

# CapitaLand Group Debt Investor Day 2012

## Ascott Residence Trust



2 March 2012

## **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.*

- **Ascott Reit Business Model**
- **Financial Highlights**
- **Outlook for 2012**
- **Appendix**

# Ascott Reit Business Model



CapitaLand

## 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 or rental housing properties.**

## Sponsor

**Ascott Reit's Sponsor, The Ascott Limited (Ascott) is the world's largest serviced apartment owner-operator with over 29,000 apartment units in key cities of Asia Pacific, Europe and the Gulf region**

## Portfolio

**Owns 6,600 apartments in 23 cities across 12 countries in Asia Pacific and Europe  
Operates under Ascott, Citadines and Somerset Brands**



## Portfolio Value

**S\$2.87billion**

## Market Cap

**S\$1.20 billion**  
as at 29 February 2012

## Major Unitholder

**CapitaLand's ownership is 48.9%**  
as at 29 February 2012



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**

51 out of 65 properties are Freehold assets

4

**Aim to deliver stable and growing distributions**

Acquisition, active asset management, capital and risk management

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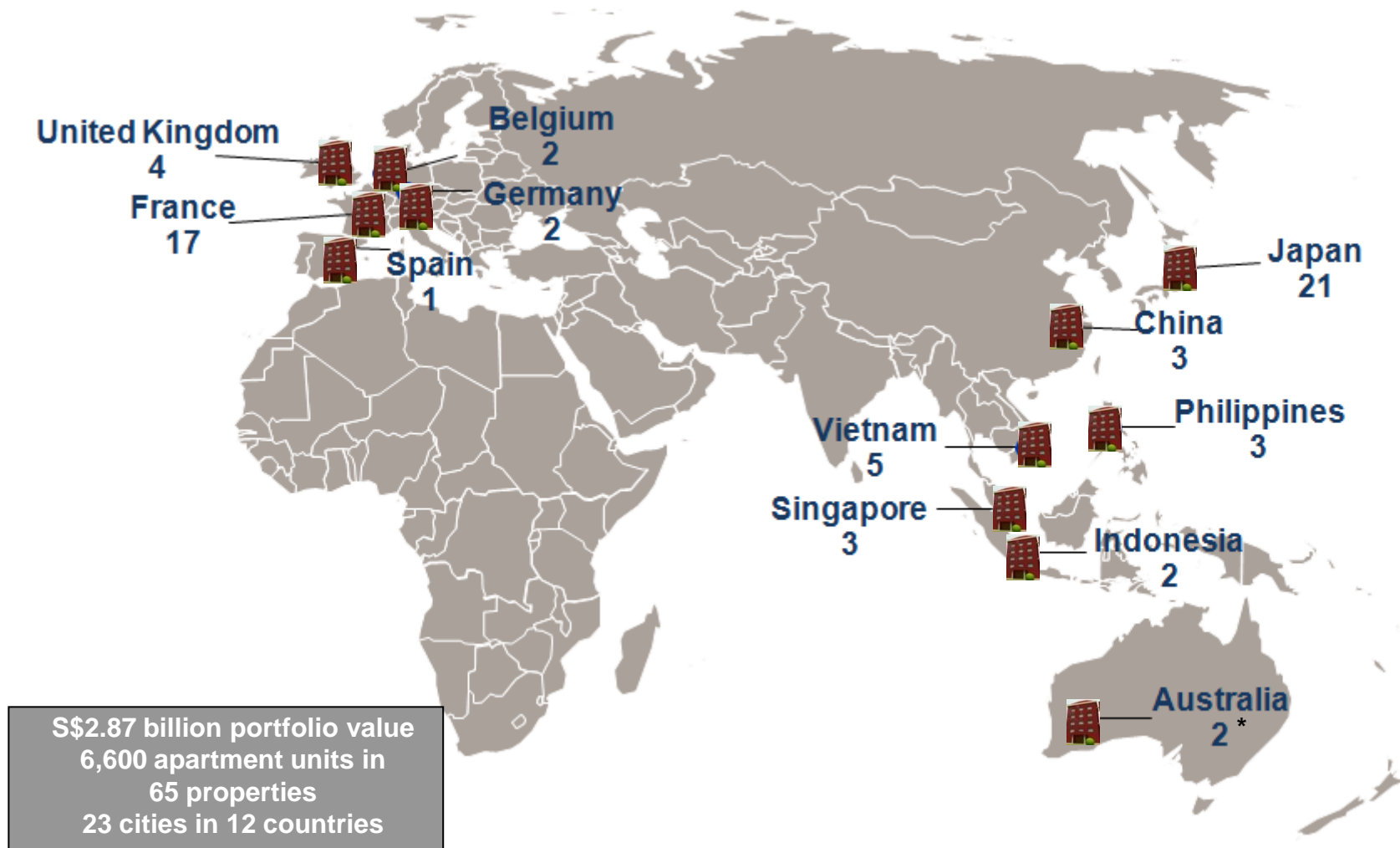
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## Aim to deliver stable and growing distributions

