
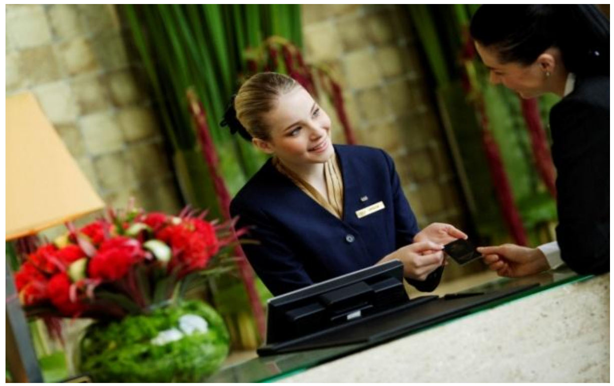
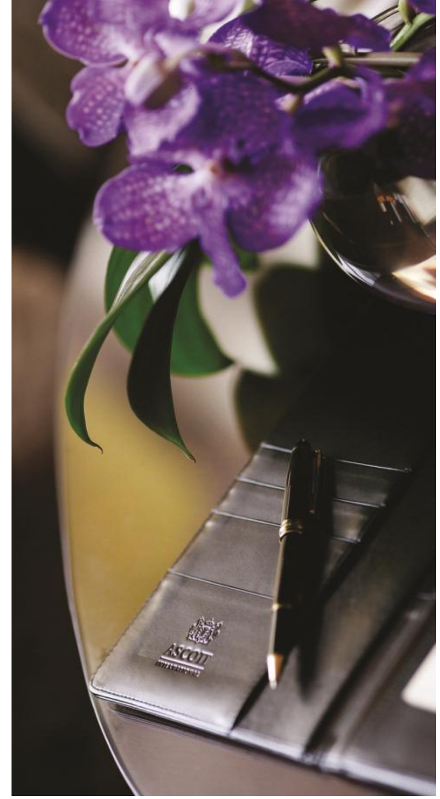
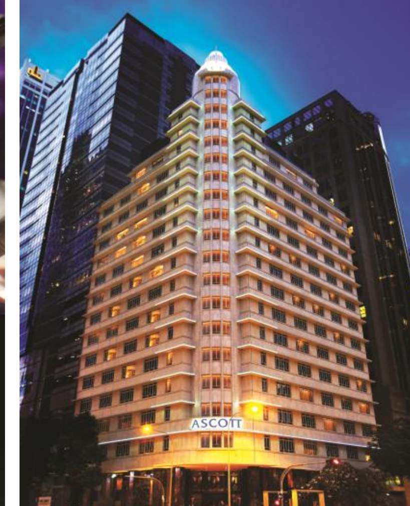


