



# Ascott Residence Trust

## FY2008 Financial Results

### 23 January 2009

# Agenda

- **2008 Highlights**
- **Portfolio Performance**
- **Capital and Risk Management**
- **Prospects**

# 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 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.

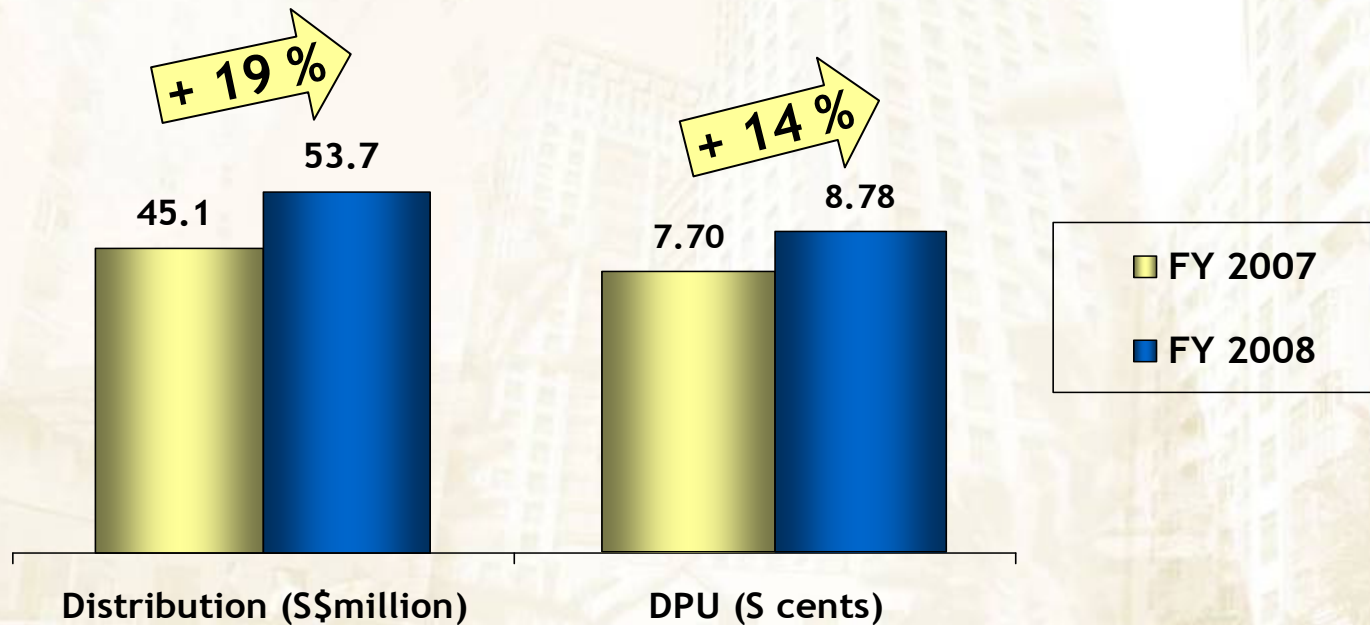
Unitholders of Ascott Reit (the “Unitholders”) have no right to request the Manager to redeem their units in Ascott Reit while the units in Ascott Reit are listed. It is intended that Unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”).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



## 2008 Highlights

## FY2008 Results

- **Delivered Distribution Per Unit (DPU) of 8.78 cents for FY2008, 14% higher than FY2007**
  - Achieved strong 10% growth in Revenue Per Available Unit (RevPAU) from S\$132 to S\$145
  - Attractive trading yield of 17.4% based on closing price of S\$0.505 on 22 Jan 2009



**Contribution from organic growth and new acquisition**

## Financing

- **Successfully refinanced S\$202 million in bank borrowings**
  - Gearing remains low at 38.3%
  - Average cost of debt is 3.5%
  - More than 80% of loans only due in 2011 and beyond

## Acquisitions

- Completed acquisition of Somerset St Georges Terrace, Perth in June 2008
- Announced acquisition of 70% interest in Somerset Westlake, Hanoi in November 2008
  - Yield accretive at property yield of 10.2%
  - Acquisition fully funded by bank debt
  - Post completion of the acquisition expected in 1Q 2009, gearing is expected to only increase from 38.3% to 39.1%