Acquisition, active asset management, capital and risk management



# Balance and Diversified Footprint



Portfolio diversified across economic cycles

\* Includes Somerset Gordon Heights which will be divested in second quarter 2012.



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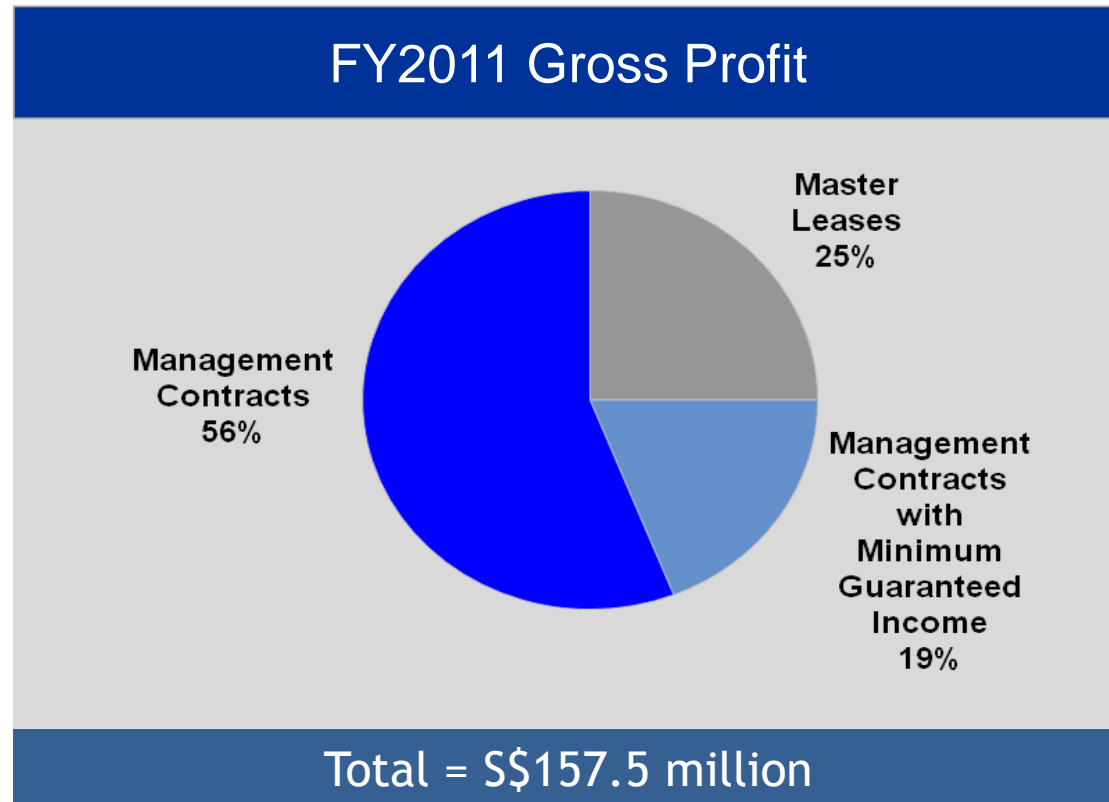


