

ASCOTT RESIDENCE TRUST TO ACQUIRE 60% INTEREST IN CITADINES KARASUMA-GOJO KYOTO

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Singapore, 8 March 2012 – Ascott Residence Trust (Ascott Reit) has entered into a conditional sale and purchase agreement to acquire 60% interest in the 124-unit Citadines Karasuma-Gojo Kyoto (Citadines Kyoto) from Mitsubishi Estate Co., Ltd and Citadines Ippan Shadan Hojin for a total sum of ¥1.2 billion (or approximately S\$19.0 million). The balance 40% interest is held by The Ascott Limited (Ascott).

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Citadines Kyoto is Ascott Reit's first acquisition in Kyoto, Japan. This is an excellent opportunity for Ascott Reit to establish a presence in one of Japan's must-see destinations outside of Tokyo. Kyoto was voted as the world's best city in Asia to travel to¹. The city receives about 50 million travellers² annually to experience its traditional culture, attend international conventions and visit the numerous UNESCO Heritage sites. "

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "The acquisition of Citadines Kyoto is yield accretive to Ascott Reit at an implied property yield of 5.0%, and will diversify our presence in Japan and enable us to reach a larger customer base. The freehold serviced residence is located in the prime area in Central Kyoto which offers convenient access to the Gojo subway station and within walking distance to the city's business district and shopping belt. Citadines Kyoto is therefore a popular choice for both business and leisure travellers. Despite being in operation for less than two years, Citadines Kyoto was ranked the second best hotel in Kyoto and won the "best service" and "trendiest" Travellers' Choice awards by TripAdvisor's Japan in 2011. "

Mr Tay added, "The acquisition will be wholly funded by borrowings. Following this transaction, Ascott Reit's gearing will be at 40.9%, which is still within our optimal gearing level of 45%, with an interest cover ratio (ICR) of more than three times. Besides Japan, we are also actively looking for other yield accretive acquisitions in other countries."

Ascott Reit currently owns three serviced residences, Somerset Azabu East, Somerset Roppongi, Citadines Shinjuku, and 18 rental housing properties in Tokyo, Japan. Upon completion of the acquisition, Ascott Reit's assets in Japan will make up 13.7% of the total portfolio value of S\$2.90 billion.

¹ <http://www.cnn.go.com/sydney/visit/worlds-best-city-423142>

² <http://www.kyotoguide.com/ver2/useful/useful-planning.htm>



Information on Citadines Karasuma-Gojo Kyoto

Citadines Kyoto is a 10-storey building with one basement and comprises 124 apartments. The freehold property has a gross floor area of approximately 4,835 square metres. It is easily accessible to all scenic places in Kyoto. The contemporary serviced residence enjoys a prime location as it is outside the Gojo subway line with close proximity to entertainment, retail and food & beverage outlets.

Citadines Kyoto was opened for operations in March 2010. Each serviced residence apartment is furnished with a fully-equipped kitchen, stylish interiors, designer fittings and modern amenities ensuring a home-away-from-home experience for the guest. The property also offers facilities such as 24-hour reception and security. Citadines Kyoto was ranked the second best hotel in Kyoto and won the “best service” and “trendiest” Travellers’ Choice awards by TripAdvisor’s Japan in 2011.

Citadines Kyoto is currently managed by Ascott International Management (Japan) Company Limited (AIM Japan) and will continue to be managed by AIM Japan following the acquisition.

About 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\$2.87 billion since listing in March 2006. Following the acquisition of Citadines Kyoto, its international portfolio will comprise 66 properties with 6,724 units in 24 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.

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