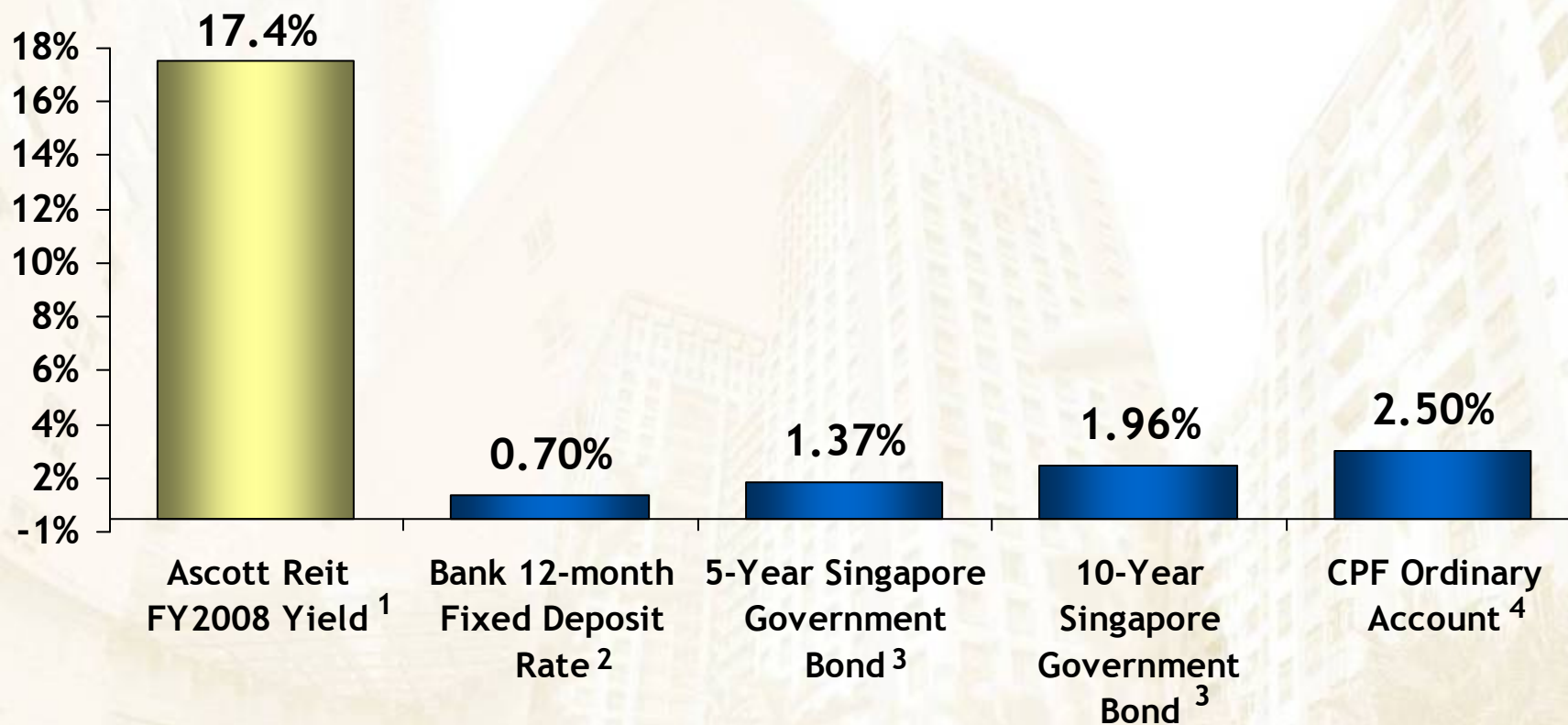
# Distribution Details

2008 Highlights

<b>Distribution Period</b>	<b>1 July to 31 December 2008</b>
<b>Distribution Rate</b>	4.28 cents per unit
<b>Books Closure Date</b>	4 February 2009
<b>Distribution Payment Date</b>	27 February 2009

# Attractive Trading Yield

2008 Highlights



1. Based on Ascott Reit's closing price of S\$0.505 per unit as at 22 January 2009 and actual distribution of 8.78 cents for FY2008.
2. As at December 2008 (Source: Monetary Authority of Singapore website)
3. As at 13 January 2009 (Source: Singapore Government Securities website)
4. Based on interest paid on Central Provident Fund (CPF) Ordinary Account (Source: CPF website)

- **Net change in value of S\$88.9<sup>1</sup> million following latest valuation by HVS International Pte Ltd**
  - Deficit mainly from the lower valuation of the Group's serviced residences in China and Japan
- **NAV per unit as at 31 December 2008 is S\$1.47**
- **Ascott Reit units are trading at 66% discount to NAV based on closing price of S\$0.505 on 22 Jan 2009**

*1. Net of minority interest and tax*



# FY 2008 Portfolio Performance

# FY 2008 Performance

Portfolio  
Performance

	FY 2008	FY 2007	Better/ Worse (%)
Revenue (S\$m)	192.4	154.8	+ 24% ↑
Gross Profit (S\$m)	95.5	69.7	+ 37% ↑
Unitholders' Distribution (S\$m)	53.7	45.1	+ 19% ↑
Distribution Per Unit (S cents)	8.78	7.70	+ 14% ↑
Revenue Per Available Unit (S\$/day) - serviced residences	145	132	+ 10% ↑

