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RESIDENCE  
TRUST

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# Ascott Residence Trust

## *3Q 2012 Financial Results*



**23 October 2012**



# Agenda

- **Results Highlights**
- **Portfolio Performance**
- **Portfolio Information**
- **Capital and Risk Management**
- **Prospects**
- **Appendix**

## **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.*



# Results Highlights



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# 3Q 2012 vs 3Q 2011 Performance

	3Q 2012	3Q 2011	Change
Revenue (S\$m)	77.4	73.0	6% ↑
Gross Profit (S\$m)	40.7	40.0	2% ↑
Unitholders' Distribution (S\$m)	25.6	25.3	1% ↑
Distribution Per Unit (S cents)	2.24	2.23	-
Revenue Per Available Unit (S\$/day) – serviced residences	148	146	1% ↑

- Revenue increased by S\$4.4 million or 6%. This was mainly due to the contribution from Citadines Shinjuku and Citadines Kyoto, and stronger performance from the Group's serviced residences in United Kingdom and China.
- In line with the increase in revenue, gross profit increased by S\$0.7 million or 2%.
- RevPAU growth was mainly driven by the strong performance of United Kingdom and China serviced residences.

# Portfolio Performance



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# Master Leases



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# Overview of Master Leases

-  **20 out of Ascott Reit's 66 serviced residences are on master leases**
-  **These serviced residences contributed 22% of the Group's gross profit for 3Q 2012**
-  **These master leases have an average weighted remaining tenure of about 6 years**



# Master Leases



*Citadines  
Louvre  
Paris*



*Citadines  
Prestige  
Les Halles  
Paris*



*Citadines  
Place  
d'Italie  
Paris*



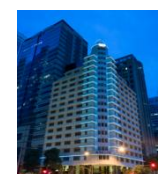
*Citadines  
Croisette  
Cannes*



*Citadines  
Arnulfpark  
Munich*



*Citadines  
Kurfurste-  
damm  
Berlin*



*Ascott  
Raffles  
Place  
Singapore*

	Revenue		Gross Profit	
	3Q 2012 S\$'M	3Q 2011 S\$'M	3Q 2012 S\$'M	3Q 2011 S\$'M
<b>France</b> <i>(17 properties)</i>	8.7	9.3	8.1	8.7
<b>Germany</b> <i>(2 properties)</i>	0.9	0.9	0.9	0.9
<b>Singapore</b> <i>(Ascott Raffles Place)</i>	0.1	-	0.1	-
<b>The Philippines</b> <i>(Somerset Salcedo Property Makati*)</i>	-	0.2	-	0.2
<b>Master Leases Total</b>	<b>9.7</b>	<b>10.4</b>	<b>9.1</b>	<b>9.8</b>

Revenue and gross profit decreased as compared to 3Q 2011 due to depreciation of EUR against SGD. In EUR terms, revenue and gross profit increased by 6% and 4% for properties in France.

\* As of July 2012, Somerset Salcedo Property Makati has been renamed Salcedo Residences after conversion from a master lease arrangement to a management contract.

# Management Contracts with Minimum Guaranteed Income



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# Overview of Management Contracts with Minimum Guaranteed Income