ASCOTT
RESIDENCE
TRUST
An Associate of CapitaLand

# Ascott Residence Trust

## Roadshow Presentation in Singapore and Hong Kong
18 - 21 November 2013

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# Ascott REIT Rights Issue

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# Ascott REIT Rights Issue

## Key highlights

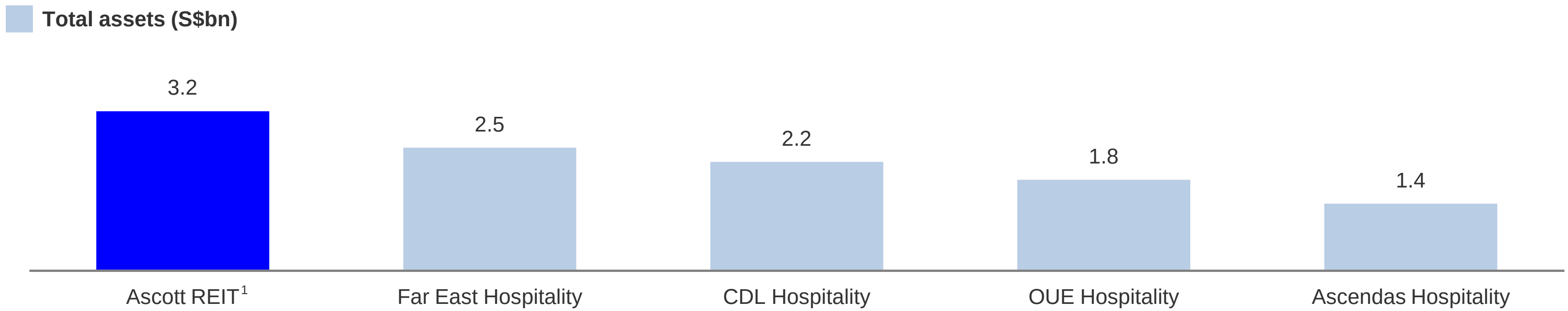
| | |
|---|---|
| **Offer structure** | ● Renounceable, fully underwritten Rights Issue<br>● Gross proceeds of c.S$253.7mm<br>● Rights ratio: 1 rights unit for every 5 existing Ascott REIT units |
| **Issue price** | ● S$1.00 per rights unit, representing a discount of :<br>- c.19.5% to theoretical ex-rights price of S$1.24<br>- c.22.5% to closing price of S$1.29 as of 4 Nov 2013<br>- c.23.7% to Ascott REIT's pro forma NAV per Unit of S$1.31[1] |
| **Sponsor's undertaking** | ● The Ascott Limited ("TAL") and its subsidiaries, have undertaken to fully subscribe for their 45.3% pro-rata entitlement of the Rights Issue |
| **Sponsor lock-up** | ● TAL and its subsidiaries have agreed to a lock-up up till 90 days after the date on which the Rights Units are listed on the SGX-ST |
| **Underwriters** | ● DBS Bank and J.P. Morgan |
| **Distributions** | ● The Rights Units will be entitled to distributions for the period from 1 Jul – 31 Dec 2013 |
| **Use of proceeds** | The Rights Issue is expected to raise gross proceeds of approximately S$253.7mm which will be used in the following manner:<br>● c.S$204.9mm (c.80.8% of gross proceeds) will be used to pay down Ascott REIT's debt;<br>● c.S$45.0mm (c.17.7% of gross proceeds) will be used to fund capital expenditure and asset enhancement initiatives, and for general corporate and working capital purposes;<br>● c.S$3.1mm (c.1.2% of gross proceeds) will be used to pay the underwriting commission; and<br>● c.S$0.7mm (c.0.3% of gross proceeds) will be used to pay estimated professional fees and expenses and other fees and expenses expected to be incurred in connection with the Rights Issue<br>**Any increase in Ascott REIT's debt headroom, through a reduction of its borrowings, will enhance Ascott REIT's flexibility in pursuing potential acquisitions in an efficient manner and uplift its competitive positioning in the market through various asset enhancement plans**<br>Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes |

[1] After taking into account the latest valuation of the properties of Ascott REIT as at 30 June 2013 and the effects of the Rights Issue

