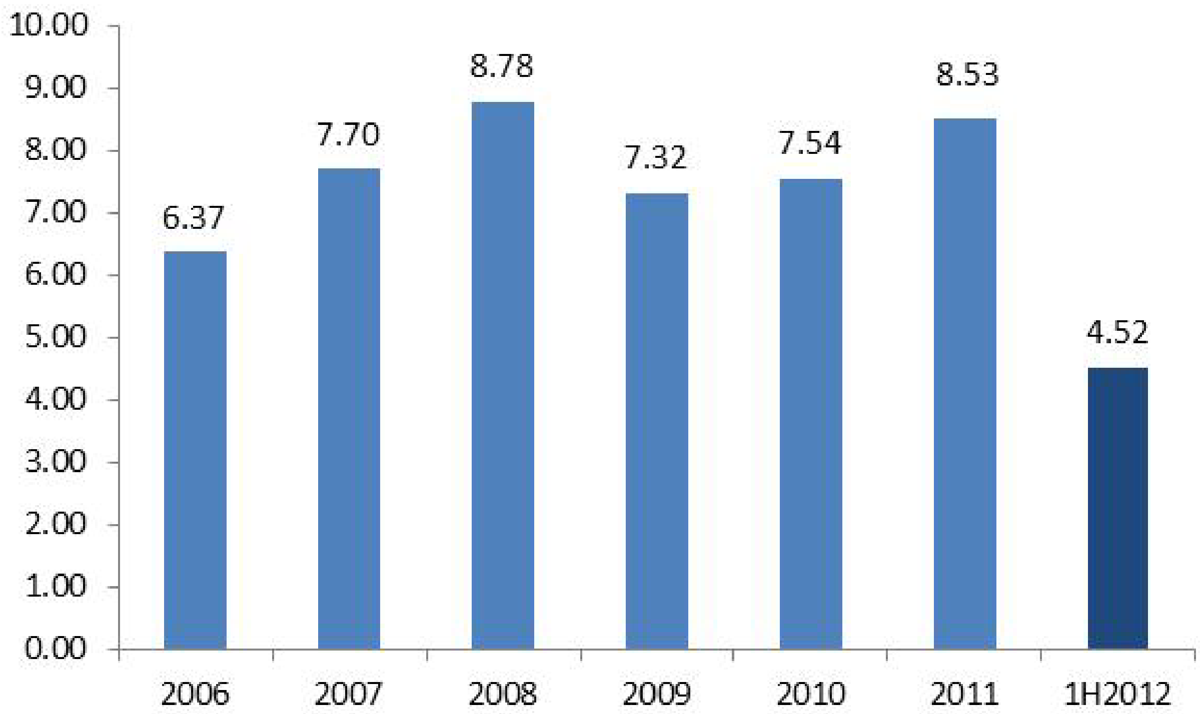
Balance of Income Stability and Growth



Both master leases and serviced residence management contracts with minimum guaranteed income have average weighted remaining tenures of about 6 years

Serviced Residences – Distribution to unit holders



Delivered stable distributions since listing in 2006

Results Highlights

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1H 2012 vs 1H 2011 Performance

	1H 2012	1H 2011	Change
Revenue (S$m)	150.5	140.4	7% ↑
Gross Profit (S$m)	79.9	77.5	3% ↑
Unitholders' Distribution (S$m)	51.3	50.3	2% ↑
Distribution Per Unit (S cents)	4.52	4.47	1% ↑
Revenue Per Available Unit (S$/day) – serviced residences	147	140	5% ↑

- **Revenue increased by S$10.1 million or 7%. The increase was mainly due to the additional contribution from newly acquired Citadines Shinjuku and Citadines Kyoto, and stronger performance from the Group's serviced residences in The Philippines, China and United Kingdom.**
- **In line with the increase in revenue, gross profit increased by S$2.4 million or 3%.**
- **RevPAU growth was driven by an increase in the average rental rates of the Group's serviced residences.**

Capital & Risk Management

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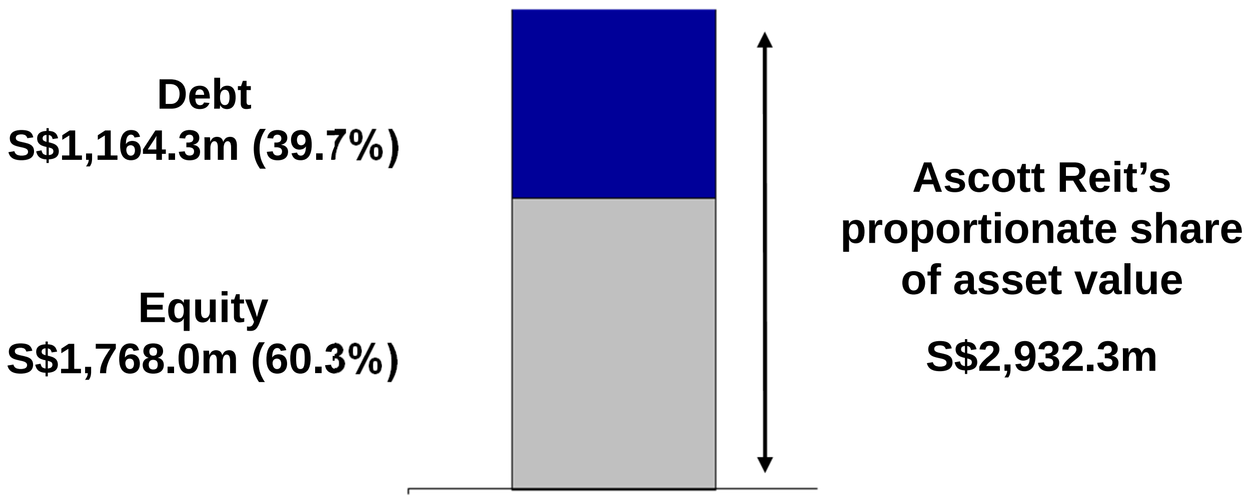
Healthy Balance Sheet

Gearing of 39.7%, well within the 60% gearing limit allowable under MAS property fund guidelines