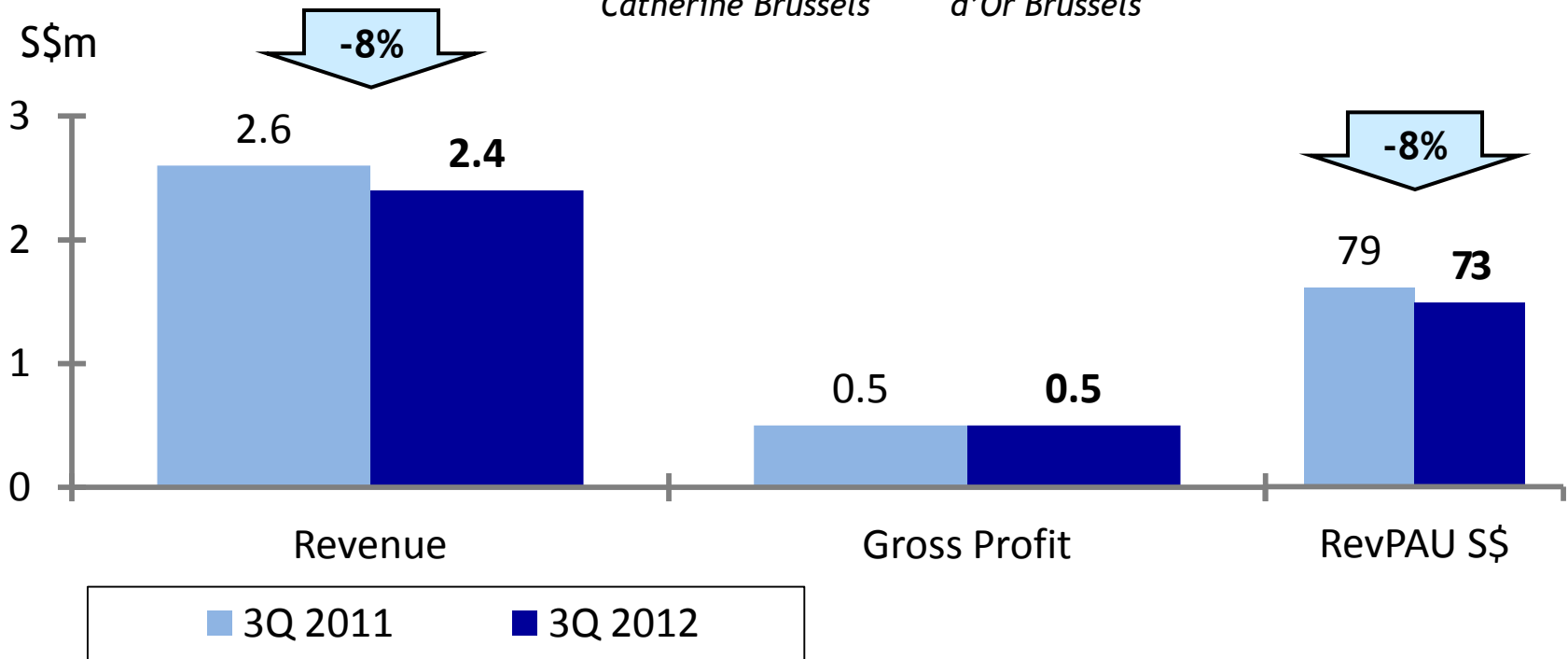
-  **8 out of Ascott Reit's 66 serviced residences are on management contracts that provide minimum guaranteed income**
-  **These serviced residences contributed 22% of the Group's gross profit for 3Q 2012**
-  **These management contracts have an average weighted remaining tenure of about 6 years**