# Ascott Reit's Sources of Income

	Properties on Management Contract	Properties on Master Lease	Properties on Management Contract with Minimum Income Guarantee
Description	<ul style="list-style-type: none"> <li>Ascott manages Ascott Reit's properties for a fee</li> </ul>	<ul style="list-style-type: none"> <li>Master Lessees (subsidiaries of Ascott) pay fixed rental per annum to Ascott Reit*</li> </ul>	<ul style="list-style-type: none"> <li>Properties on management contracts that enjoy minimum guaranteed income (from subsidiaries of Ascott)</li> </ul>
Tenure	<ul style="list-style-type: none"> <li>Generally on a 5-year or 10-year basis</li> </ul>	<ul style="list-style-type: none"> <li>Average weighted remaining tenure of about 7 years</li> </ul>	<ul style="list-style-type: none"> <li>Average weighted remaining tenure of about 6.5 years</li> </ul>
Location	<ul style="list-style-type: none"> <li>37 properties               <ul style="list-style-type: none"> <li>-14 in Asia</li> <li>- 2 in Australia</li> <li>- 21 in Japan</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>20 properties               <ul style="list-style-type: none"> <li>-17 in France</li> <li>- 2 in Germany</li> <li>-1 in The Philippines</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>8 properties               <ul style="list-style-type: none"> <li>-4 in UK</li> <li>-2 in Belgium</li> <li>-1 in Spain</li> <li>-1 in Vietnam</li> </ul> </li> </ul>

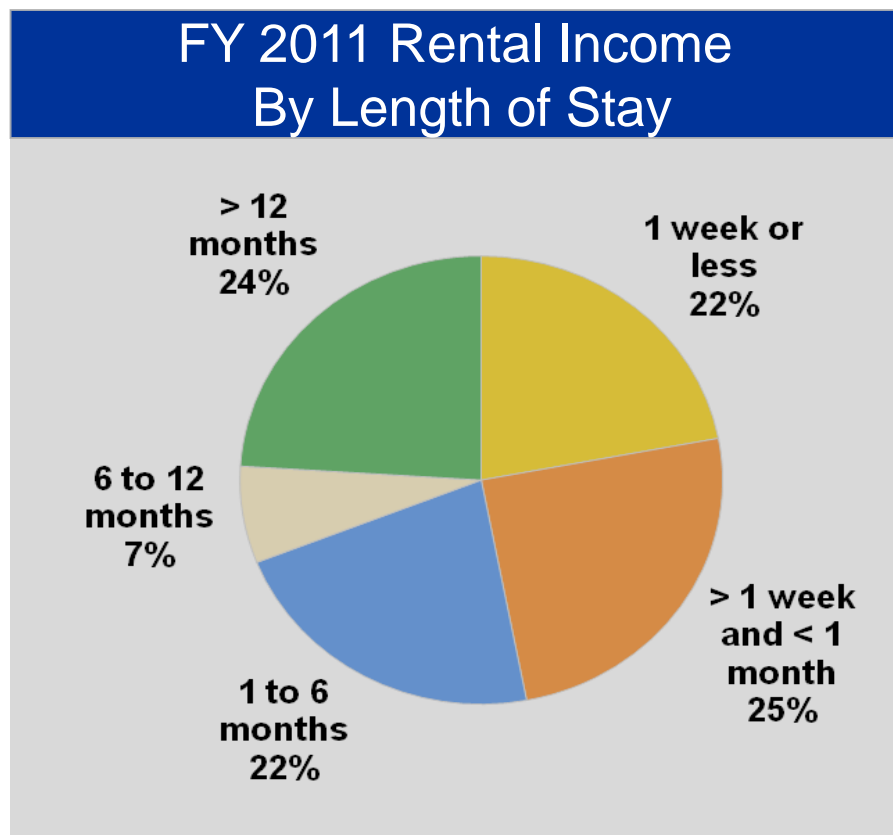
\* The rental payments under the Master Leases are generally fixed for a period of time. However, the Master Leases provide for annual rental revisions pegged to indices representing construction costs, inflation or commercial rental prices according to market practice. Accordingly, the rental revisions may be adjusted upwards or downwards depending on the above factors.