Ascott Reit Gearing Profile
As at 30 June 2012



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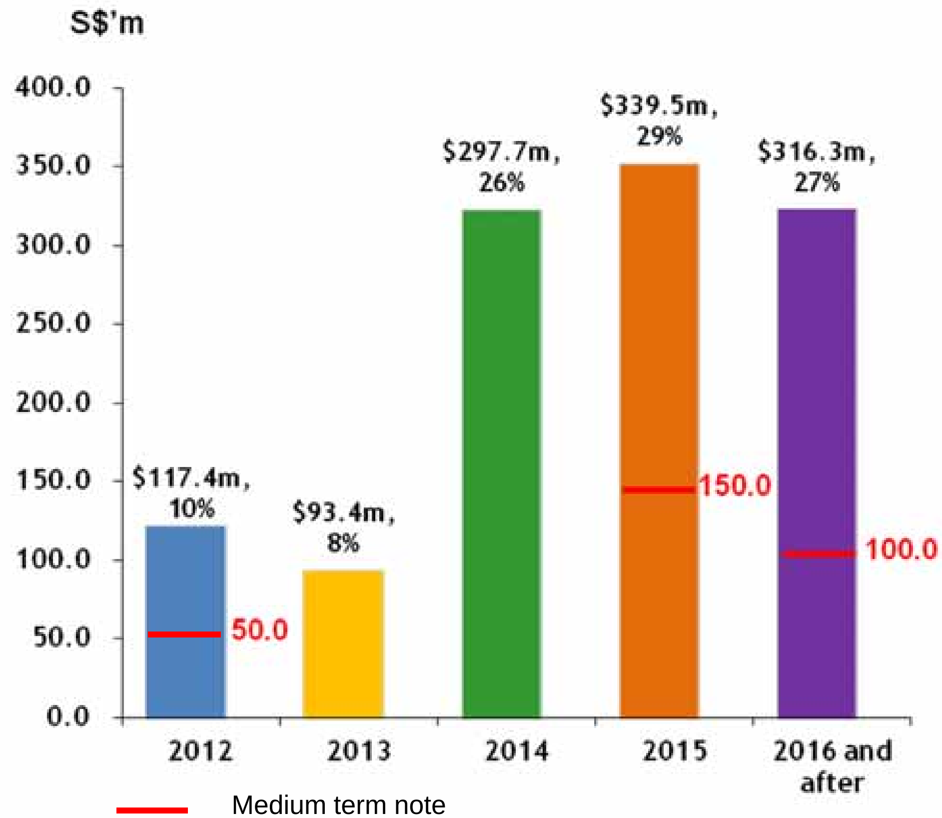
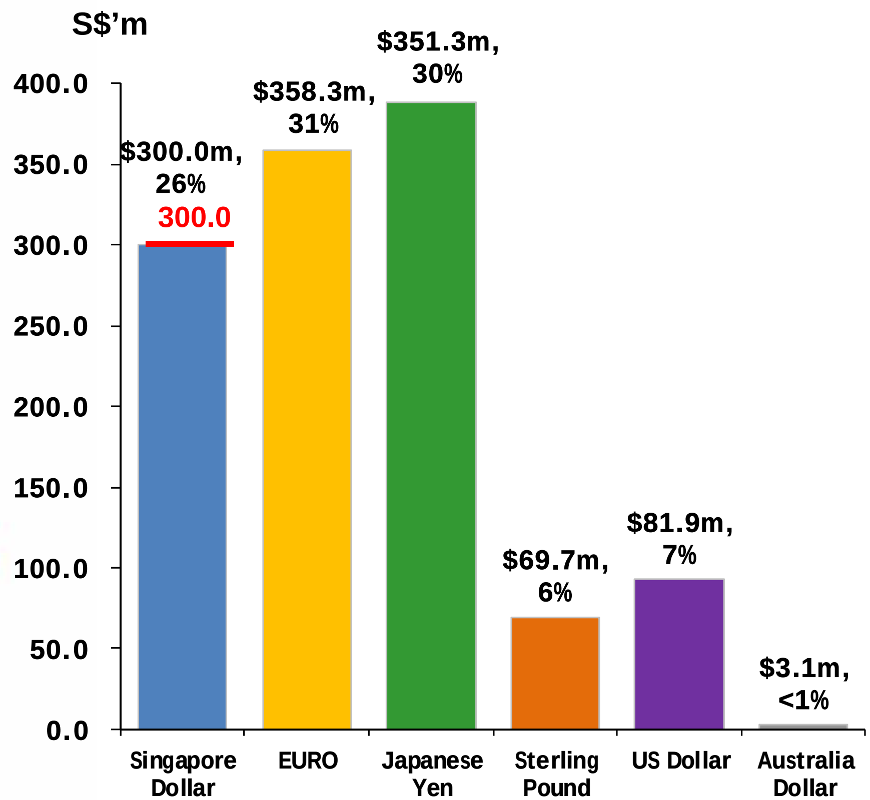
Debt Profile

By Maturity As at 30 June 2012	By Currency As at 30 June 2012





Ascott Reit's Share of Bank Loans = S$1,164.3m

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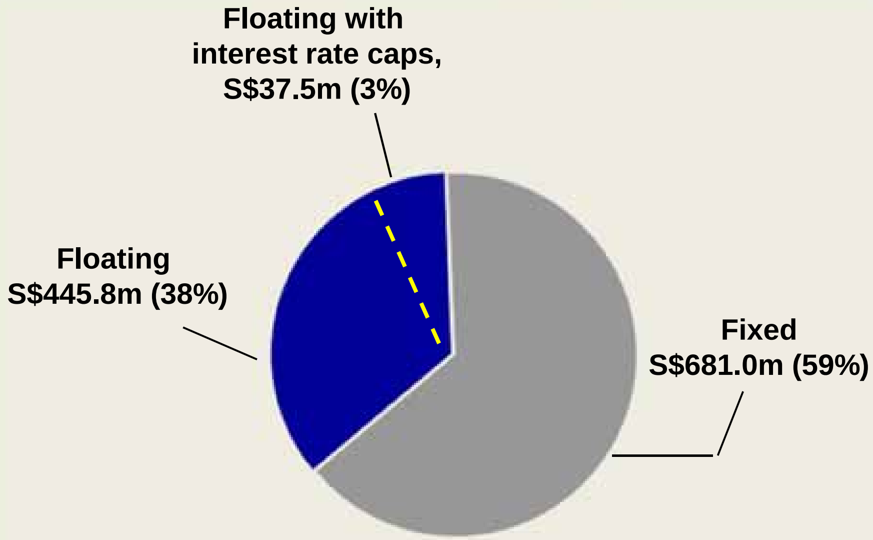
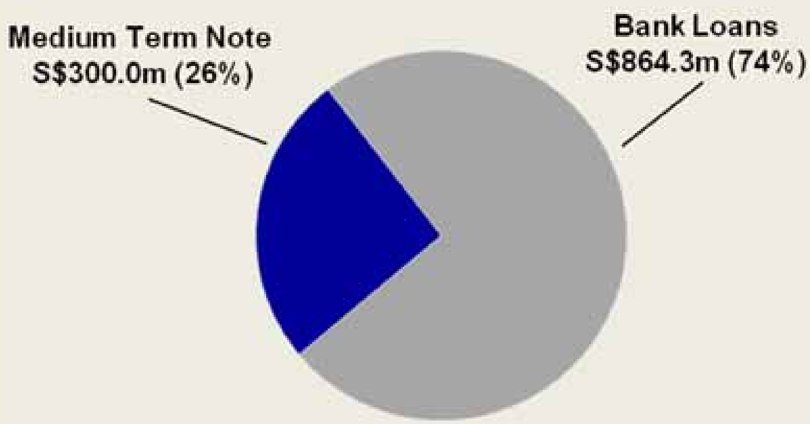
Interest Rate and Debt Mix Profile