*Citadines Sainte-Catherine Brussels*



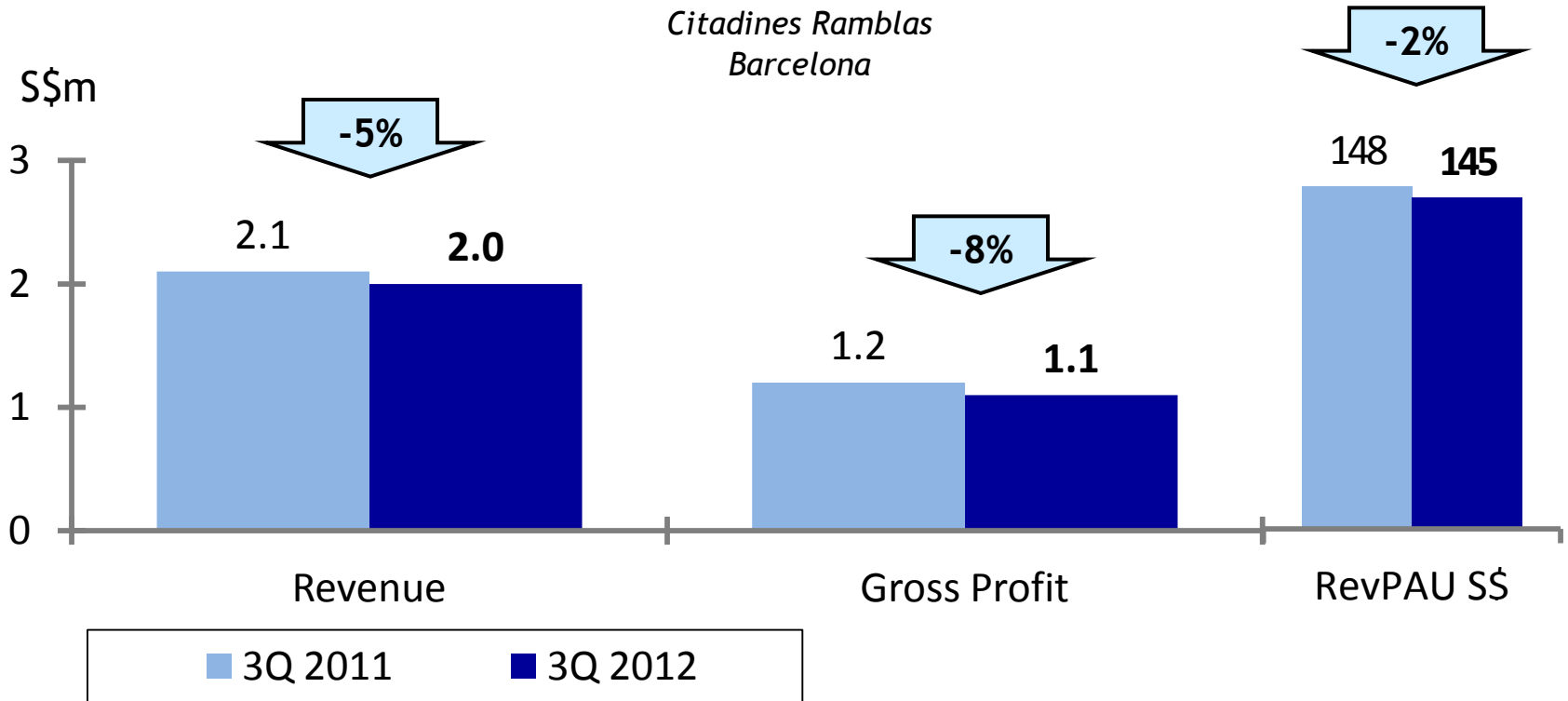
*Citadines Toison d'Or Brussels*



Revenue and RevPAU were lower due to depreciation of EUR against SGD. In EUR terms, revenue and gross profit remained at the same level as 3Q 2011.



*Citadines Ramblas  
Barcelona*



Revenue, gross profit and RevPAU were lower due to depreciation of EUR against SGD. In EUR terms, revenue, gross profit and RevPAU increased by 8%, 17% and 8% respectively. Increase was mainly due to stronger leisure market. Revenue and gross profit included a top-up of S\$0.1 million.