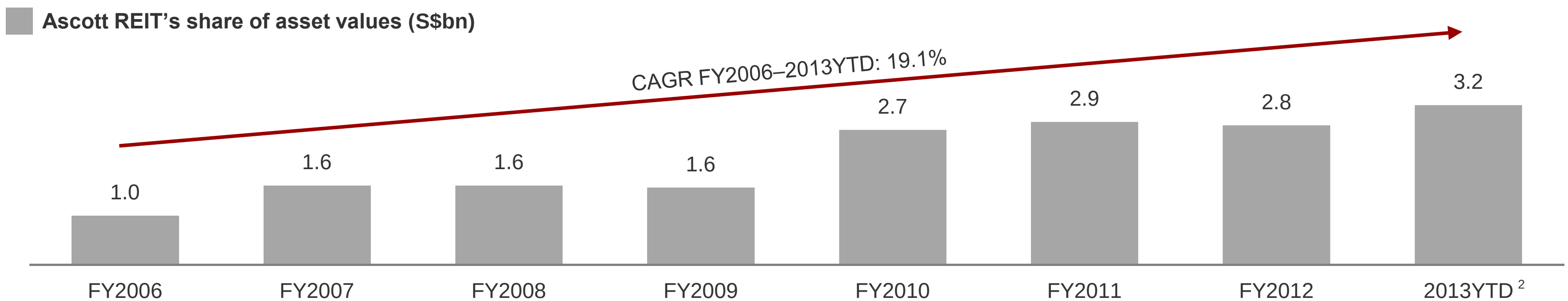
# Ascott REIT Rights Issue

## Raising capital from a position of strength

**1** **Largest hospitality trust listed on the SGX-ST by total assets…**




**2** **…having more than tripled its share of asset values since its listing in 2006**

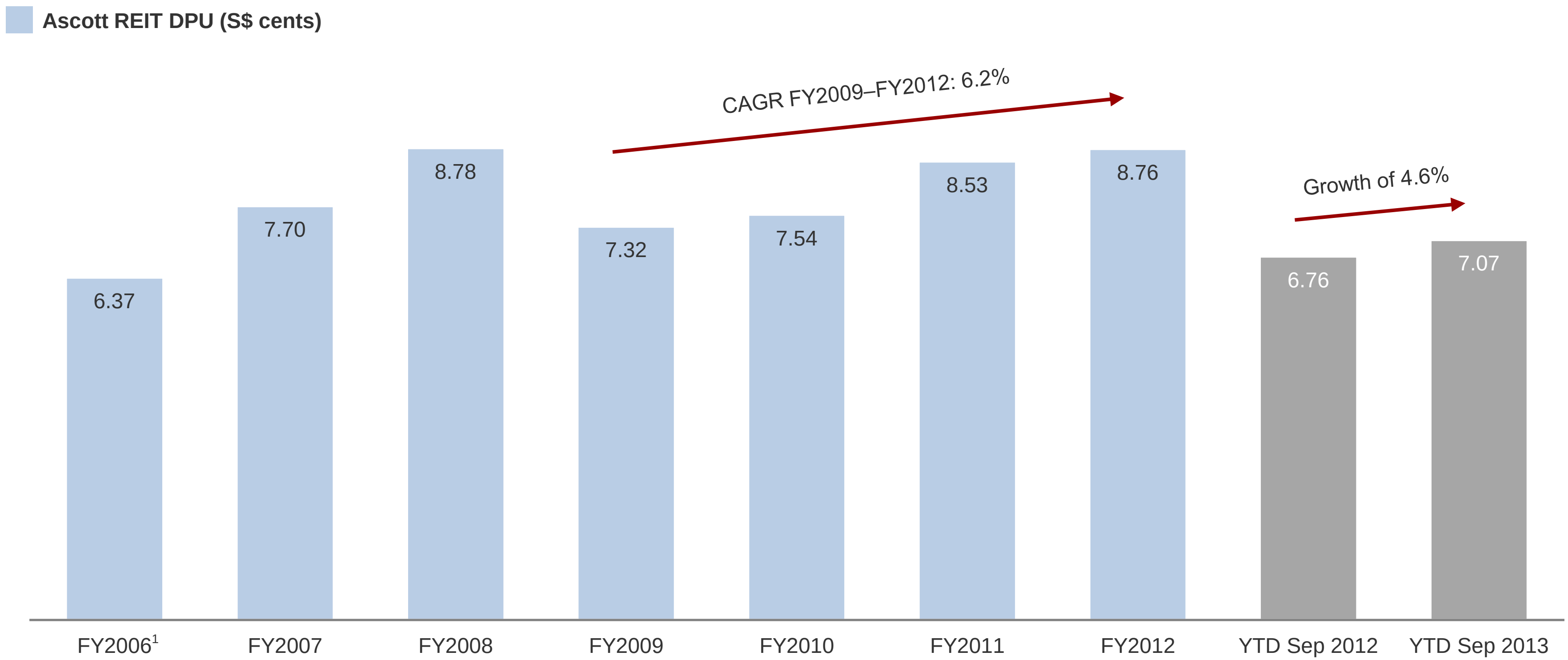



Source: Latest available company filings (figures as at 30 Sep 2013)
[1] Based on Ascott REIT's share of asset values as at 30 Sep 2013; Ascott REIT had total assets of S$3.4bn as at 30 Sep 2013;
[2] If the new Cairnhill serviced residence is included, Ascott REIT's share of asset values would be S$3.6bn

# Ascott REIT Rights Issue

## Raising capital from a position of strength

### 3 Ascott REIT's DPU has recovered strongly since the Global Financial Crisis




Source: Ascott REIT filings

[1] FY2006 DPU annualized as Ascott REIT was established on 19 Jan 2006 but its acquisition of real properties was completed on 1 Mar 2006. Hence actual income recorded relates only to the 10 month period from 1 Mar 2006 to 31 Dec 2006

# Rationale for the Rights Issue

## Key rationale

1. Ascott REIT continues to see a **strong pipeline of potential quality acquisitions in key gateway cities in China, Japan, Malaysia, Australia and Europe**

2. The Rights Issue will **increase Ascott REIT's debt headroom** through a reduction of its borrowings, hence **enhancing Ascott REIT's ability to pursue potential acquisitions and asset enhancement plans**

