



# ASCOTT RESIDENCE TRUST

04 September 2006





# Acquisition of Somerset Roppongi Tokyo, Japan



Tokyo

# Acquisition Highlights

- Conditional S&P agreement for effective stake of 40% in Somerset Roppongi Tokyo in Japan at a proportionate (40%) enterprise value of ¥1.48 billion (approximately S\$20.7 million) signed on 04 Sep 2006
- Annualised property yield<sup>#</sup> of 5 per cent is yield-accretive compared to the annualised portfolio property yield<sup>#</sup> of 4.7%.
- To be funded by equity and assumption of bank debt
- Gearing increases to 30.1%\*



<sup>#</sup> For the forecast year 2006.

\* Includes the proposed acquisition of Somerset Olympic Tower Property in Tianjin, China, on 24 July 2006.

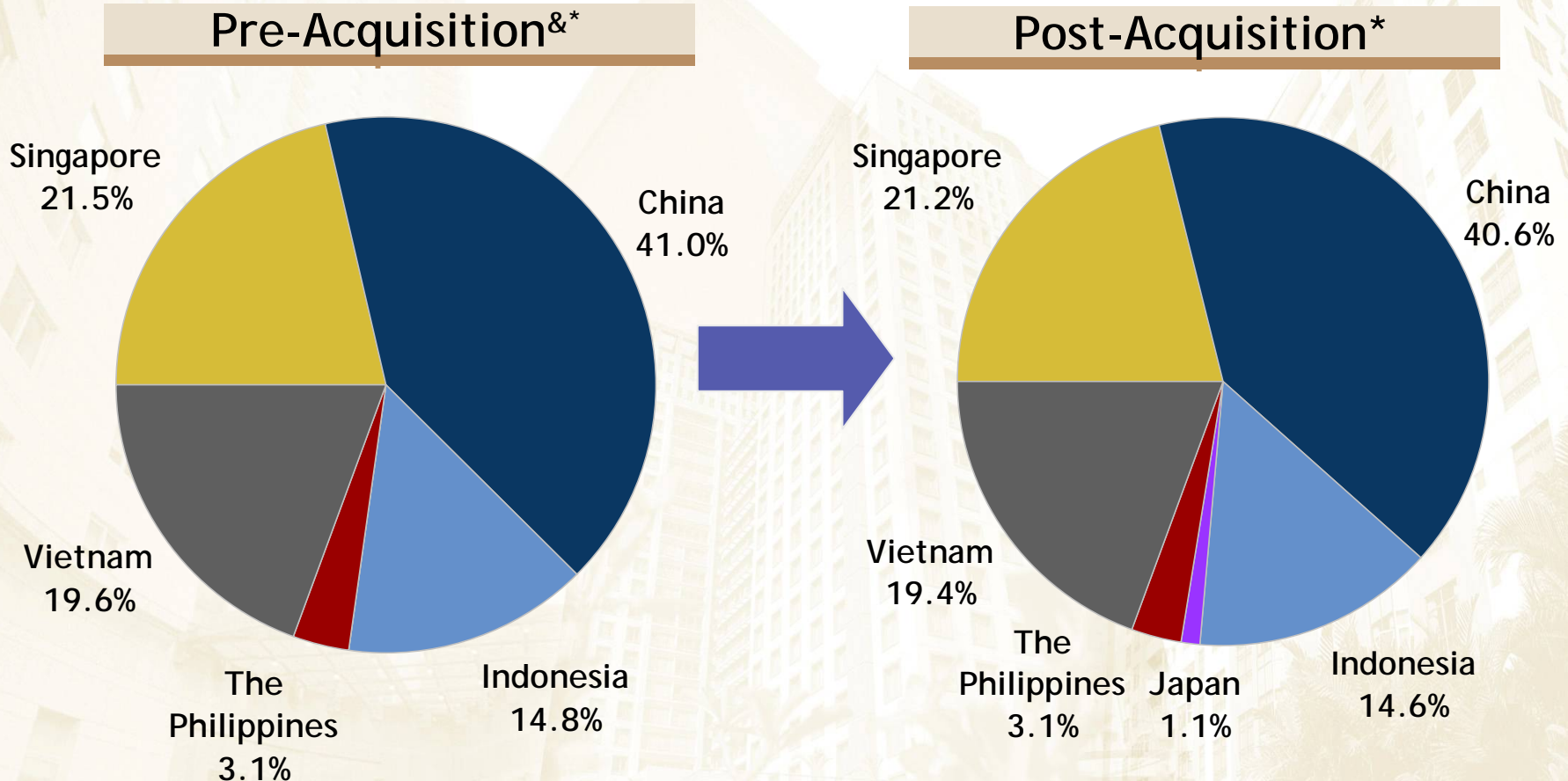


# First S-REIT with Japanese presence

- **Portfolio geographical diversification**
  - First S-REIT to invest in Japan
  - Increase geographical diversity by providing exposure to a new country in ART's portfolio
  - Tap into Tokyo's strong demand for serviced residences and expatriate housing
- **Leverage on strategic relationship with The Ascott Group**
  - Established pipeline of assets with ART having right of first refusal
  - Tap on Ascott's expertise and experience to acquire serviced residence assets



# Geographical Diversification of Portfolio - Gross Profit



**Total Gross Profit<sup>#</sup> Increases 1% to S\$48.6m**

*<sup>&</sup> Includes the proposed acquisition of Somerset Olympic Tower Property in Tianjin, China announced on 24 July 2006.*

*<sup>\*</sup> Assuming the proposed new acquisitions took place on 1 January 2006.*

*<sup>#</sup> For ART's share of Gross Profit in the forecast year 2006.*

# Attractions of Tokyo

- **Commitment by Japanese government to attract FDI**
  - Inward direct investment into Japan is expected to grow 9% to reach US\$3.5 billion in 2006, with double-digit growth projected for 2007-2009<sup>1</sup>
  - Expected increase of business travel into Tokyo
- **Strong demand for serviced residences and expatriate housing**