Interest Rate Profile As at 30 June 2012



Debt Type As at 30 June 2012



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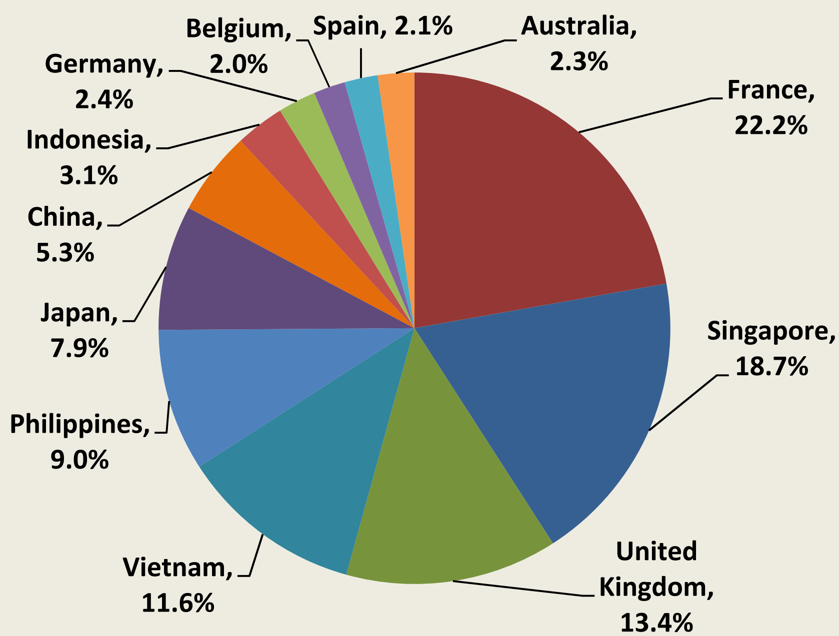
Capital and Risk Management Strategy

Credit Metrics as at 30 June 2012

Gearing	39.7%
Interest Cover	3.8x
Effective Borrowing Rate	3.4%
Weighted Avg Debt to Maturity	3.3 years
Moody's Rating	Baa3

Foreign Exchange Profile

Ascott Reit's Share of Gross Profit YTD 30 June 2012



Total = S$76.1 million

Foreign Exchange Movements

Currency	Percentage of Ascott Reit's share of gross profit YTD June 2012	Percentage movement of exchange rates from Dec'11 to June'12
SGD	19	-
EUR	29	-4.7
GBP	13	-1.3
JPY	8	-4.1
VND	12	-3.2
RMB	5	-1.3
PHP	9	-1.0
USD	3	-2.1
AUD	2	0.5
Total	**100**	**-2.5**

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Prospects

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Prospects

- **Global economic conditions are expected to remain uncertain in 2012**

- **Group's presence in Asia will be strengthened through acquisitions of Ascott Raffles Place Singapore, Ascott Guangzhou and New Cairnhill Serviced Residence**
  - Approval was given at the EGM held on 27 July 2012.

- **Continue to actively manage our assets through periodic upgrading, refurbishment and reconfiguration of properties to increase the returns of the Group's portfolio**
  - Citadines Prestige Trafalgar Square was well received by the public following the completion of rebranding and renovation in first quarter 2012.
  - Ascott Jakarta to commence renovation works in phases from July 2012.

- **Continue to focus on yield accretive acquisitions in countries where we operate**
  - Explore opportunities in Asia as well as London, Paris and key cities in Germany.

- **The Group remains confident in the markets it operates in**
  - Operating performance for FY2012 is expected to remain profitable.

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Thank You

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Appendix

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Portfolio Performance

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Master Leases

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Overview of Master Leases

- 20 out of Ascott Reit's 65 serviced residences are on master leases
- These serviced residences contributed 22% of the Group's gross profit for 2Q 2012
- These master leases have an average weighted remaining tenure of about 7 years

Master Leases

Citadines Louvre Paris

Citadines Prestige Les Halles Paris

Citadines Place d'Italie Paris

Citadines Croisette Cannes

Citadines Arnulfpark Munich

Citadines Kurfurste-damm Berlin

Somerset Salcedo Property Makati

	Revenue		Gross Profit	
	2Q 2012 S$'M	2Q 2011 S$'M	2Q 2012 S$'M	2Q 2011 S$'M
France *(17 properties)*	9.0	9.7	8.3	9.0
Germany *(2 properties)*	0.9	1.0	0.9	1.0
The Philippines (*Somerset Salcedo Property Makati*)	0.2	0.2	0.2	0.2
Master Leases Total	10.1	10.9	9.4	10.2

Revenue and gross profit decreased as compared to 2Q 2011 due to depreciation of EUR against SGD.

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Management Contracts with Minimum Guaranteed Income

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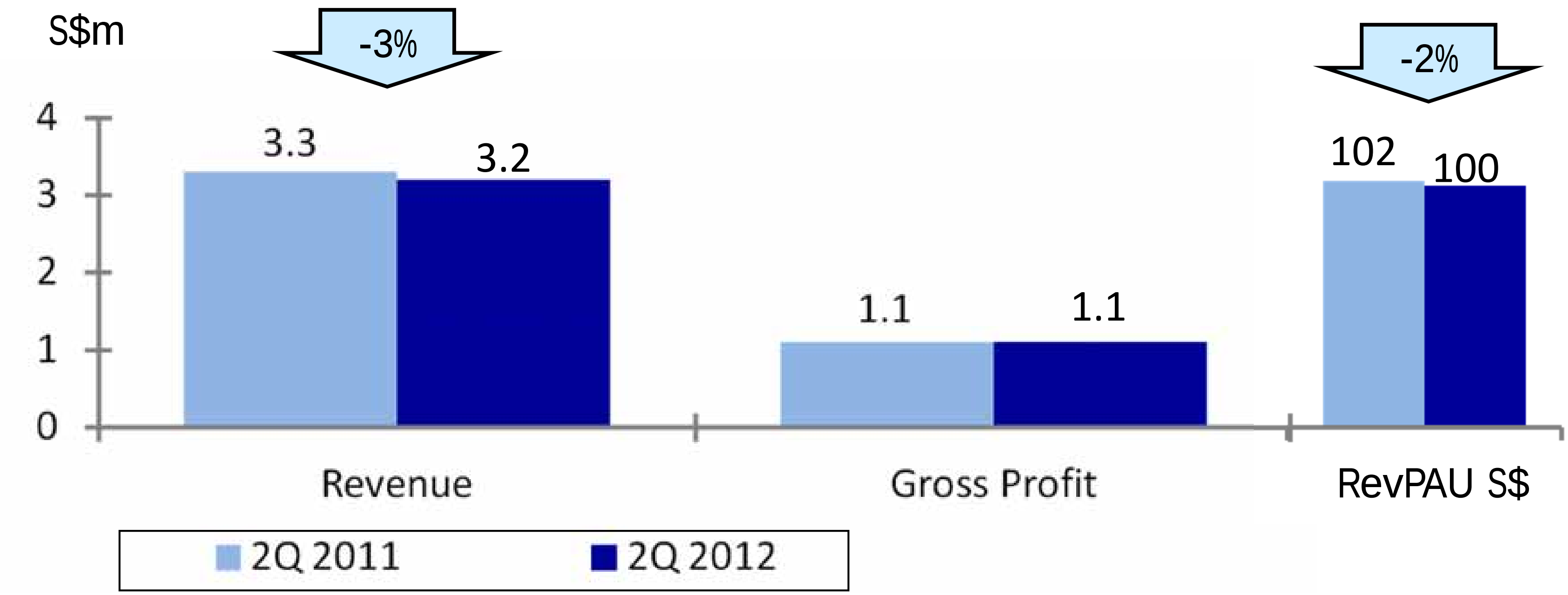
Overview of Management Contracts with Minimum Guaranteed Income

- 8 out of Ascott Reit's 65 serviced residences are on management contracts that provide minimum guaranteed income
- These serviced residences contributed 22% of the Group's gross profit for 2Q 2012
- These management contracts have an average weighted remaining tenure of about 6 years

Belgium

Citadines Sainte-Catherine Brussels

Citadines Toison d'Or Brussels



Revenue and RevPAU was lower due to depreciation of EUR against SGD. In EUR terms, revenue, gross profit and RevPAU increased by 11%, 17% and 7% respectively. This was mainly due to better performance from Citadines Sainte-Catherine Brussels post renovations.