# Singapore

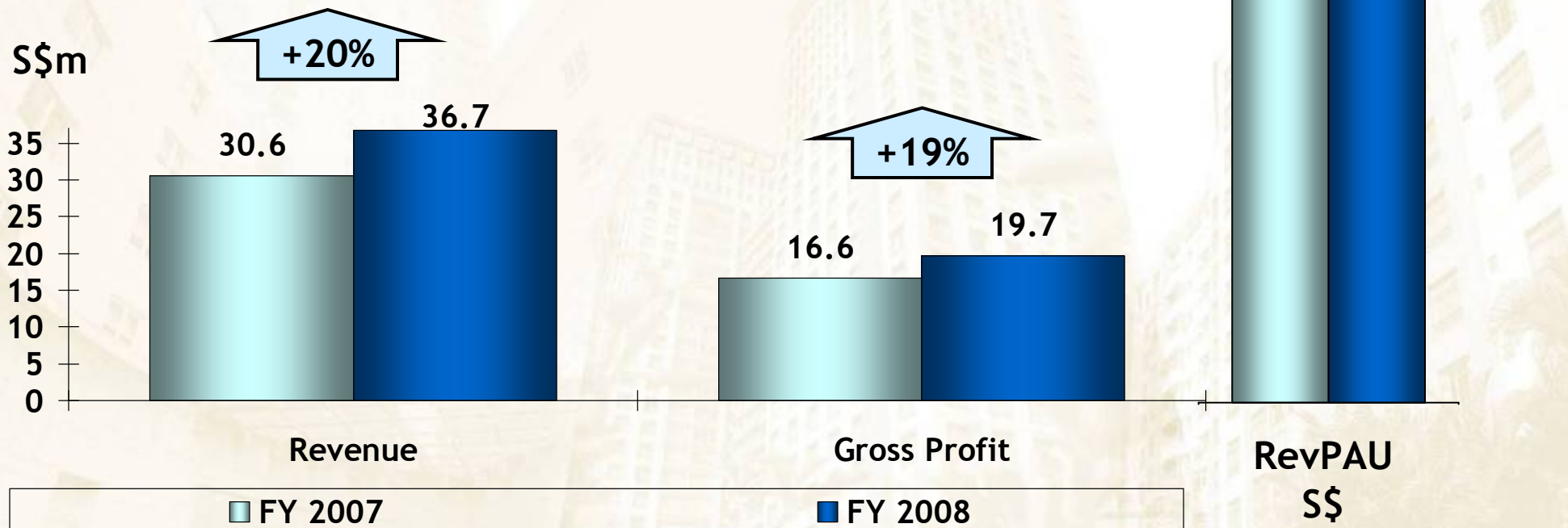
Portfolio  
Performance



Somerset Grand  
Cairnhill,  
Singapore



Somerset Liang  
Court Property,  
Singapore



Driven by higher average daily rates

# Australia

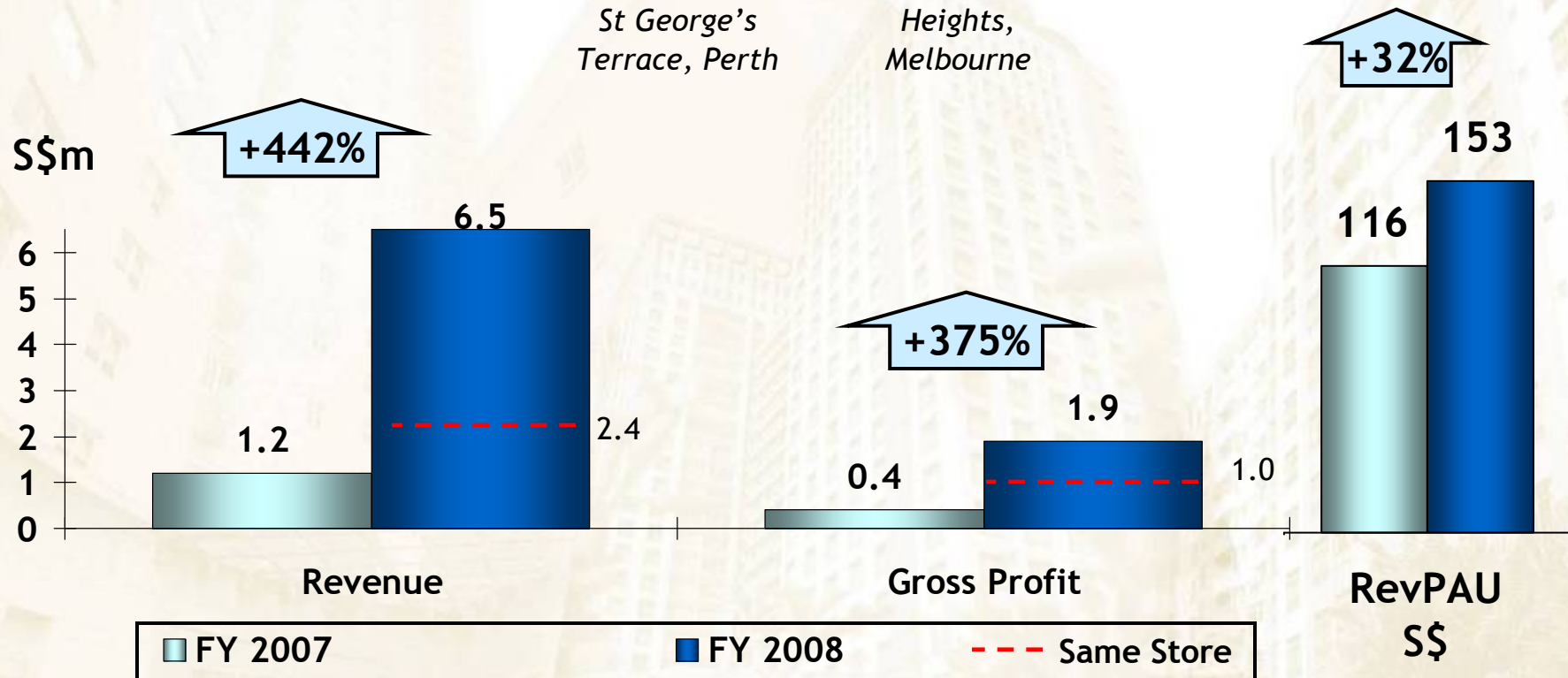
Portfolio  
Performance



Somerset  
St George's  
Terrace, Perth



Somerset Gordon  
Heights,  
Melbourne



**Contribution from Somerset St George's Terrace, Perth  
Higher average daily rates**

# China

## Portfolio Performance



Ascott Beijing



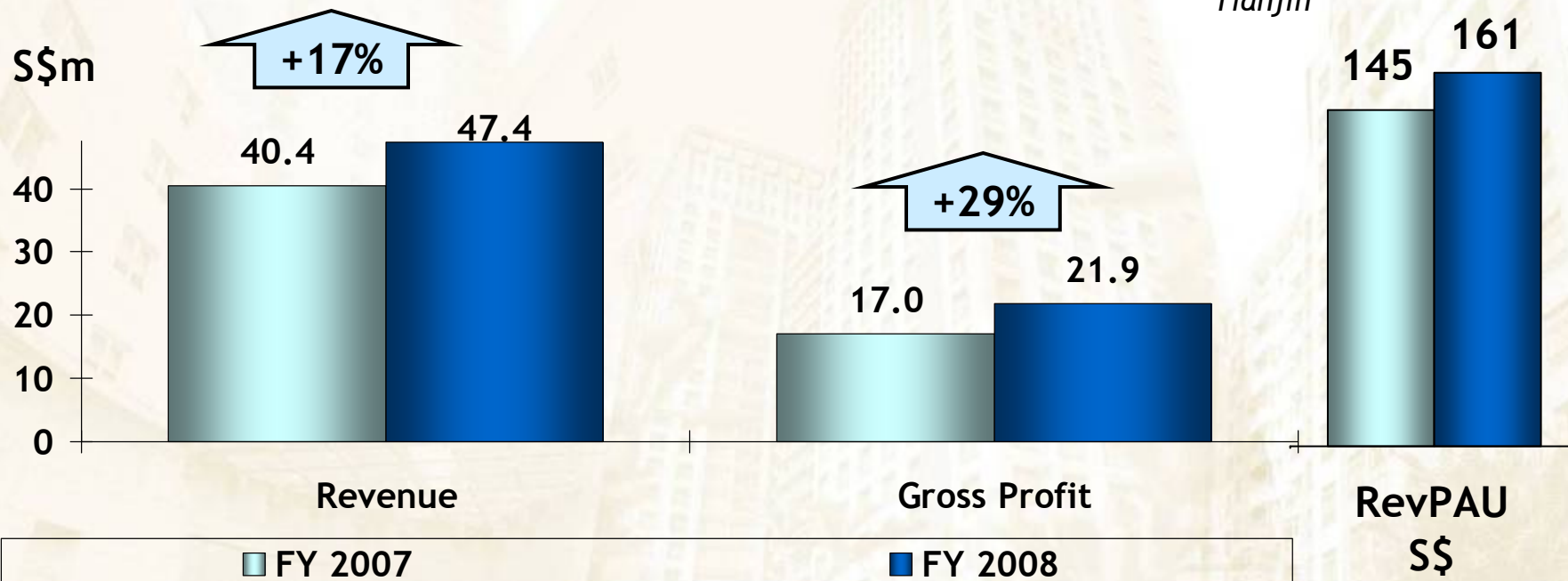
Somerset Grand Fortune Garden Property, Beijing