3. The Rights Issue **provides Unitholders with the opportunity to subscribe for their pro-rata entitlement to the Rights Units at a discount of c.19.5% to TERP**. Investors participating in the Rights Issue are entitled to receive distributions for the period from 1 Jul – 31 Dec 2013

4. The Rights Issue may **improve the trading liquidity** of the Units after the Rights Issue

# Rationale for the Rights Issue

## Demonstrated acquisition track record

**2006 (*S$217.5mm*)**
- Somerset Olympic Tower Tianjin *S$76.8mm*
- Somerset Roppongi Tokyo[1] *S$20.7mm*
- Ascott Makati *S$87.5mm*
- Somerset Gordon Heights Melbourne *S$13.9mm*
- Somerset Chancellor Court Ho Chi Minh City[2] *S$18.6mm*

**2007 (*S$302.7mm*)**
- Somerset Azabu East Tokyo *S$79.8mm*
- Somerset Roppongi Tokyo[1] *S$36.4mm*
- Somerset Chancellor Court Ho Chi Minh City[2] *S$27.9mm*
- 18 rental housing properties in Tokyo *S$158.6mm*

**2008 (*S$65.5mm*)**
- Somerset St Georges Terrace Perth *S$36.1mm*
- Somerset West Lake Hanoi[3] *S$29.4mm*

**2010 (*S$1.2bn*)**
- 2 Asian properties in Singapore and Vietnam, and 26 European properties in France, UK, Germany, Belgium and Spain *S$1.2bn*

**2011 (*S$98.1mm*)**
- Citadines Shinjuku Tokyo[4] *S$98.1mm*

**2012 (*S$818.3mm*)**
- Citadines Karasuma-Gojo Kyoto[5] *S$48.2mm*
- Ascott Raffles Place Singapore *S$220.0mm*
- Ascott Guangzhou *S$85.7mm*
- New Cairnhill serviced residence[6] *S$405.0mm*
- Madison Hamburg *S$59.4mm*