Spain

Citadines Ramblas Barcelona

Revenue was lower due to depreciation of EUR against SGD. In EUR terms, revenue, gross profit and RevPAU increased by 8%, 17% and 10% respectively. Improvement in operating performance was due to stronger leisure market. Revenue and gross profit for 2Q 2012 included a top-up by the property manager of S$0.1 million.

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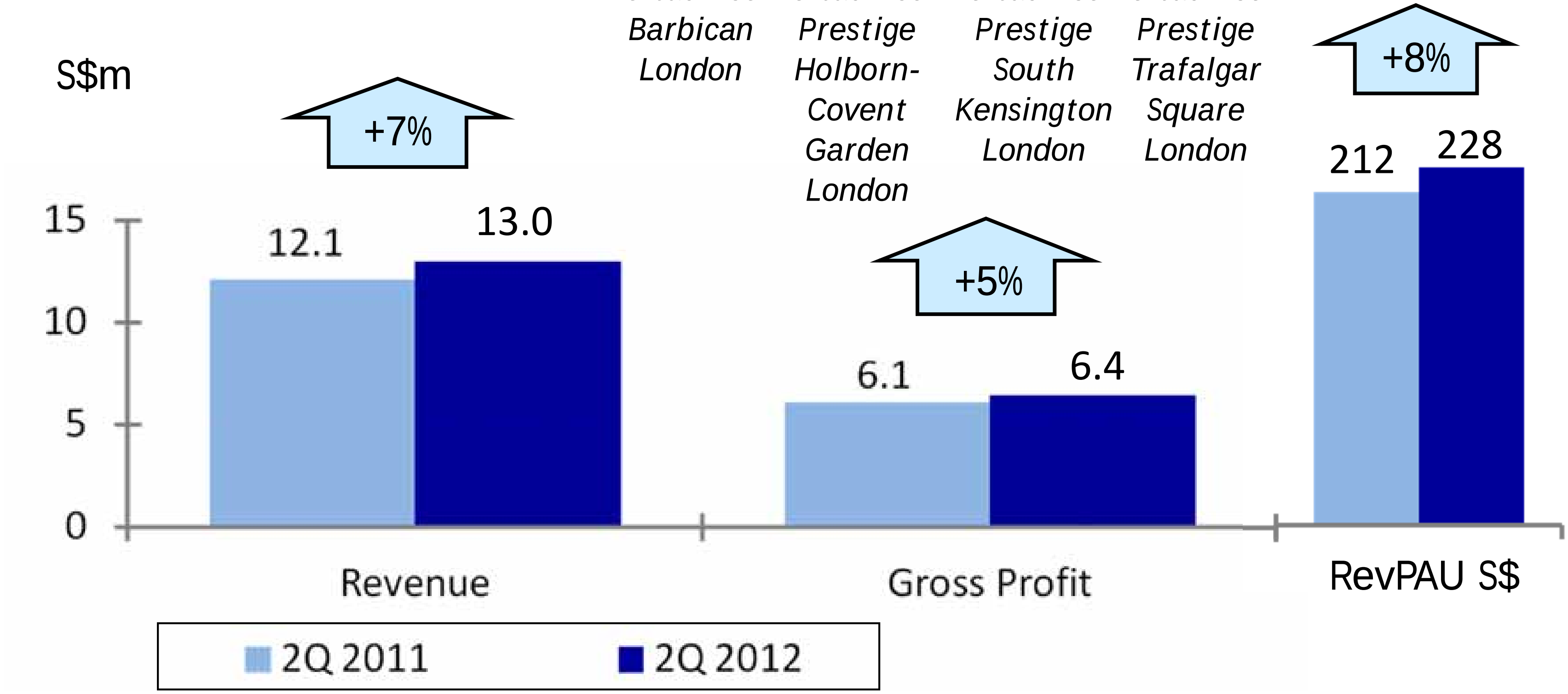
United Kingdom

Citadines Barbican London

Citadines Prestige Holborn-Covent Garden London

Citadines Prestige South Kensington London

Citadines Prestige Trafalgar Square London



Revenue and RevPAU increased mainly due to positive market response to the rebranded Citadines Prestige Trafalgar Square property, enabling the refurbished apartments to achieve higher rental rates. In line with the increase in revenue, gross profit was higher by S$0.3 million or 5%.

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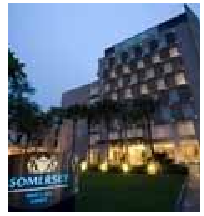
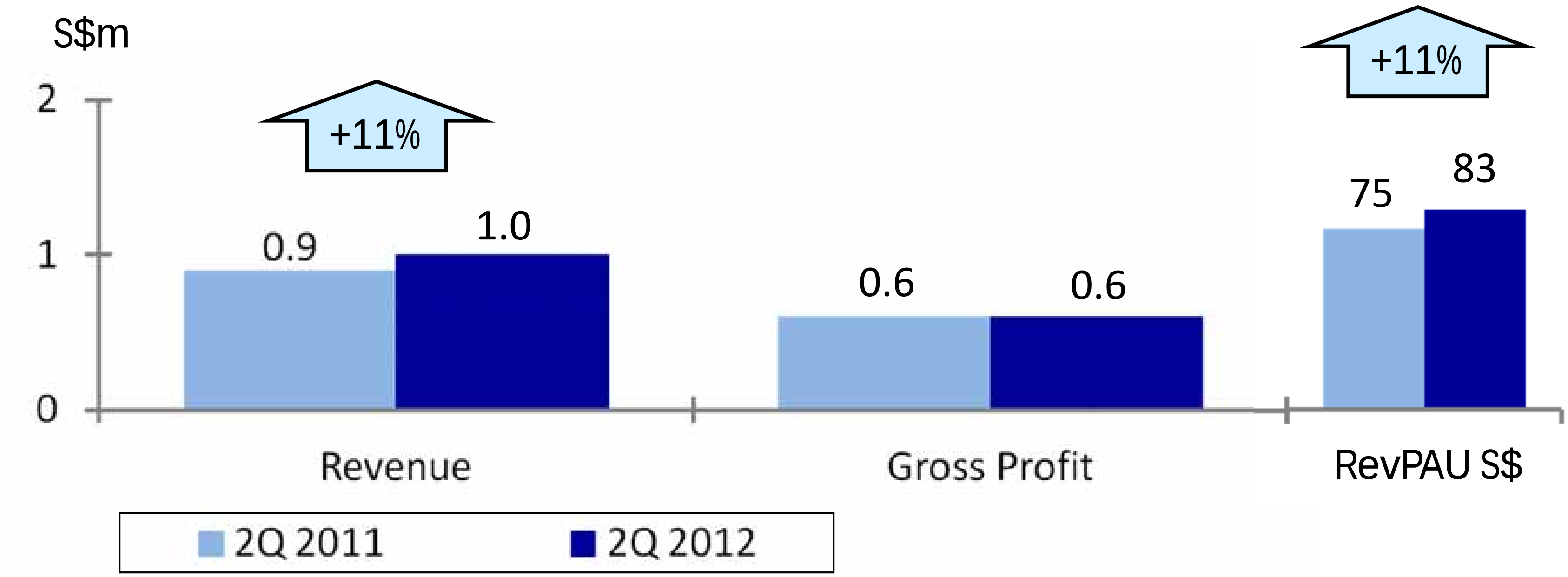
Vietnam