# United Kingdom



*Citadines  
Barbican  
London*



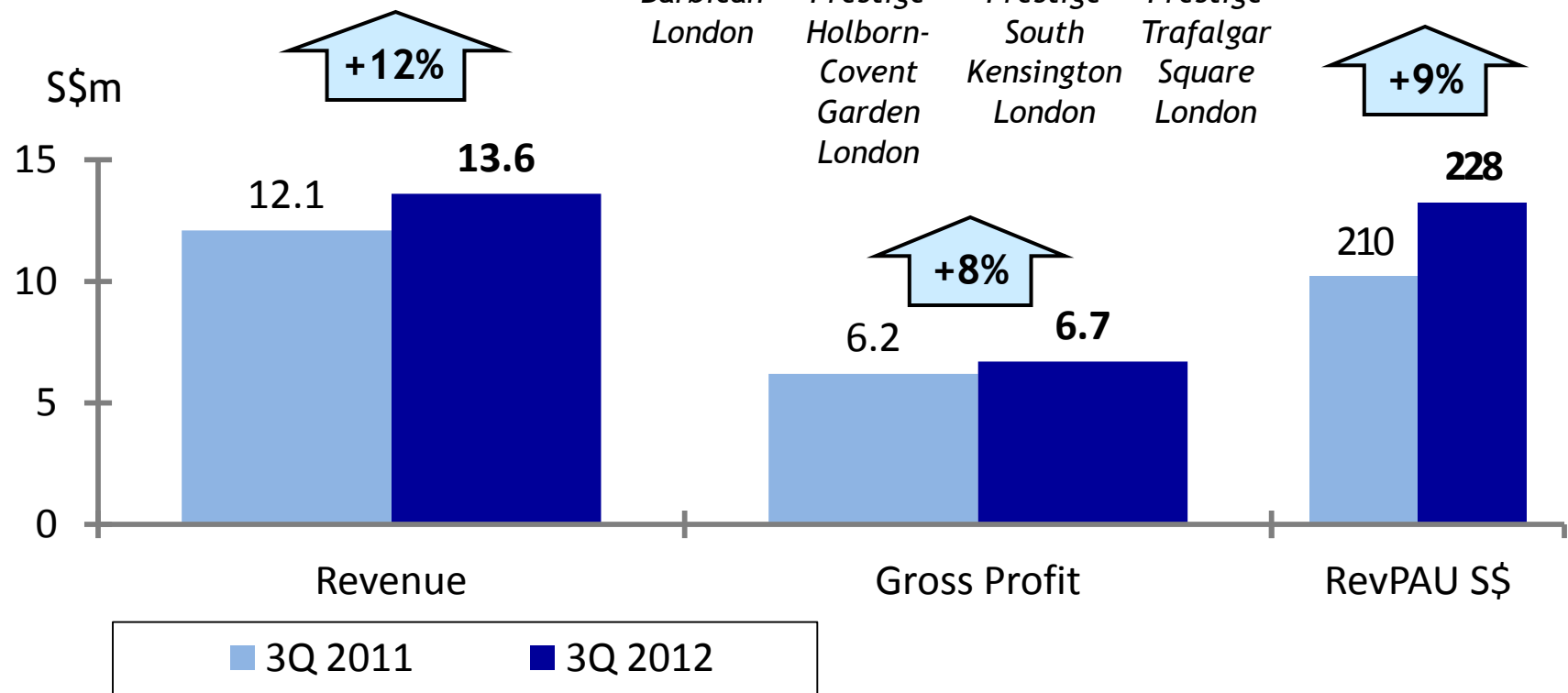
*Citadines  
Prestige  
Holborn-  
Covent  
Garden  
London*



*Citadines  
Prestige  
South  
Kensington  
London*



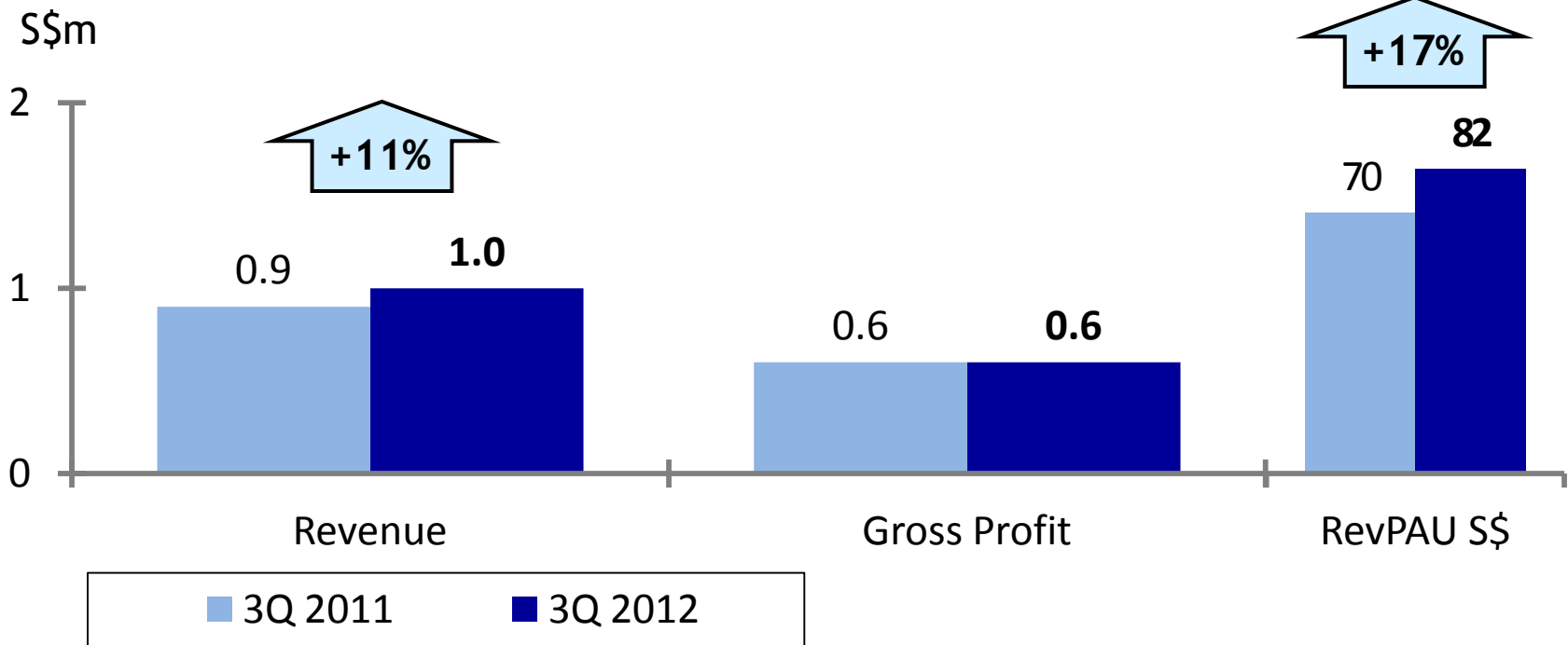
*Citadines  
Prestige  
Trafalgar  
Square  
London*