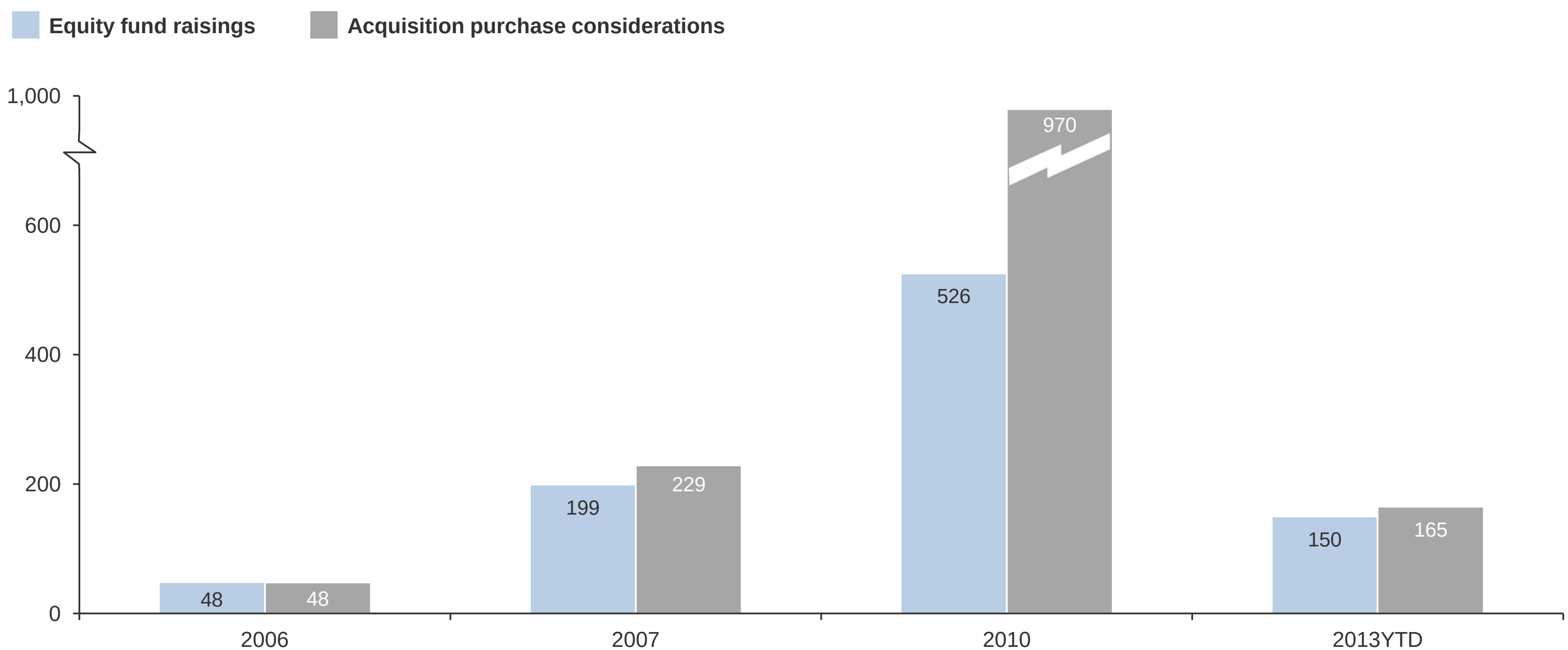
**2013 (*S$287.4mm*)**
- Somerset Heping Shenyang *S$86.2mm*
- Citadines Biyun Shanghai *S$63.2mm*
- Citadines Xinghai Suzhou *S$23.2mm*
- 11 rental housing properties in Japan *S$114.8mm*

Note: Based on agreed property value
[1] Acquired a 40% stake in Somerset Roppongi Tokyo in 2006 and the remaining 60% stake in in 2007; [2] Acquired a 26.8% stake in Somerset Chancellor Court in 2006 and an additional 40.2% stake in in 2007; [3] Acquired a 70% stake in Somerset West Lake in 2008; [4] Acquired a 60% stake in Citadines Shinjuku in 2011; [5] Acquired a 60% stake in Citadines Karasuma-Gojo in 2012; [6] Pursuant to a put and call option signed in July 2012, expected to be delivered in 3Q 2017