Somerset West Lake Hanoi



Revenue increased due to higher yield protection amount. However, gross profit remained at the same level as 2Q 2011 mainly due to higher staff costs.
Yield protection for 2Q 2012 was S$0.3 million.

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Management Contracts

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Overview of Management Contracts

- 37 out of Ascott Reit’s 65 serviced residences are on management contracts
- These serviced residences contributed 56% of the Group’s gross profit for 2Q 2012

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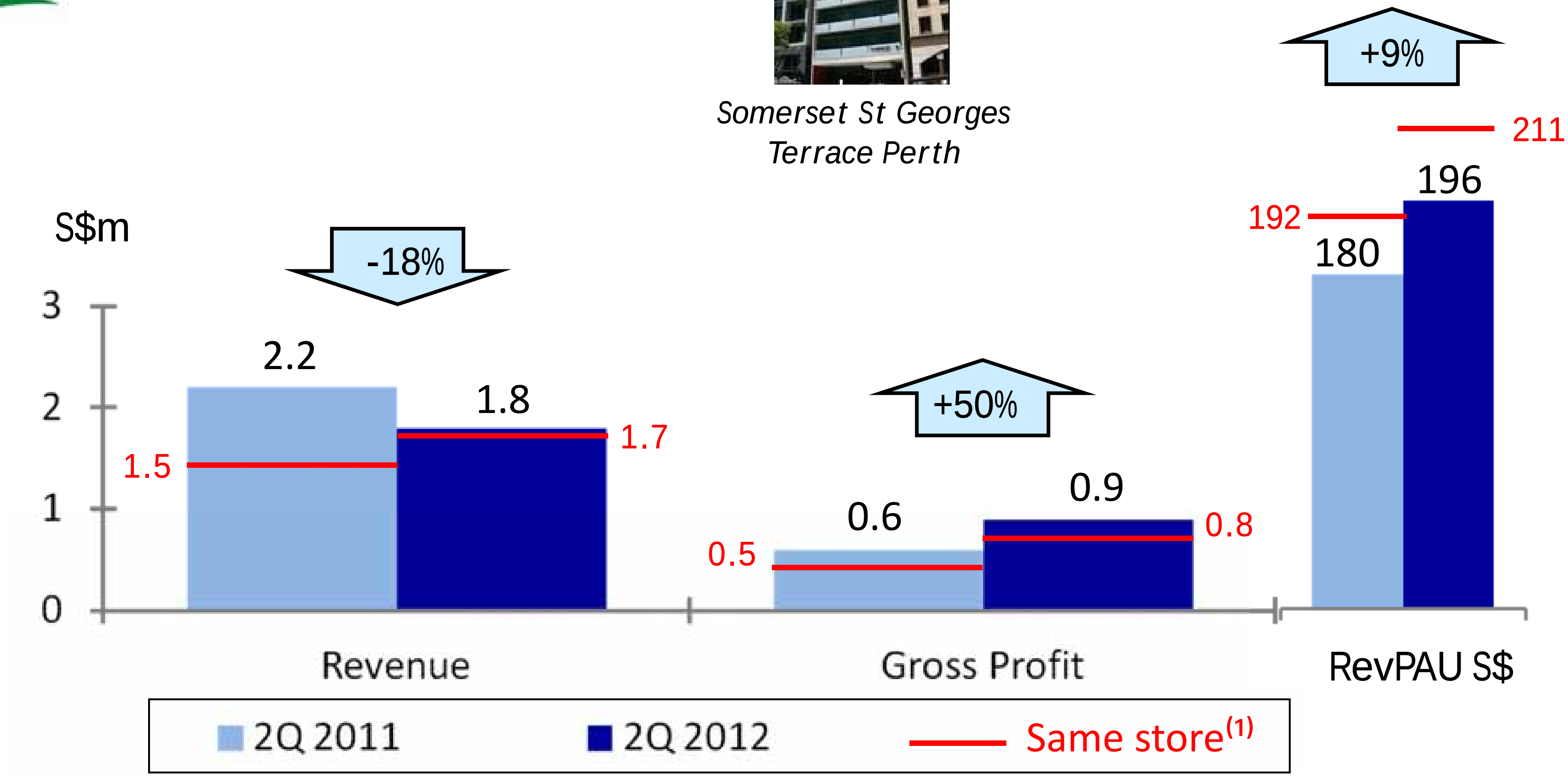
Australia

Somerset St Georges Terrace Perth



Revenue decreased by S$0.4 million or 18% due to divestment of Somerset Gordon Heights Melbourne on 26 April 2012. On a same store basis, increase in revenue, gross profit and RevPAU was mainly due to higher demand in Perth from increased business from oil and gas, and mining industries.