Somerset Xu Hui, Shanghai



Somerset Olympic Tower Property, Tianjin



Higher average daily rates achieved during Beijing Olympics period

# Indonesia

Portfolio  
Performance



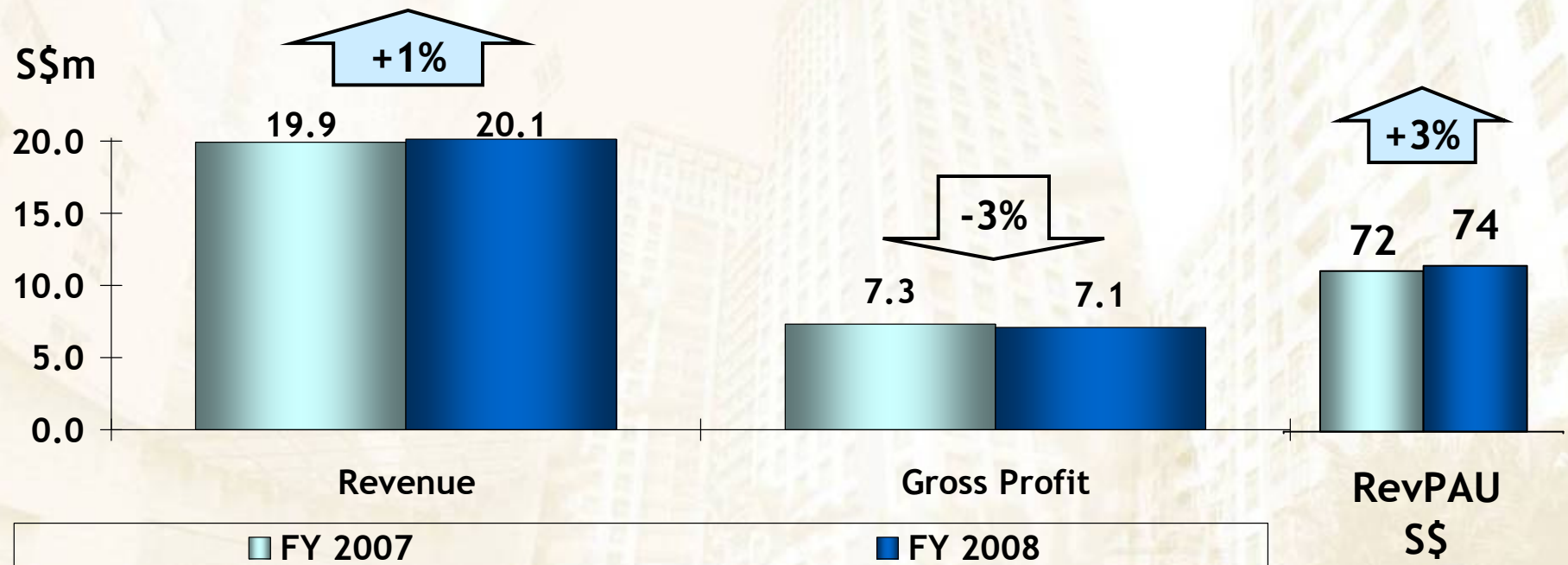
Ascott Jakarta



Somerset Grand  
Citra, Jakarta



Country Woods,  
Jakarta



Stable demand for serviced residences

# Japan

Portfolio Performance



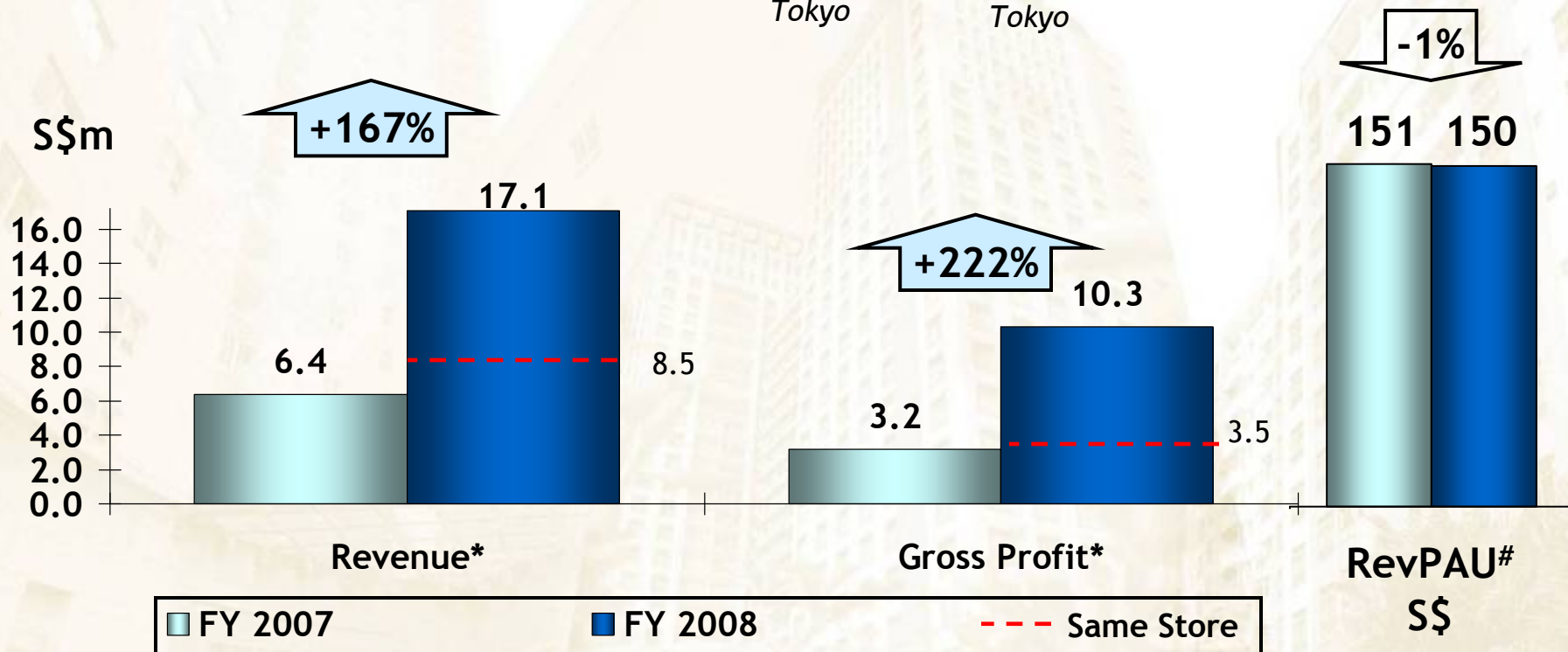
Somerset Azabu East, Tokyo



Somerset Roppongi, Tokyo



18 rental housing properties in Tokyo



## Contribution from rental housing properties in Tokyo

\*Revenue and Gross Profit includes contribution from serviced residence and rental housing properties.

#RevPAU for serviced residence properties.