Revenue, gross profit and RevPAU increased mainly due to positive market response to the rebranded Citadines Prestige Trafalgar Square, enabling the refurbished apartments to achieve higher rental rates.



Somerset West  
Lake Hanoi



Revenue increased due to higher demand from Japanese corporates. However, gross profit remained at the same level as 3Q 2011 mainly due to higher operation and maintenance expense.  
 Revenue and gross profit included a yield protection of S\$0.3 million.

# Management Contracts



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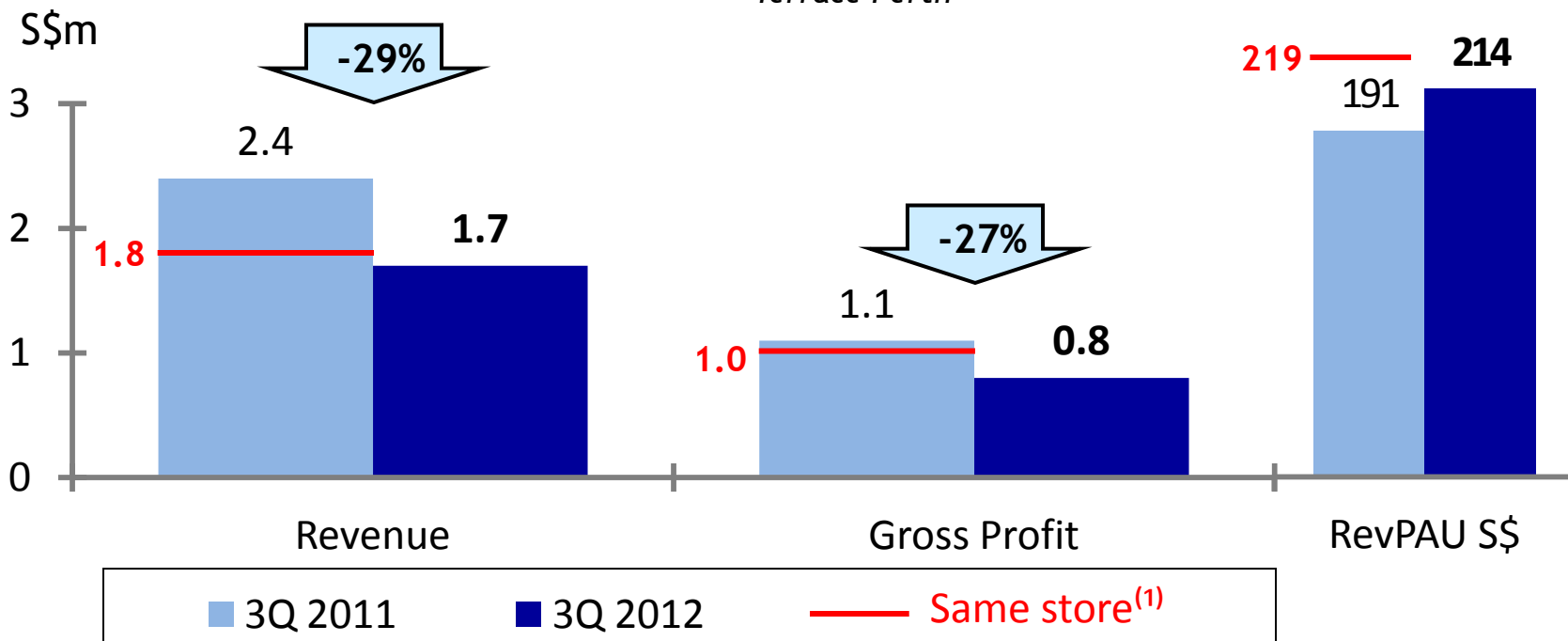
# Overview of Management Contracts