# Balance of Income Stability and Growth





# Apartment Rental Income By Length of Stay<sup>1</sup>



Average apartment rental income by length of stay is more than 4.5 months. For Pan Asian portfolio, about 90% of apartment rental income is derived from Corporate Travel. For Europe portfolio, about 50% of apartment rental income is derived from Corporate Travel and 50% from Leisure Business

<sup>1</sup> Information for properties on serviced residence management contracts only. Information for properties on master leases is not included

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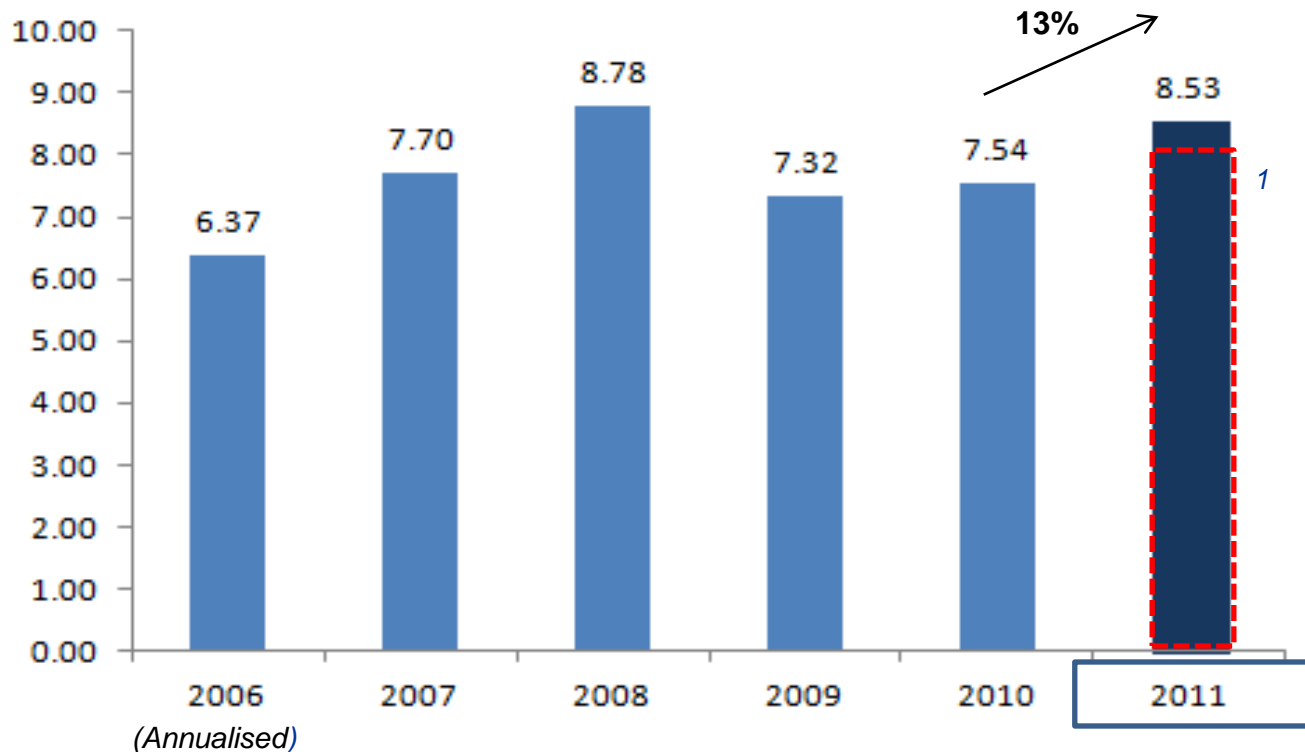
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# Distribution to Unitholders



**Delivered stable distributions since listing in 2006**  
**FY2011 DPU exceeded forecast<sup>1</sup> by 10%**

<sup>1</sup> Forecast DPU at 7.74 cents as disclosed in the Offer Information Statement dated 13 September 2010

# Financial Highlights





# FY 2011 Income Statement Summary

	FY 2010	FY 2011	Change
Revenue (S\$m)	207.2	288.7	+39%↑
Gross Profit (S\$m)	101.3	157.5	+55%↑
Unitholders' Distribution (S\$m)	57.7	96.2	+67%↑
Distribution Per Unit (S cents)	7.54	8.53	+13%↑
Revenue Per Available Unit (S\$/day) – serviced residences	130	143	+10%↑

- Increase in revenue mainly due to contribution from the 28 serviced residences acquired on 1 October 2010, partially offset by divestment of Ascott Beijing and Country Woods.
- On a same store basis, YTD Dec 2011 revenue increased by S\$3.0 million from S\$162.3 million to S\$165.3 million and gross profit increased by S\$3.1 million from S\$78.0 million to S\$81.1 million led by Singapore serviced residences.
- RevPAU increase is driven by strong performance of the Singapore and United Kingdom (UK) serviced residences.