# Philippines

Portfolio Performance



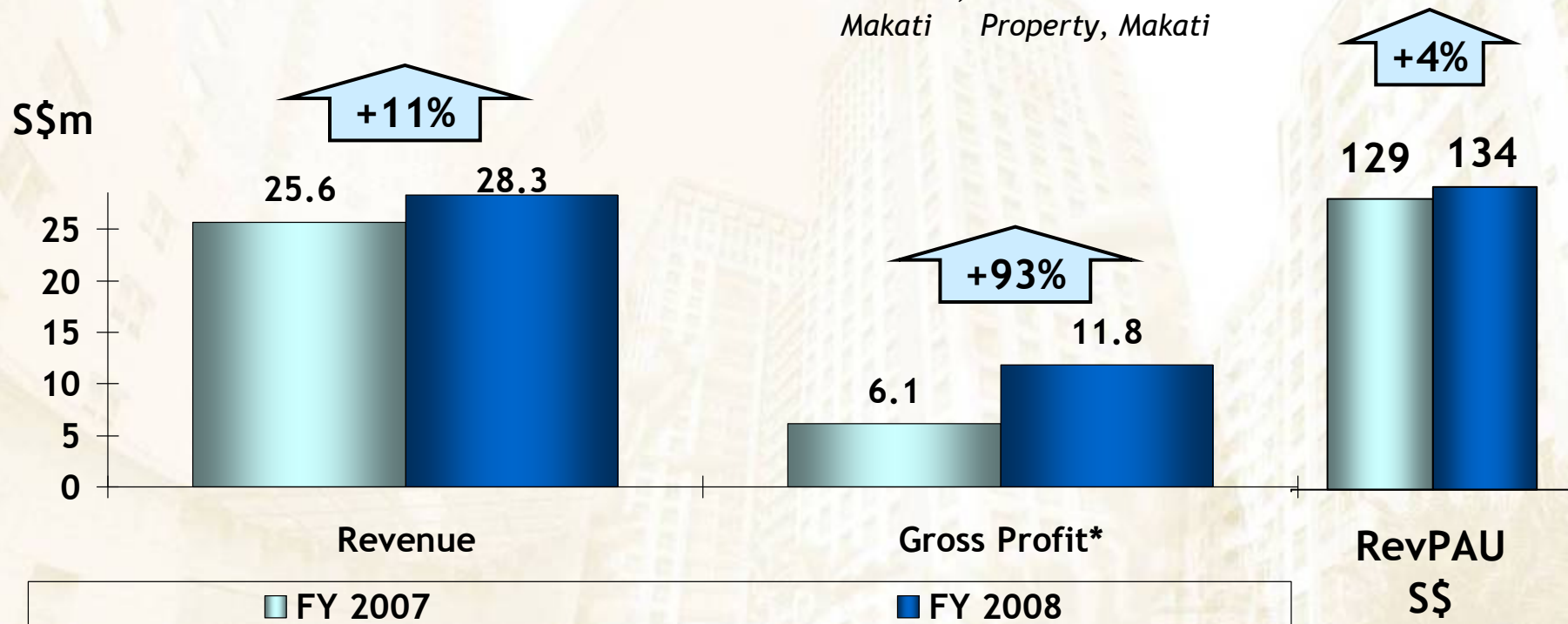
Ascott Makati



Somerset Millennium, Makati



Somerset Salcedo Property, Makati



**Higher average daily rates achieved**

\*Gross profit in FY 2008 increased due mainly to a higher depreciation charge in FY 2007 as a result of the re-alignment of Ascott Makati's depreciation rates to the Group's policy.

