

## **ASCOTT REIT'S 3Q 2011 UNITHOLDERS' DISTRIBUTION 112% HIGHER THAN LAST YEAR**

**- Distribution per unit (DPU) 21% higher than last year, 10% higher than the forecast<sup>1</sup>**

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*Singapore, 20 October 2011* – Ascott Residence Trust (Ascott Reit) achieved a unitholders' distribution of S\$25.3 million for the quarter ended 30 September 2011, a 112% increase compared to the same period last year. Distribution per unit (DPU) for the third quarter of 2011 increased 21% to 2.23 cents<sup>2</sup>.

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Ascott Reit's revenue for the third quarter 2011 increased by 57% to S\$73.0 million as compared to the same period last year. In line with the increase in revenue, gross profit increased 90% to S\$40.0 million. Increases in both revenue and gross profit were mainly due to the acquisition of 28 serviced residences on 1 October 2010 and better performance from the Singapore serviced residences.



Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML or the 'Manager') Chairman, said: "Ascott Reit has delivered another quarter of good returns to unitholders. Third quarter DPU of 2.23 cents is 21% higher than last year and 10% higher than the forecast<sup>1</sup>. This is mainly attributable to the yield accretive transaction completed in October last year comprising the acquisition of 28 serviced residences and the divestment of Ascott Beijing. This transaction has enhanced Ascott Reit's portfolio performance and has again proven the Manager's ability in identifying and executing attractive transactions to bring better returns to unitholders."

Mr Lim added, "Ascott Reit's expanded portfolio now enjoys better income stability supported by our Europe properties on master leases and serviced residence contracts with minimum guaranteed income. Our income stability also stems from our multiple geographical locations which allow us to achieve income diversification across different economic conditions and cycles. These attributes coupled with prudent capital management place us in a good position to meet the challenges in an uncertain economic environment and to seize any opportunities that may arise. We will continue

<sup>1</sup> Forecast refers to the forecast 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> There is no distribution declared for the period 1 July to 30 September 2011. Ascott Reit makes distributions to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates.

to focus on yield accretive acquisitions in countries where we operate and explore opportunities in new markets."

Mr Chong Kee Hiong, ARTML's Chief Executive Officer, said, "Ascott Reit's revenue per available unit (RevPAU) achieved an 11% increase this quarter as compared to 3Q 2010, mainly attributable to the strong performance of the Singapore and United Kingdom (UK) serviced residences. RevPAU in this quarter has also outperformed the forecast<sup>1</sup> by 6%. We will continue to actively manage the performance of the serviced residences and execute asset enhancement initiatives to optimise the yield of the portfolio."

"Ascott Reit is evaluating the redevelopment options for Somerset Grand Cairnhill Singapore. We will make an announcement to the SGX-ST of any material development on this matter as and when appropriate in accordance with the Listing Rules of the SGX-ST. At this stage, there is no certainty of any proposed redevelopment materialising."

Mr Chong added, "For 2011, we expect to achieve better operating results as compared to 2010 and to deliver the forecast<sup>1</sup> 2011 distribution of 7.74 cents as disclosed in the Offer Information Statement dated 13 September 2010."

## SUMMARY OF RESULTS

### 3Q 2011 VS 3Q 2010

	3Q 2011	3Q 2010	Better/ (Worse) +/-
<b>Revenue (S\$ million)</b>	73.0	46.5	+57%
<b>Gross Profit (S\$ million)</b>	40.0	21.1	+90%
<b>Unitholders' Distribution (S\$ million)</b>	25.3	12.0	+112%
<b>Revenue Per Available Unit (RevPAU) S\$/day</b>	146	132	+11%
<b>DPU (S cents)</b>	2.23	1.85	+21%

- Increase in revenue and gross profit for 3Q 2011 mainly due to the 28 serviced residences acquired on 1 October 2010 (the "Acquisitions"), partially offset by the decrease from the divestment of Ascott Beijing and Country Woods Jakarta (the "Divestments").
- Gross profit margin has increased from 45% in 3Q 2010 to 55% in 3Q 2011 due to higher margins for serviced residences on master leases, and better margins achieved by serviced residences on management contracts as a result of higher rental rates achieved and better cost management.
- On a same store basis, revenue decreased by S\$0.5 million to S\$41.3 million mainly due to the weaker performance from the Group's serviced residences in Vietnam and Japan, partially offset by higher contribution from the serviced residences in Singapore. Gross profit, on a same store basis, increased by S\$0.1 million to S\$20.0 million.
- Increase in RevPAU mainly driven by the strong performance of the Singapore and UK serviced residences.

- DPU for 3Q 2011 was higher mainly due to the yield accretive transaction (comprising the Acquisitions and divestment of Ascott Beijing on 1 October 2010) and better performance from the Singapore serviced residences.

### 3Q 2011 VS FORECAST<sup>1</sup>

	3Q 2011	FORECAST <sup>1</sup>	Better/ (Worse) +/-
<b>Revenue (S\$ million)</b>	73.0	74.1	-1%
<b>Gross Profit (S\$ million)</b>	40.0	39.5	+1%
<b>Unitholders' Distribution (S\$ million)</b>	25.3	23.0	+10%
<b>Revenue Per Available Unit (RevPAU) S\$/day</b>	146	138	+6%
<b>DPU (S cents)</b>	2.23	2.03	+10%

- Revenue was lower by S\$1.1 million as compared to the forecast<sup>1</sup> as the forecast<sup>1</sup> 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 for 3Q 2011 was at the same level as the forecast<sup>1</sup>.
- Gross profit was higher by S\$0.5 million or 1% as compared to the forecast<sup>1</sup>. On a same store basis (excluding the S\$0.3 million contribution from Country Woods Jakarta in the forecast<sup>1</sup>), gross profit was higher by S\$0.8 million or 2%.
- DPU was higher than the forecast<sup>1</sup> due to higher gross profit mainly from serviced residences in Singapore and lower finance costs. Finance costs were S\$2.2 million or 19% lower than the forecast<sup>1</sup> mainly due to lower interest rates achieved as compared to the forecast<sup>1</sup>.

### **About Ascott Residence Trust**

Ascott Residence Trust (Ascott Reit) was established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used or predominantly used, as serviced residences or rental housing properties.

Ascott Reit's asset size has more than tripled to about S\$2.70 billion since listing in March 2006. Its international portfolio comprises 64 properties with 6,431 units in 23 cities across 12 countries in Asia Pacific and Europe. Ascott Reit's serviced residences are operated under the Ascott, Citadines and Somerset brands, and are mainly located in key gateway cities such as Beijing, Shanghai, Singapore, Tokyo, London, Paris, Berlin, Brussels, Barcelona, Munich, Hanoi, Ho Chi Minh City, Jakarta, Manila, Melbourne and Perth.

Ascott Reit is managed by Ascott Residence Trust Management Limited, a wholly-owned subsidiary of The Ascott Limited and an indirect wholly-owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies. ARTML is the winner of World Finance magazine's "Best Real Estate Investment Fund Manager 2011" in South Eastern Asia in their inaugural Real Estate Awards.

For more information about Ascott Reit, please visit <http://www.ascottreit.com>.

**Important Notice**

The value of units in Ascott Reit and the income derived from them may fall as well as rise. Units in Ascott Reit 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 in Ascott Reit 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 announcement 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. Investors 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.

Investors 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 in Ascott Reit through trading on the SGX-ST. Listing of the units in Ascott Reit on the SGX-ST does not guarantee a liquid market for the units in Ascott Reit.

**Issued by:**

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