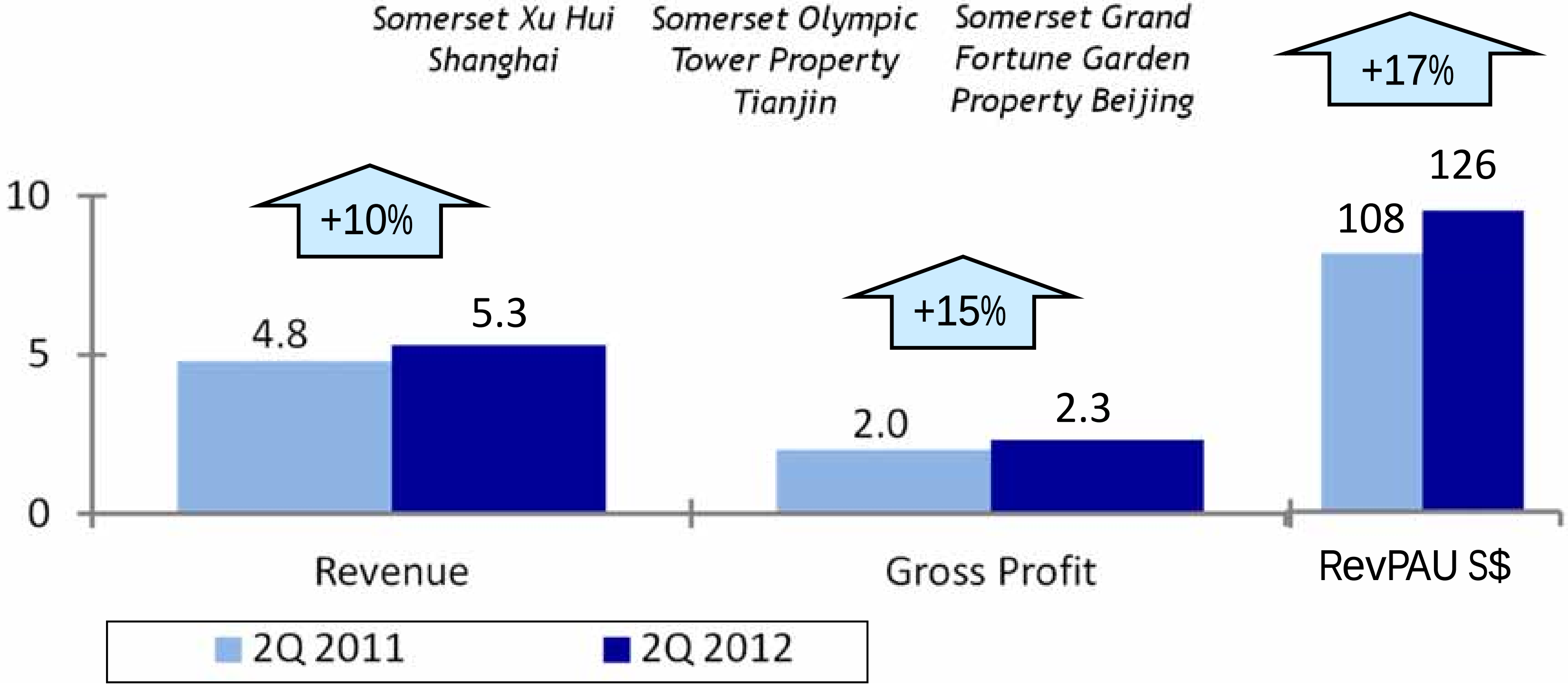
(1) Excludes Somerset Gordon Heights Melbourne (divested in April 2012)

China

Somerset Xu Hui Shanghai

Somerset Olympic Tower Property Tianjin

Somerset Grand Fortune Garden Property Beijing



Revenue and RevPAU increased mainly due to higher demand from project and relocation business. In line with the increase in revenue, gross profit increased by S$0.3 million or 15%.

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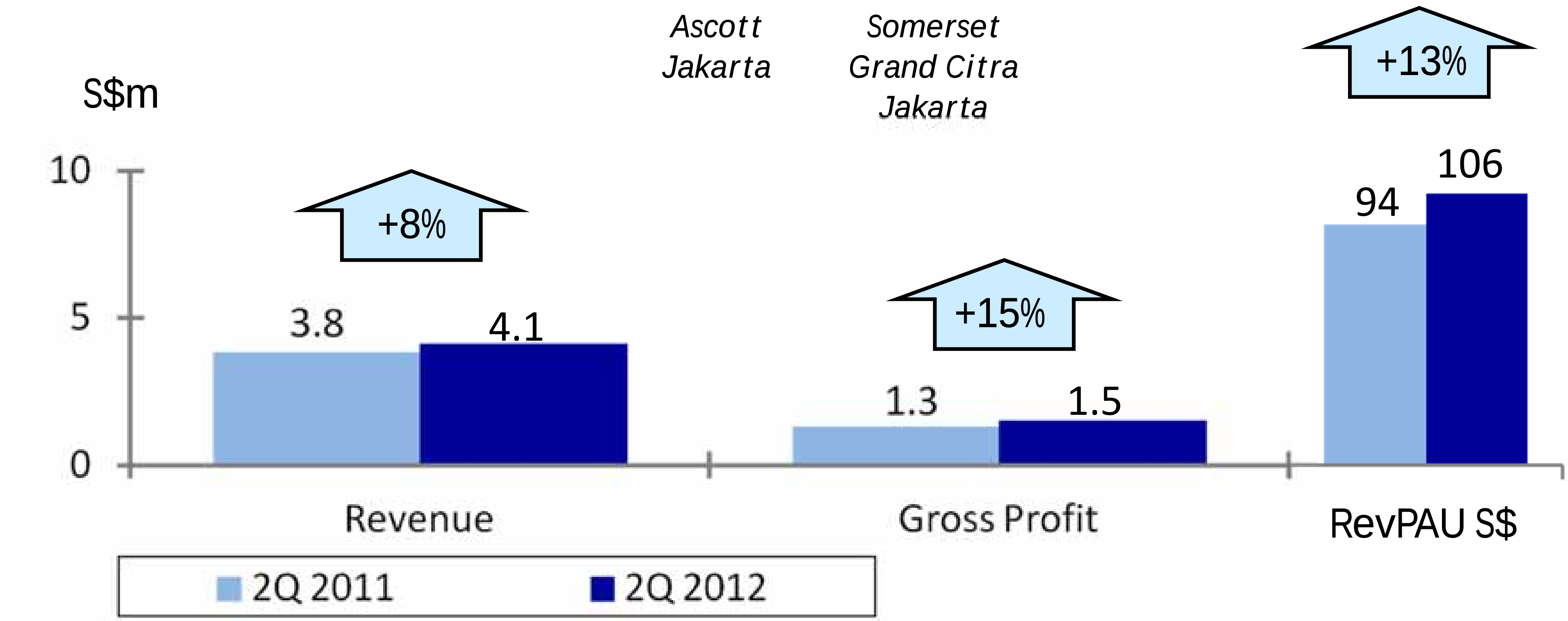
Indonesia

Ascott Jakarta

Somerset Grand Citra Jakarta



Revenue and RevPAU increased mainly due to higher demand from telecommunication and banking industries. In line with the improvement in revenue, gross profit increased by S$0.2 million or 15%.

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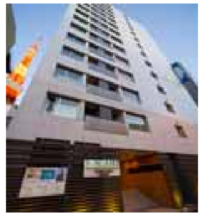
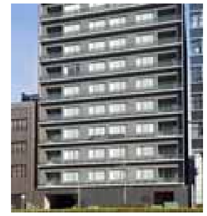
Japan