# Vietnam

Portfolio  
Performance



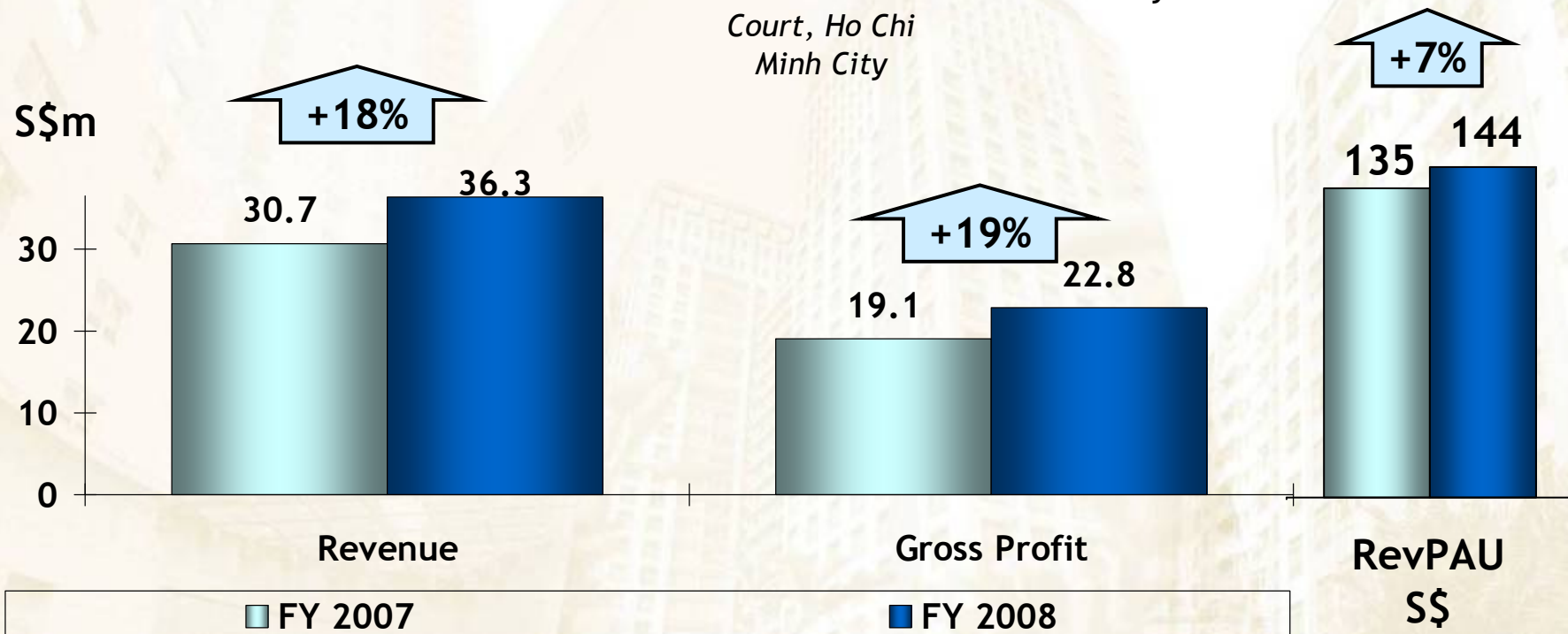
Somerset  
Grand Hanoi



Somerset  
Chancellor  
Court, Ho Chi  
Minh City



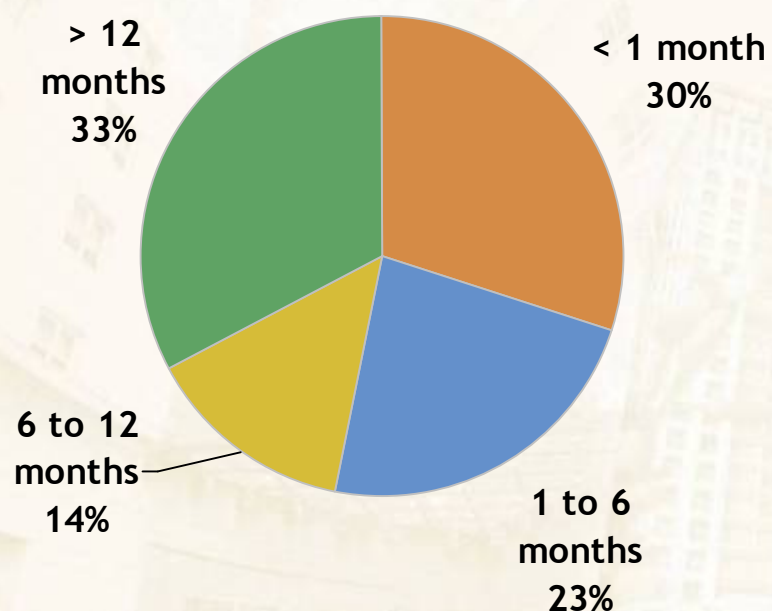
Somerset Ho Chi  
Minh City



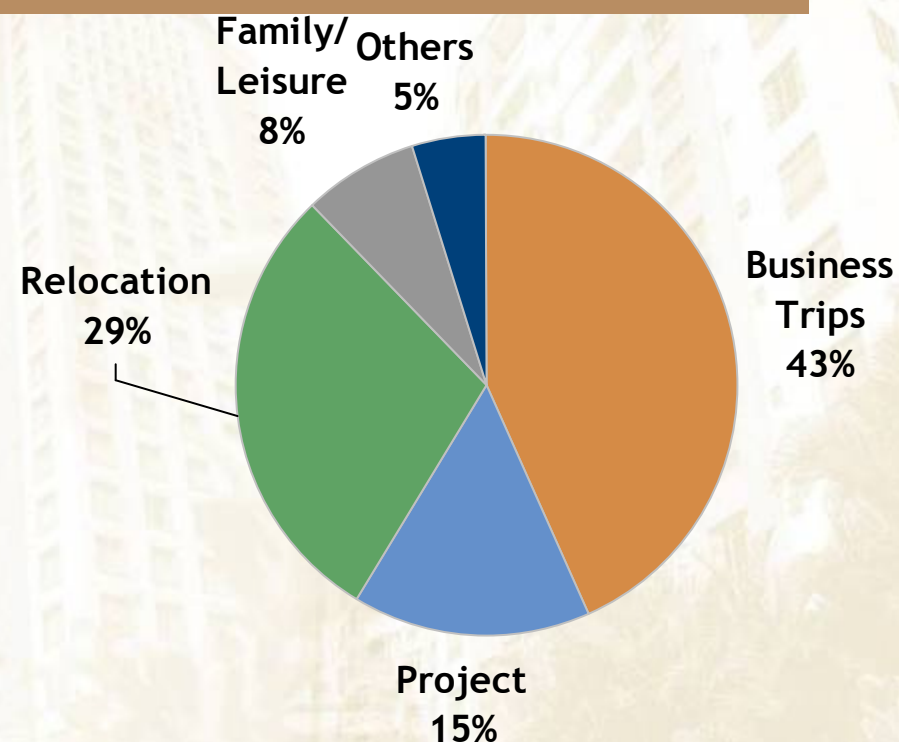
Driven by higher average daily rates

# Diversified by Length of Stay and Market Segment

## Apartment Rental Income By Length of Stay



## Apartment Rental Income by Market Segment



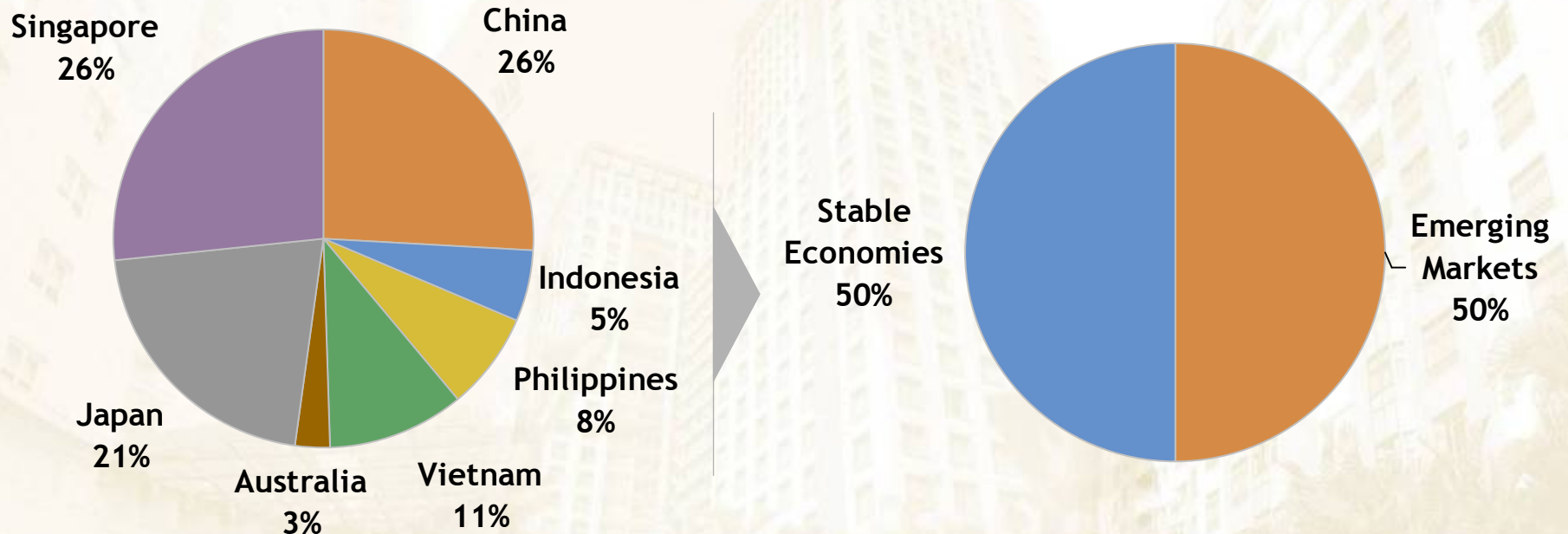
**Average length of stay is 7 months<sup>1</sup>**

1. Apartment rental income by length of stay for the 12 months ended 31 December 2008.

# Geographical Diversification

Portfolio  
Performance

## Ascott Reit's Share of Property Values As at 31 December 2008



**Total = S\$1.51 billion**

**Balance of stability and growth**






Note: Emerging markets include China, Indonesia, the Philippines and Vietnam. Stable economies include Australia, Japan and Singapore.



## 4Q 2008 Portfolio Performance

# 4Q 2008 Performance

Portfolio  
Performance

	4Q 2008	4Q 2007	Better/ Worse (%)
Revenue (S\$m)	47.7	42.9	+ 11% 
Gross Profit (S\$m)	20.9	19.2	+ 9% 
Unitholders' Distribution (S\$m)	10.3	12.8	- 20% 
Distribution Per Unit (S cents)	1.69	2.12	- 20% 
Revenue Per Available Unit (S\$/day) - serviced residences	133	138	- 4% 