 **38 out of Ascott Reit's 66 serviced residences are on management contracts**

 **These serviced residences contributed 56% of the Group's gross profit for 3Q 2012**



Somerset St Georges  
Terrace Perth



Revenue decreased mainly due to the divestment of Somerset Gordon Heights Melbourne. On a same store basis, revenue and gross profit was higher in 3Q 2011 due to preparation for Commonwealth Heads of Government Meeting and a one-off reversal of costs.

(1) Excludes Somerset Gordon Heights Melbourne (divested in April 2012)



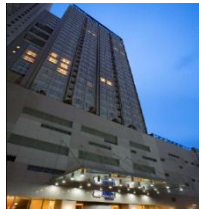
Somerset  
Xu Hui  
Shanghai



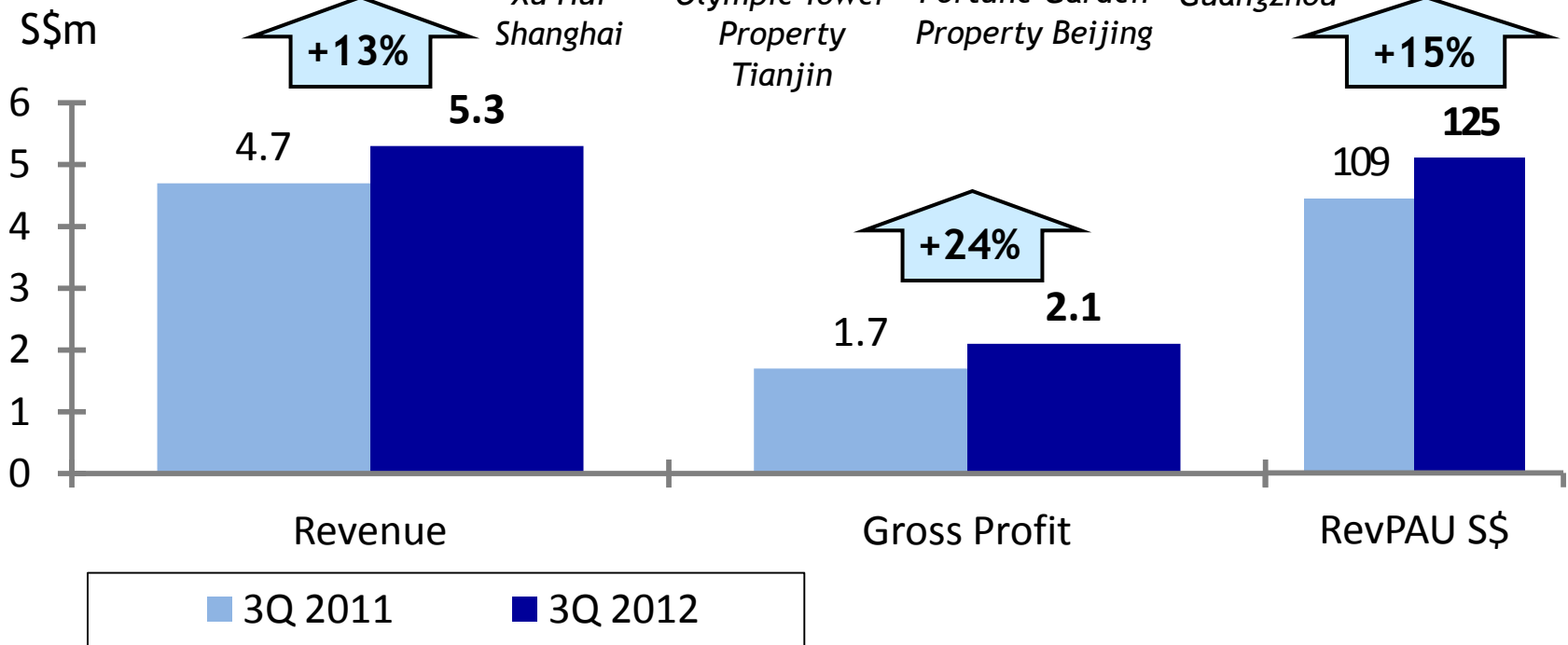
Somerset  
Olympic Tower  
Property  
Tianjin