# FY 2011 Balance Sheet Liquidity Position

	FY 2010	FY 2011	Change
Equity (S\$m)	1,614.2	1,700.5	Increased
Cash(S\$m)	132.7	145.5	Increased
Debt (S\$m)	1,091.4	1,173.5	Increased
Average Debt Maturity (years)	2.8	3.4	Healthy
Gearing	40.3	40.8	Healthy
NAV/unit (S\$)	1.28	1.36	Increased
Interest Cover (X)	3.7	3.8	Improved

**Moody's Rating for Ascott Reit as at 31 December 2011 is Baa3**





# Proactive Capital Management

To prepare the group to weather through uncertainties, we have strengthened our balance sheet and increased financial flexibility:



Raised S\$250 million from MTN programme in 4Q 2011

- S\$100m 7-year notes at 4.3% p.a due in 2018
- S\$150m 4-year notes at 3.8% p.a due in 2015



Extended loan tenure of the Group's debt from 2.8 years to 3.4 years



Increased the percentage of the Group's unencumbered assets



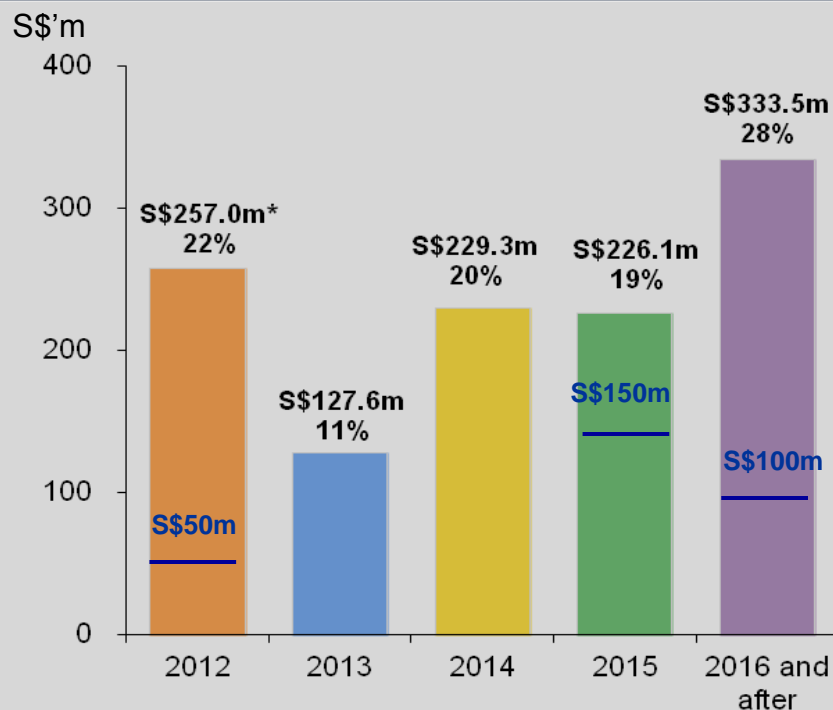
US\$2 billion Euro-MTN programme established in November 2011

- In line with Ascott Reit's strategy of securing diversified funding
- Target an enlarged pool of investors