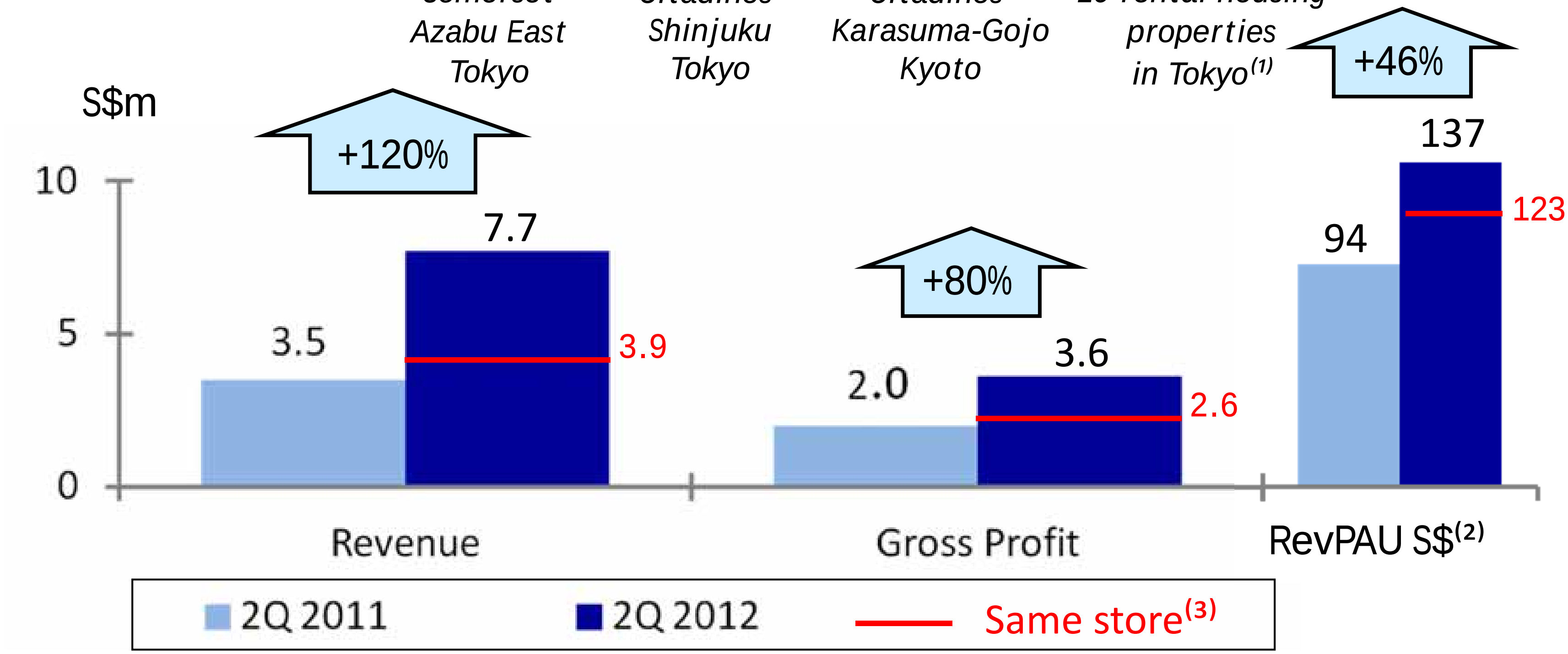
Somerset Azabu East Tokyo

Citadines Shinjuku Tokyo



Citadines Karasuma-Gojo Kyoto

19 rental housing properties in Tokyo[1]

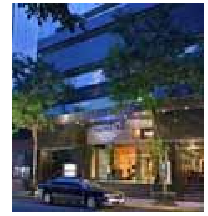


Revenue and gross profit increased mainly due to the newly acquired Citadines Shinjuku and Citadines Kyoto. On a same store basis, revenue, gross profit and RevPAU were higher due to improved business conditions for the quarter.

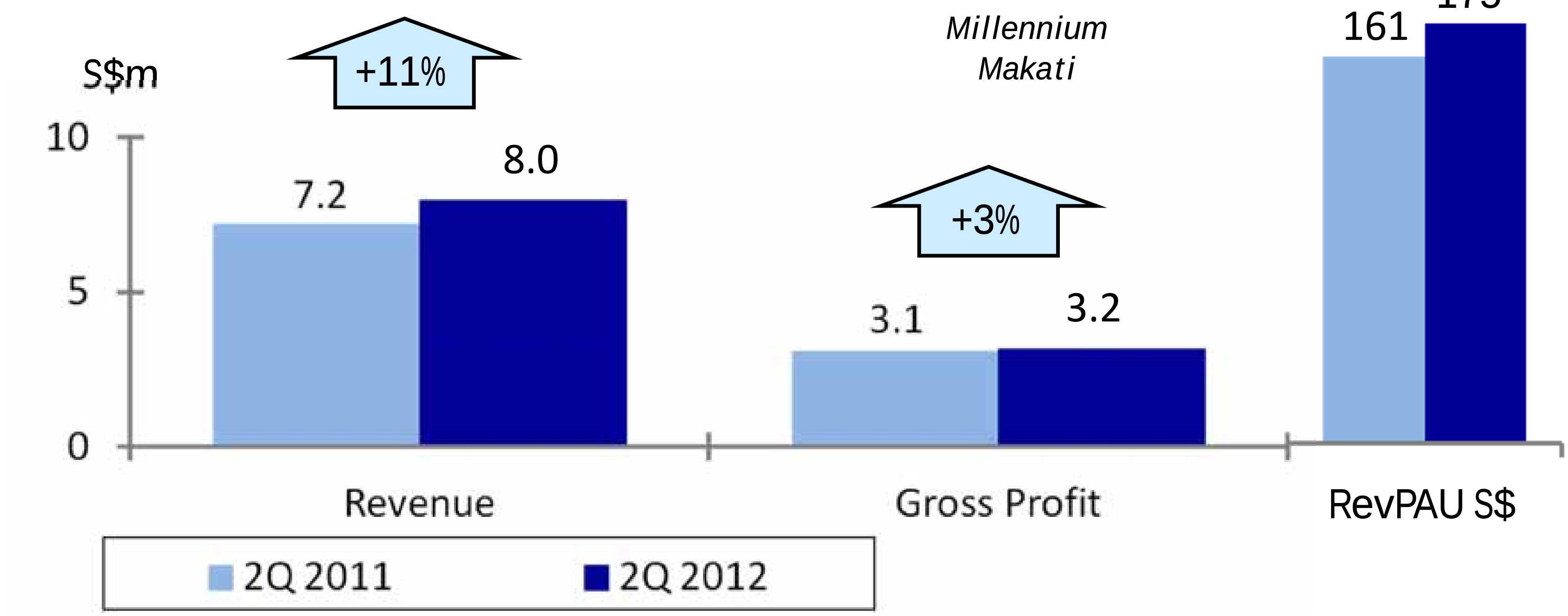
(1) Somerset Roppongi Tokyo was converted to rental housing in April 2012
(2) RevPAU for serviced residence properties only
(3) Excludes Citadines Shinjuku and Citadines Kyoto

The Philippines

Ascott Makati



Somerset Millennium Makati



Revenue and RevPAU increased mainly due to higher demand from business process outsourcing, oil and gas, and aircraft engineering industries. Gross profit was higher by S$0.1 million or 3% due to the increase in revenue, partially offset by higher utility and staff costs.