# Rationale for the Rights Issue

## Proven ability to deploy funds raised

**Ascott REIT's past equity fund raisings and deployment for acquisitions (S$mm)**



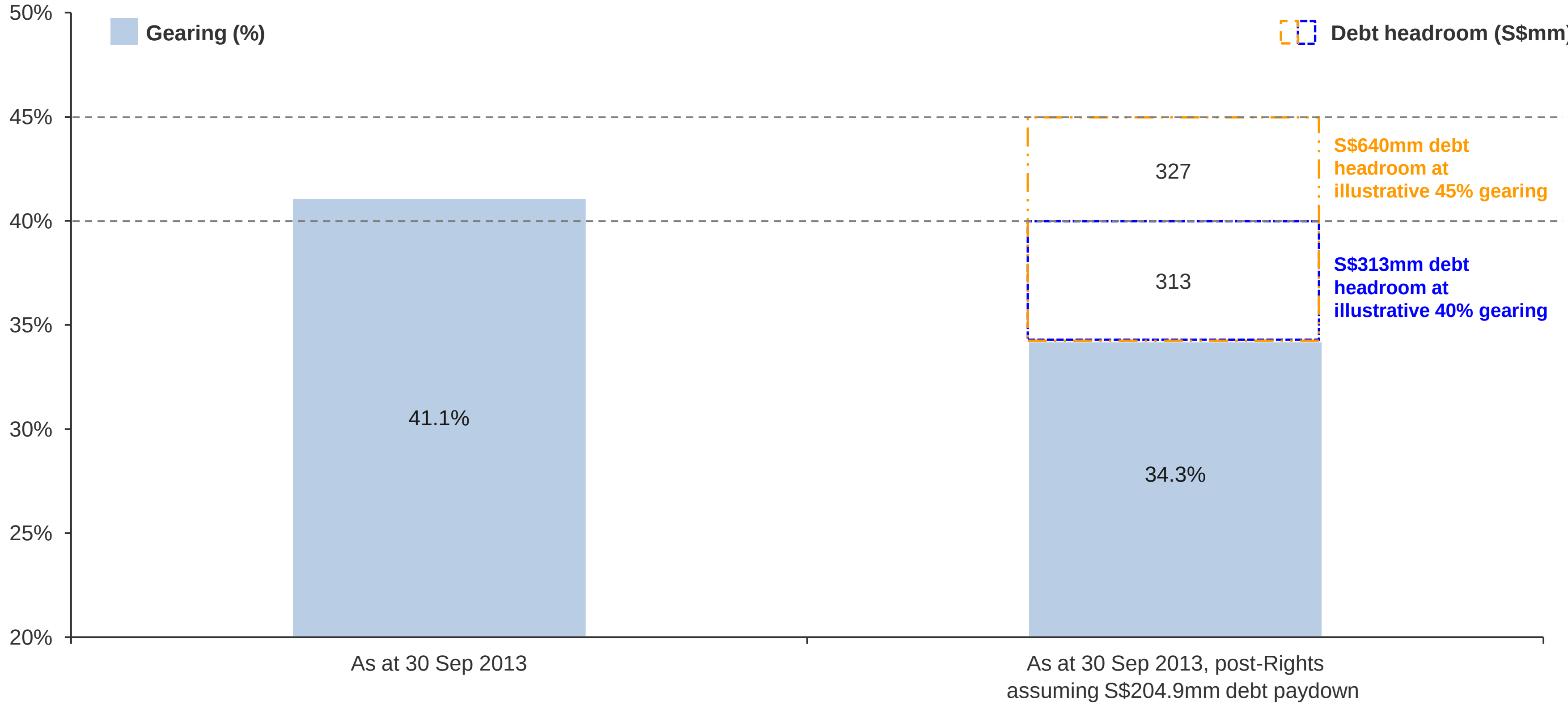

**Previous equity fund raisings by Ascott REIT have been successfully deployed**

Source: Ascott REIT filings and announcements
Note: Acquisition purchase considerations relate to acquisitions for each FY, based on acquisition completion dates