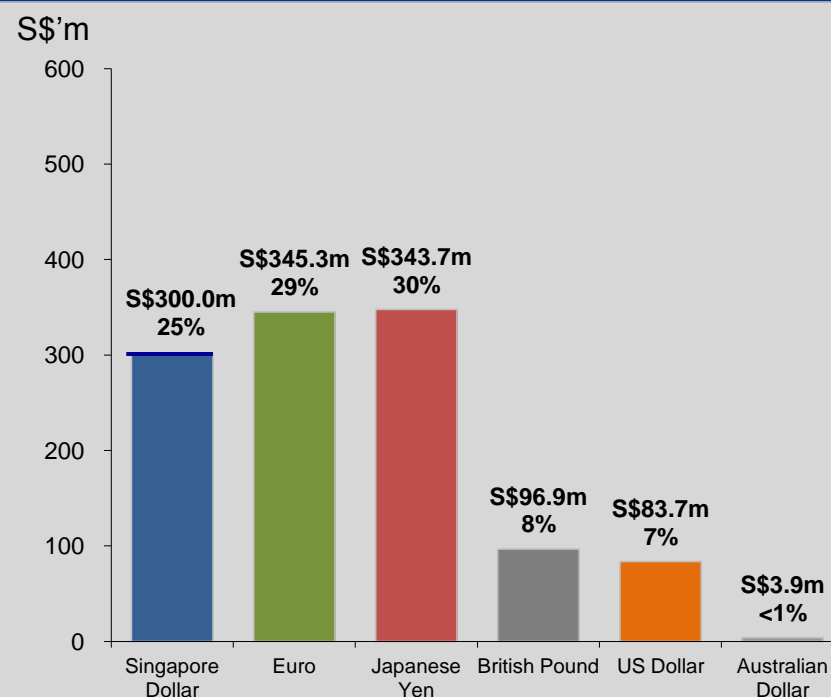


# Debt Profile

## Maturity Profile As at 31 December 2011



## Currency Profile As at 31 December 2011

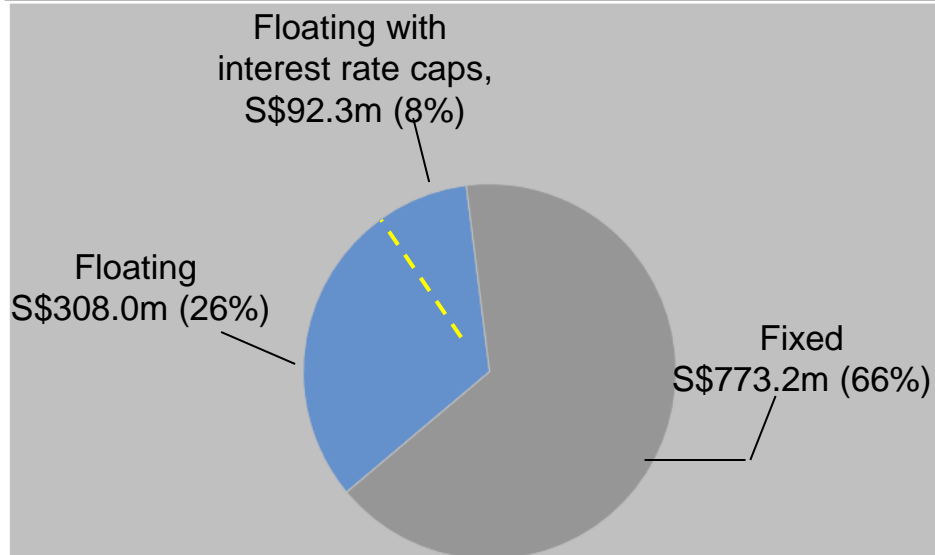


Ascott Reit's Share of Bank Loans = S\$1,173.5 million

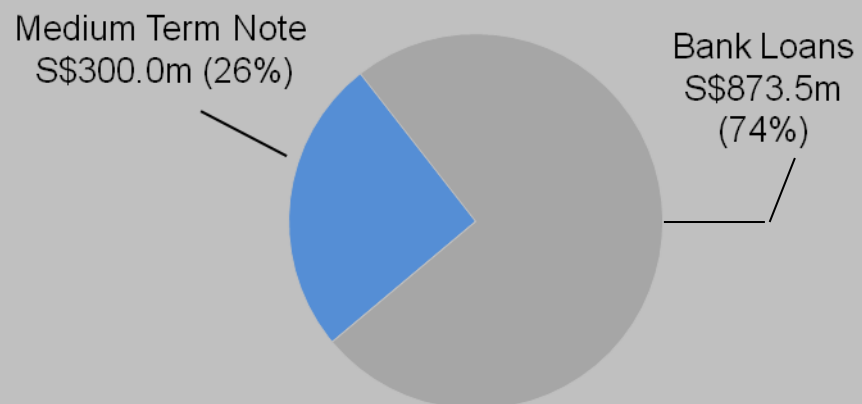
— Medium Term Note

\*S\$145 million borrowings due in 2012 has been refinanced in 4Q 2011 with maturity in 2015