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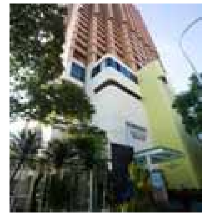
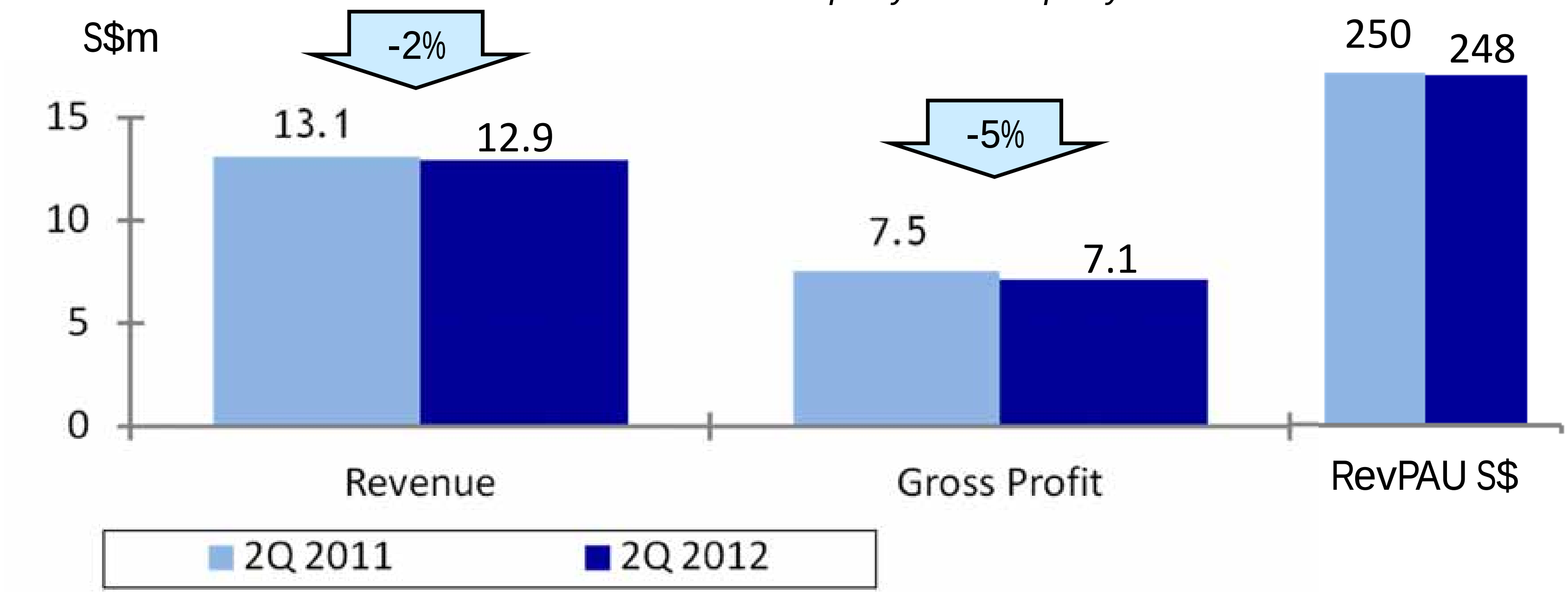
Singapore

Somerset Grand Cairnhill



Somerset Liang Court Property

Citadines Mount Sophia Property



Decrease in revenue and RevPAU due to lower occupancy as a result of disruption from the nearby construction activities near Somerset Grand Cairnhill. Gross profit decreased by S$0.4 million or 5% mainly due to higher property tax and operation & maintenance expenses.

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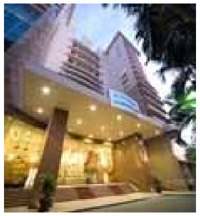
Vietnam

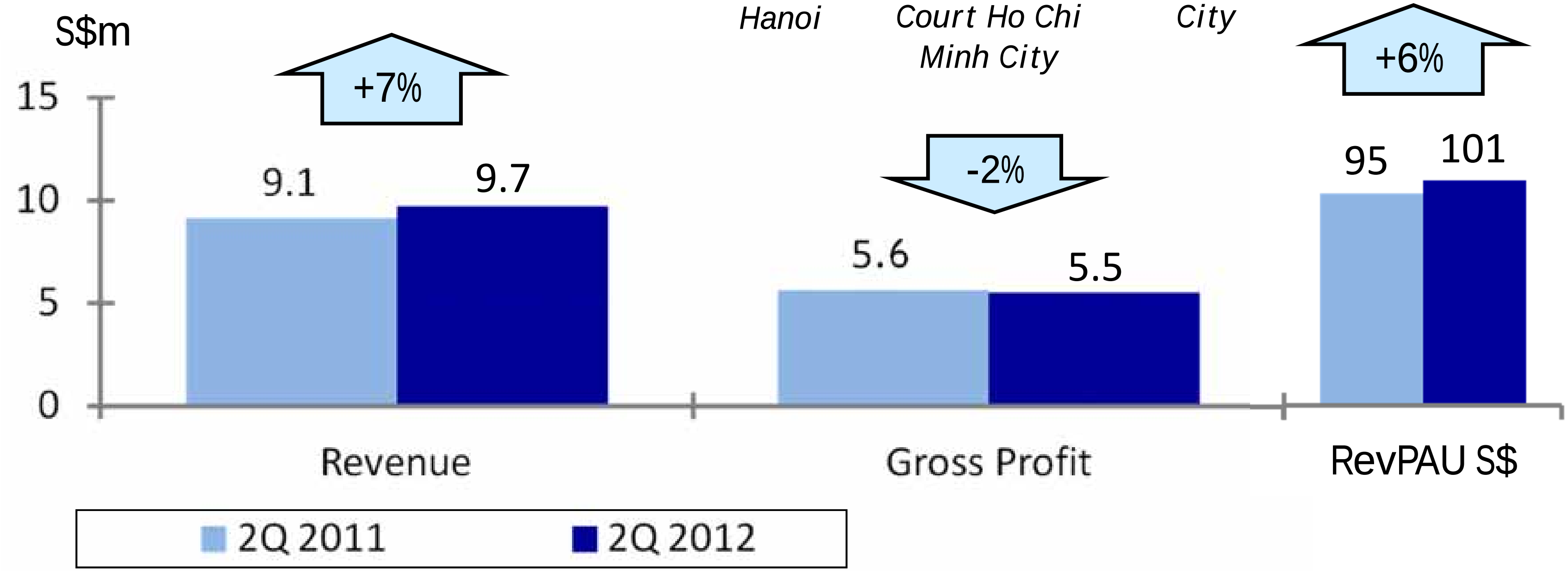
Somerset Grand Hanoi

Somerset Hoa Binh Hanoi



Somerset Chancellor Court Ho Chi Minh City

Somerset Ho Chi Minh City



Revenue increased by S$0.6 million or 7%. The increase was mainly due to stronger demand for the refurbished apartment units of Somerset Grand Hanoi and higher office rental income. Gross profit was lower by S$0.1 million or 2% due to higher staff costs and depreciation expense.

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Brand Introduction

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Ascott The Residence

- **Defining Exclusive Living**
  - Luxurious, exclusive, discreet
  - Located in prime business districts of key cities
  - Provides efficient business support services, in an exclusive and luxurious environment

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Citadines Apart'hotel

- ***Defining Vibrant Living***
  - Vibrancy of independent city living
  - Oasis of calm in key bustling cities
  - Personalised conveniences for savvy and vibrant individuals on the go
  - Range of services and amenities to complement different lifestyles
  - Modern comforts, business connectivity and customised services

Somerset Serviced Residence

- **Defining Balanced Living**
  - A serviced residence for executives and their families looking for work life balance
  - A stylish home with recreational facilities, lifestyle activities and business support services
  - A place to make friends, share family experiences, get help to quickly settle into the city