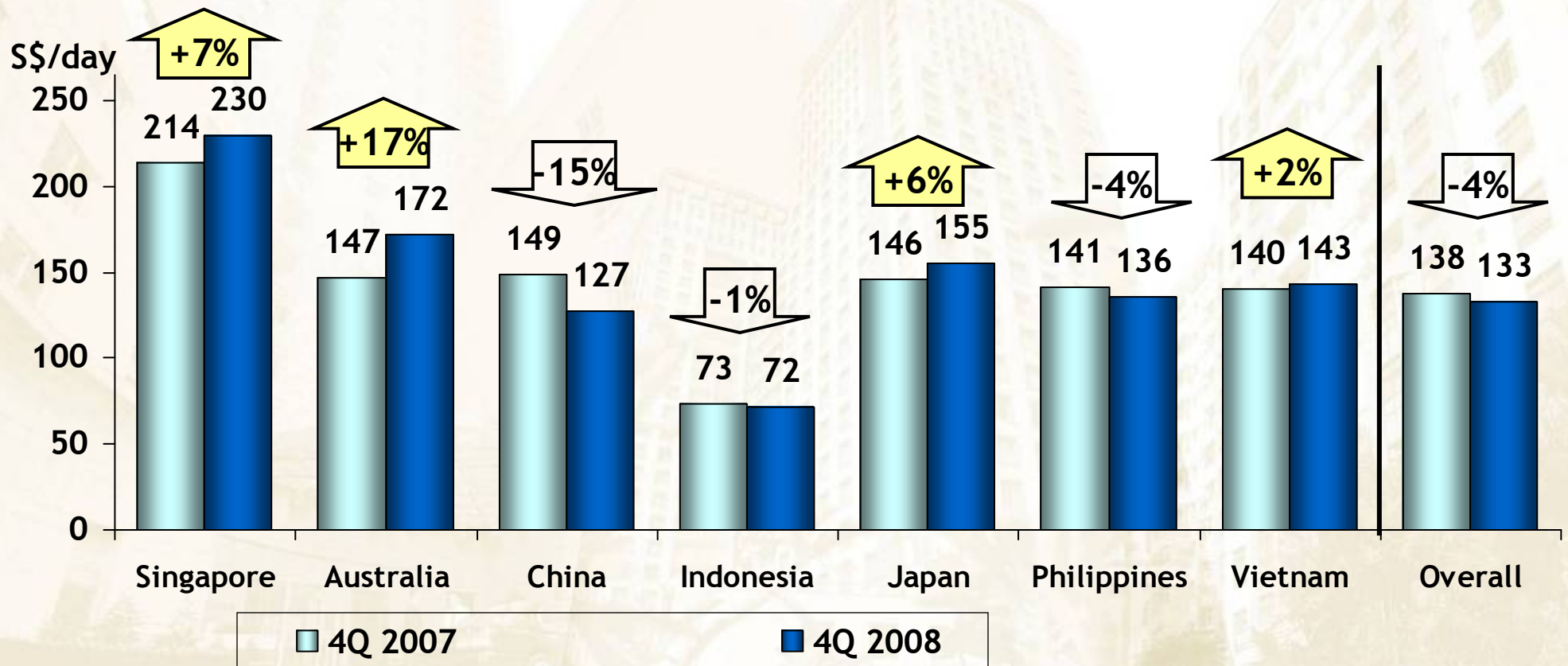
- Unitholders' distribution for 4Q 2008 is lower than that for 4Q 2007 mainly due to one-off<sup>1</sup> expenses made in 4Q 2008.
- Excluding these expenses, the variance in unitholders' distribution for 4Q 2008 compared to 4Q 2007 is S\$0.8 million or 6% lower, attributed mainly to higher finance costs.

<sup>1</sup> The one-off expenses amount to about S\$1.7 million and relate mainly to a contribution made by Somerset Liang Court ("SLC") to the MCST of Liang Court property for SLC's share of the refurbishment cost in relation to common areas.

# Portfolio RevPAU Performance

Portfolio  
Performance

## Revenue Per Available Unit (RevPAU) - Serviced Residences



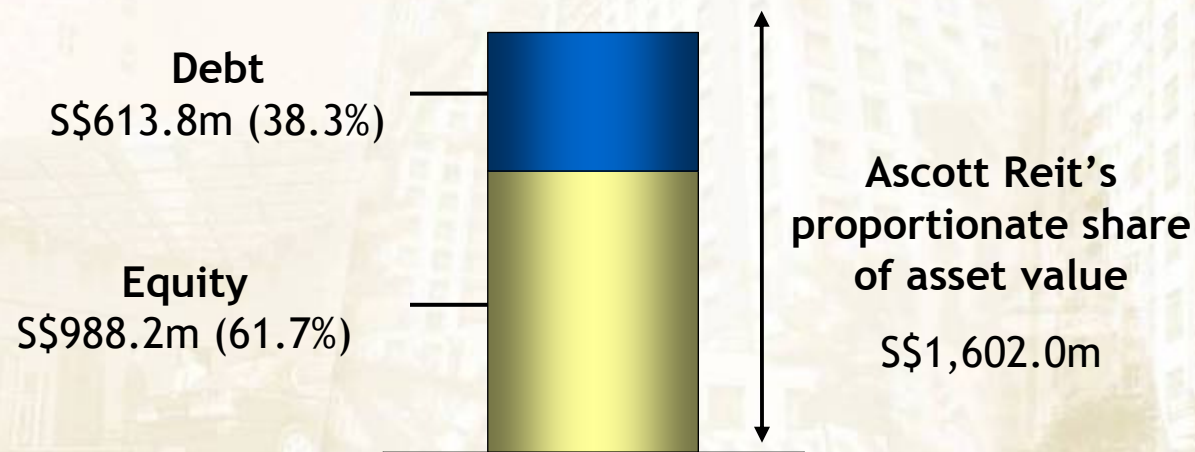


# Capital and Risk Management

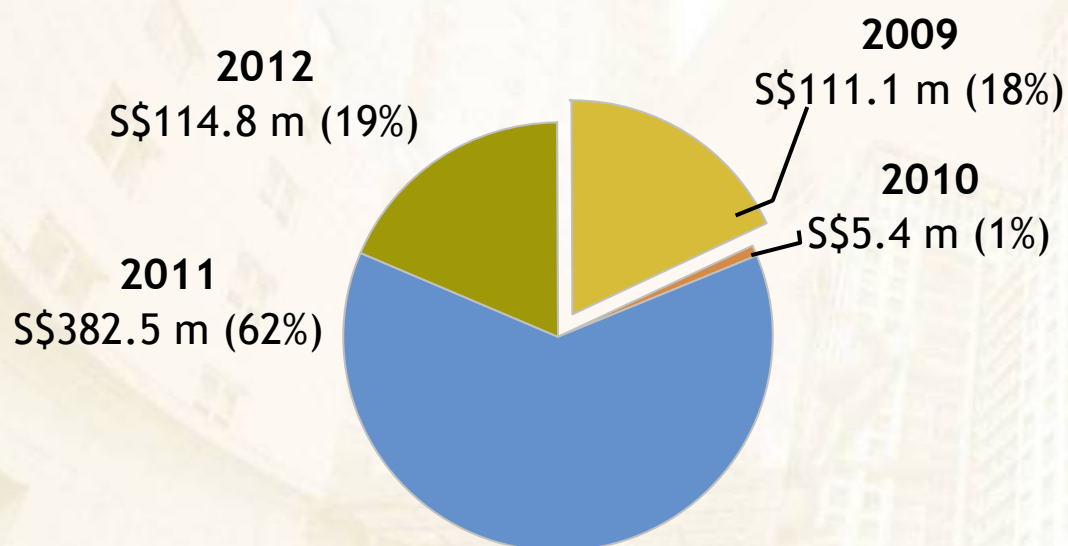
# Healthy Balance Sheet

- Gearing of 38.3%, well within the 60% gearing limit allowable under MAS property fund guidelines