# Rationale for the Rights Issue

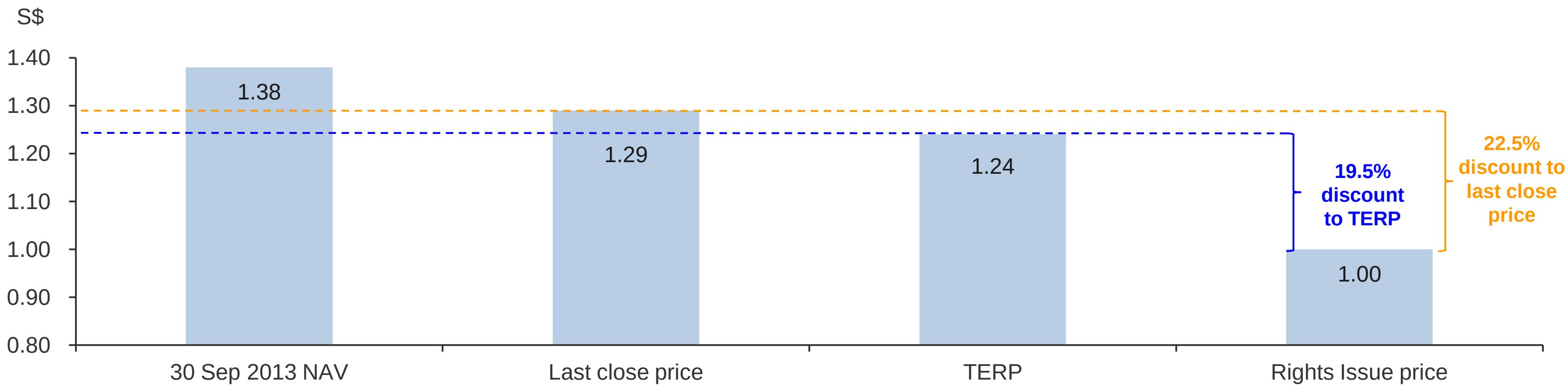
## Rights issuance significantly increases debt headroom

**Illustrative impact on Ascott REIT's gearing and debt headroom**



# Rationale for the Rights Issue

## The Rights Issue represents a 19.5% discount to TERP and improves trading liquidity




| | | | |
|---|---|---|---|
| **Pro forma historical DPU yield** | 7.0%[1] | 6.5%[2] | 8.0%[2] |

- Eligible unitholders who do not wish to subscribe for the Rights Units may choose to sell their rights entitlements during the Rights Entitlements trading period
- Investors participating in the Rights Issue are entitled to receive distributions for the period from 1 Jul – 31 Dec 2013

**The Rights Issue allows existing unitholders to participate on a pro-rata basis at a discount and may improve trading liquidity**

Note: Last close price as of 4 Nov 2013, being the last trading day before the announcement of the Rights Issue

[1] Pro forma historical DPU yield on last price based on PF FY2012 DPU of 9.01 cents which is adjusted for Ascott REIT's placement and its acquisition of three serviced residences in China and 11 rental housing properties in Japan in 2013

[2] Pro forma historical DPU yield on TERP and Issue price based on PF FY2012, post-Rights DPU of 8.02 cents which assumes S$204.9mm from the net proceeds of the Rights Issue used to pay down existing borrowings on 1 Jan 2012

# Strong Sponsor in The Ascott Limited ("TAL")

## Continued support with undertaking of pro-rata rights entitlement

**TAL is the world's largest serviced residence owner-operator…**


**… with more than 33,000 units in over 200 properties [1] globally**

[1] Includes the 8,636 units in 81 properties from Ascott REIT's portfolio

1. The Ascott Limited has **undertaken to subscribe for its pro-rata entitlement of c.45.3%** in Ascott REIT's Rights Issue

2. Reflects the Sponsor's continued **commitment to support Ascott REIT's acquisition growth strategy to create value for all Unitholders**