## Fixed vs Floating Debt As at 31 December 2011



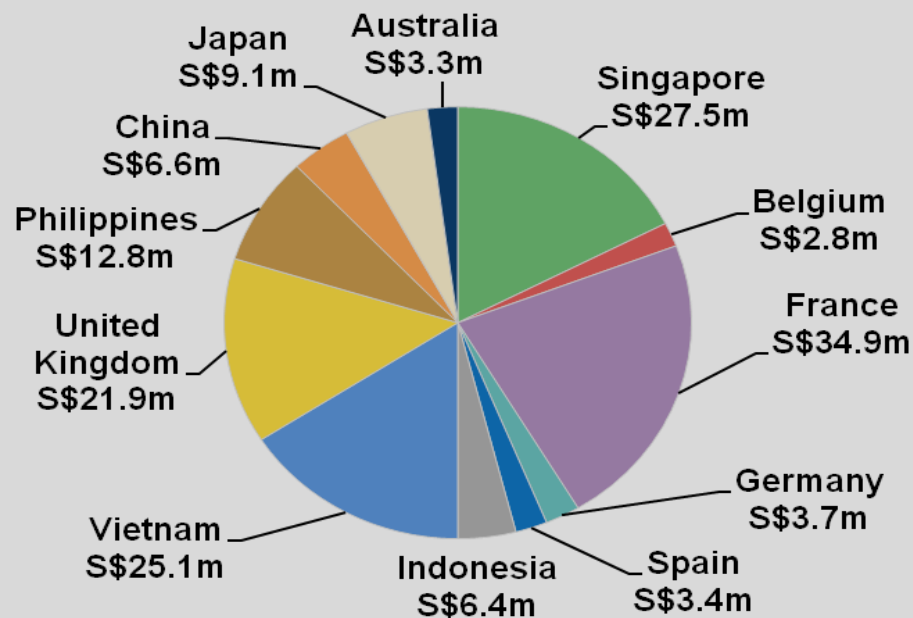
## Debt Type As at 31 December 2011





# Foreign Exchange Profile

## Ascott Reit's Share of Gross Profit FY2011



Total = S\$157.5 million

## Foreign Exchange Movements

Currency	Percentage of Ascott Reit's Share of Gross Profit 31 Dec 2011	Foreign exchange rate movements from Dec '10 to Dec' 11
SGD	17	-
EUR	29	1.4%
USD	20	-5.2%
GBP	14	-2.2%
PHP	8	-2.8%
RMB	4	-2.3%
JPY	6	0.3%
AUD	2	2.8%
<b>Total</b>	<b>100</b>	<b>-1.2%</b>

# Outlook for 2012





## **(1) Stability through uncertain economic conditions:**

- Income remains stable in view of our extended-stay business model and geographical spread.
- Exposure across different economic cycles will continue to enhance stability of income and asset value.
- Further supported by properties which are on master leases and serviced residence contracts with minimum guaranteed income, predominantly from the Europe portfolio.

## **(2) Continue to implement asset enhancement initiatives to increase returns of our portfolio:**

Operating performance of London properties is expected to be boosted by:

- Completion of the renovation of Citadines Prestige Trafalgar Square.
- Upcoming London Olympics in 2012.



### **(3) Strengthened our balance sheet and increased financial flexibility:**

- (a) Raised S\$250 million from MTN programme in 4Q 2011.
- (b) Extended loan tenure of the Group's debt.
- (c) Increased the percentage of the Group's unencumbered assets.
- (d) Set up a US\$2 billion Euro-MTN programme.

### **(4) The Group 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 SGX-ST.
- At this stage, there is no certainty of any proposed redevelopment materialising.

### **(5) The Group's operating performance in 2012 is expected to be profitable**

# Thank You



CapitaLand

# Appendix



# Awards





# 2011 Corporate Awards

**Best Investment Fund  
Manager in 2011  
(South Eastern Asia)**



**Best Annual Report  
Award in 2010  
(Bronze Category)**



**Most Transparent  
Company Award in 2011  
(Runner-up, Hotels &  
Restaurants)**





# Brand Introduction



CapitaLand



- **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





# 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