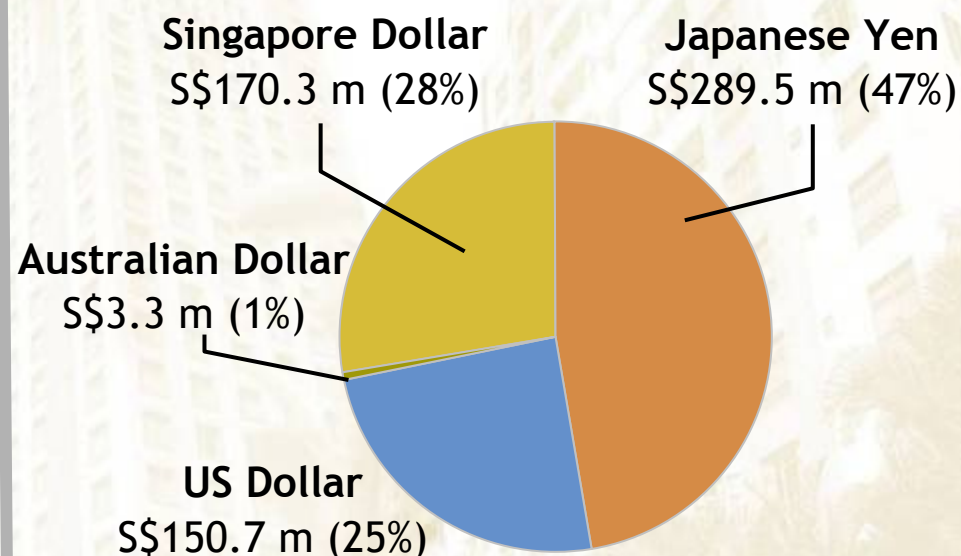
## Ascott Reit Gearing Profile As at 31 December 2008



## Debt Maturity Profile As at 31 December 2008



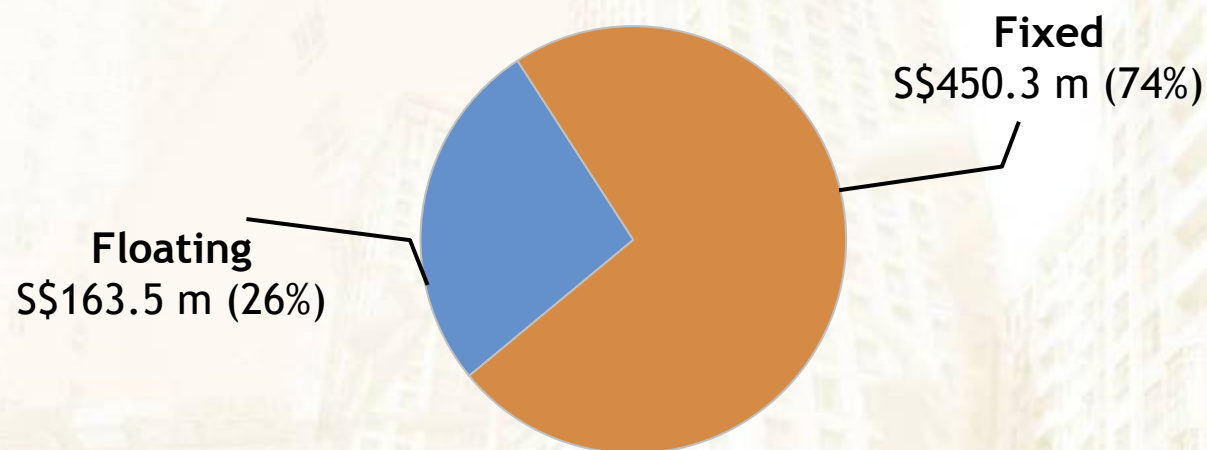
## Debt Profile As at 31 December 2008



Ascott Reit's Share of Bank Loans =  
S\$613.8 m

Borrowings in SGD, Yen, USD and AUD

## Interest Rate Profile As at 31 December 2008

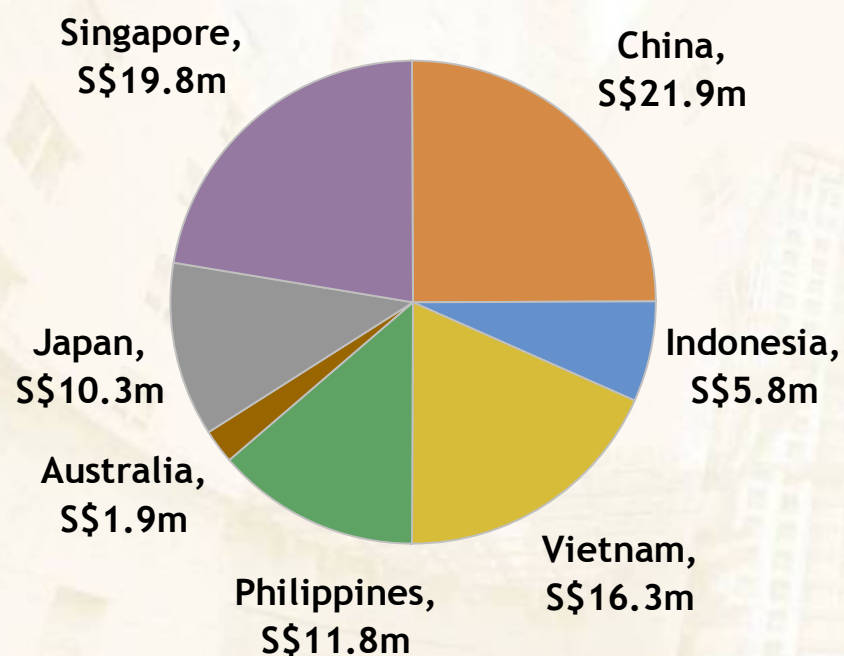


**Effective Borrowing Rate of 3.5%**

**Interest Cover Ratio of 4.5x**

# Foreign Exchange Profile

## Ascott Reit's Share of Gross Profit YTD December 2008



**Total = S\$87.8 million**

## Foreign Exchange Movements

Currency	Percentage of Ascott Reit's Share of Gross Profit YTD December 2008	Foreign exchange rate movements from Dec'07 to Dec'08
SGD	23	-
RMB	25	7.5%
USD	25	-0.7%
PHP	13	-10.6%
AUD	2	-24.5%
JPY	12	21.0%
<b>Total</b>	<b>100</b>	<b>2.2%</b>



# Prospects

# Prospects

- **The current challenges facing the hospitality industry are unprecedented. Although the Group's extended stay business model, geographical diversification and strong brand recognition will help to mitigate the impact, it will not fully insulate the Group from the fast deteriorating market conditions.**
- **We will continue to apply cost containment measures as well as control our discretionary capital expenditure to maximise asset yield.**
- **We have been prudent in managing our balance sheet and will continue to apply an active but conservative approach to capital management.**
- **The Group's operating performance in 2009 is expected to remain profitable but lower than 2008.**

# World's First and Only Pan-Asian Serviced Residence REIT

## Australia

*2 properties with 127 units in Melbourne and Perth*

## China

*4 properties with 743 units in Beijing, Shanghai and Tianjin*

## Indonesia

*3 properties with 652 units in Jakarta*

## Japan

*20 properties with 652 units in Tokyo*

## Philippines

*3 properties with 515 units in Manila*

## Singapore

*2 properties with 341 units*

## Vietnam

*4 properties with 612 units in Hanoi and Ho Chi Minh City*

**S\$1.53 billion portfolio value**  
**3,642 apartment units in 38 properties**  
**11 Pan-Asian cities in 7 countries**



\* Portfolio value is upon legal completion of the acquisition of the Somerset West Lake, Hanoi.



**Thank You**