  - “Demand in the high-end residential market is expected to grow as the Japanese economy recovers further and more MNCs increase their foreign headcounts.”<sup>2</sup>
  - Minato-ku has a good supply of quality office accommodation and is popular with many foreign companies and financial institutions.<sup>2</sup>
  - “Most expatriates working in Tokyo prefer to lease luxury apartments located in Minato-ku and Shibuya-ku.”<sup>2</sup>

<sup>1</sup> Source: *Economic Intelligence Unit (“EIU”) July 2006*

<sup>2</sup> Source: *“Corporate Occupiers Guide – Japan” , Jones Lang LaSalle, April 2005.*



# Somerset Roppongi Tokyo, Japan

## Property Highlights

<b>Property Description</b>	13-storey freehold property with one basement level located in the heart of Minato-Ku in Tokyo's Central Business District and a 5-minute walk from the Roppongi subway station/ Roppongi Crossing
<b>In Operation Since</b>	2002
<b>Facilities</b>	Fitness centre, residents' lounge, 24-hour convenience store, café and car park
<b>Number of Units</b>	64 apartment units
<b>Average Occupancy</b>	About 85%
<b>Gross Floor Area</b>	Approximately 4,868 sqm

# Somerset Roppongi Tokyo, Japan

## Acquisition Highlights

- ✓ Yield-accretive acquisition
- ✓ First S-REIT to invest in Japan
- ✓ Increase geographical diversification of portfolio
- ✓ Leverage on strategic relationship with The Ascott Group to acquire the property



# ART's Pan-Asian Portfolio

## Singapore

Somerset Liang Court Property



Somerset Grand Cairnhill



Property Value = S\$952 million  
Total Apartment Units = 2,304  
Number of Properties = 14



## China

The Ascott Beijing



Somerset Grand Fortune Garden Property



Somerset Xu Hui



Somerset Olympic Tower Property\*



## Indonesia

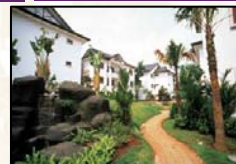
The Ascott Jakarta



Somerset Grand Citra



Country Woods



## Japan

Somerset Roppongi Tokyo\*



## The Philippines

Somerset Millenium



Somerset Salcedo Property



## Vietnam

Somerset Grand Hanoi



Somerset Ho Chi Minh City



\* Proposed acquisitions



Thank You