# Pro Forma Impact on Financials

## Impact on DPU and NAV

### Illustrative DPU

| | Audited FY2012 | PF FY2012[1] | PF FY2012, post-Rights[2] |
|---|---|---|---|
| DPU (S$ cents) | 8.76 | 9.01 | 8.02 |

### Illustrative NAV per unit

| | 30 Sep 2013 | 30 Sep 2013, post-Rights |
|---|---|---|
| NAV per unit (S$) | 1.38 | 1.31 |

### Rights Issue price of S$1.00 implies the following

| | |
|---|---|
| Discount to NAV per unit of S$1.31 *(as of 30 Sep 2013, post-Rights)* | 23.7% |
| Discount to last close price of S$1.29[3] | 22.5% |
| Discount to TERP of S$1.24 | 19.5% |
| PF FY2012, post-Rights pro forma historical DPU yield | 8.0% |

1 PF FY2012 financials adjusted for Ascott REIT's placement in Jan 2013 and its acquisition of three serviced residences in China and 11 rental housing properties in Japan in June 2013 with S$147.8mm of the net proceeds of the placement used to pay for the acquisitions, as if carried out on 1 Jan 2012, as disclosed in the circular dated 2 May 2013

2 Assuming S$204.9mm from the net proceeds of the Rights Issue used to pay down Ascott REIT's existing borrowings on 1 Jan 2012

3 Last close price as of 4 Nov 2013, being the last trading day before the announcement of the Rights Issue

# Ascott REIT Rights Issue

## Key dates

| Event | Date |
|---|---|
| **Despatch of Offer Information Statement (together with application forms) to Eligible Unitholders** | 19 November 2013 |
| **Commencement of trading of Rights Entitlements** | 19 November 2013 from 9.00 a.m. |
| **Close of trading of Rights Entitlements** | 27 November 2013 at 5.00 p.m. |
| **Last date and time for acceptance of the Rights Entitlements and payment for Rights Units** | 3 December 2013 at 5.00 p.m. *(9.30 p.m. for Electronic Applications through ATMs of Participating Banks[1])* |
| **Last date and time for application and payment for Excess Rights Units** | 3 December 2013 at 5.00 p.m. *(9.30 p.m. for Electronic Applications through ATMs of Participating Banks[1])* |
| **Last date and time for acceptance of and payment by the renouncee** | 3 December 2013 at 5.00 p.m. |
| **Expected date for commencement of trading of Rights Units on the SGX-ST** | 12 December 2013 from 9.00 a.m. |

[1] DBS Bank Ltd. (including POSB); Oversea-Chinese Banking Corporation Limited; and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

# Outlook and Conclusion

## Ascott REIT's Rights Issue - raising capital from a position of strength

1. In the first nine months of 2013, Ascott REIT achieved **better performance** compared to the same period in 2012 on the back of its **strong operations, targeted asset enhancement programs** and **disciplined acquisitions**

2. Ascott REIT continues to see a **strong pipeline of potential quality acquisitions in key gateway cities in China, Japan, Malaysia, Australia and Europe**

3. The Rights Issue will **increase Ascott REIT's debt headroom** through a reduction of its borrowings, hence **enhancing Ascott REIT's ability to pursue potential acquisitions and asset enhancement plans**

4. The Rights Issue **provides Unitholders with the opportunity to subscribe for their pro-rata entitlement to the Rights Units at a discount of c.19.5% to TERP**. The Rights Issue Price of S$1.00 implies a pro forma historical DPU yield of 8.0%[1]. Investors participating in the Rights Issue are entitled to receive distributions for the period from 1 Jul – 31 Dec 2013

5. The Rights Issue may **improve the trading liquidity** of the Units after the Rights Issue

[1] Pro forma historical DPU yield based on PF FY2012, post-Rights DPU of 8.02 cents which assumes S$204.9mm from the net proceeds of the Rights Issue used to pay down existing borrowings on 1 Jan 2012


Citadines Suites Louvre Paris, France