Somerset Grand  
Fortune Garden  
Property Beijing



Ascott  
Guangzhou



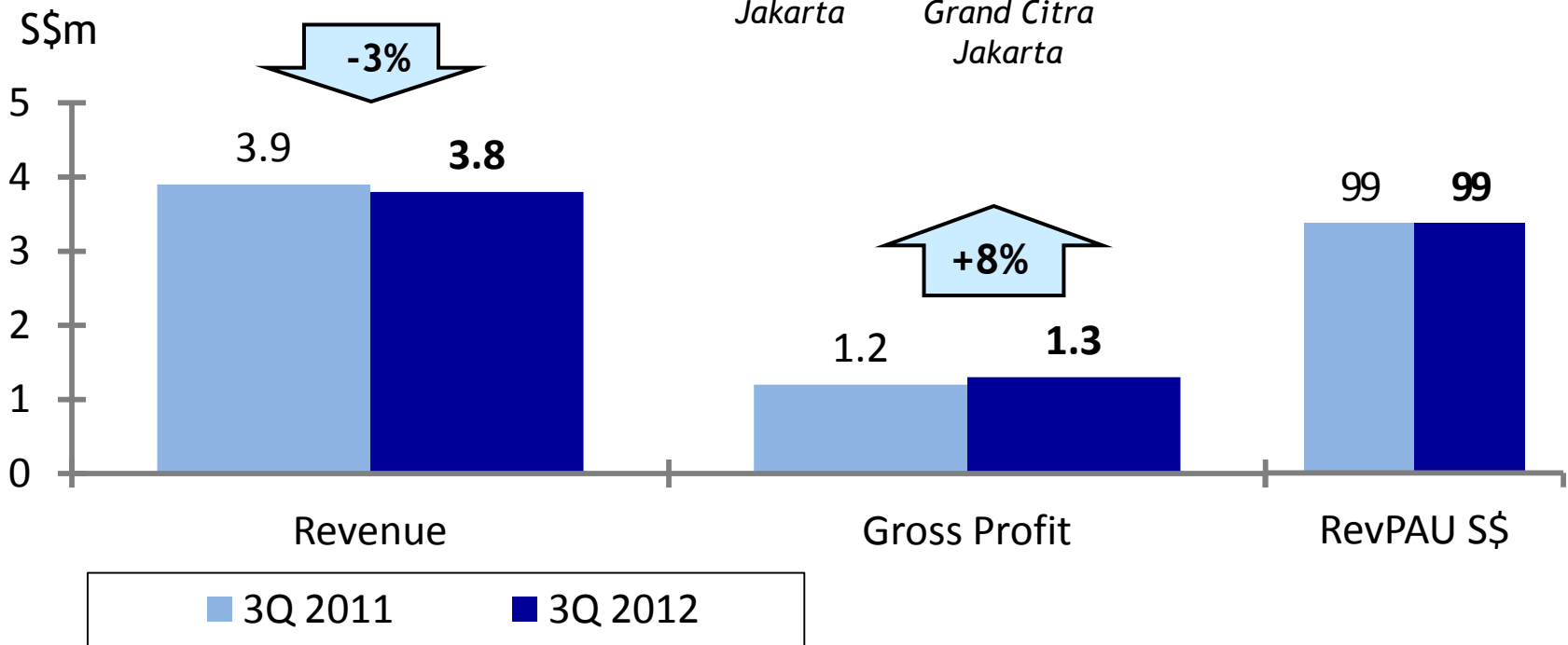
Revenue, gross profit and RevPAU improved mainly due to stronger demand for the refurbished apartments of Somerset Olympic Tower and higher demand from the project and relocation business.



Ascott  
Jakarta



Somerset  
Grand Citra  
Jakarta



Revenue decreased mainly due to the refurbishment of Ascott Jakarta commencing from July 2012. However, gross profit improved due to lower operation and maintenance expense.



Somerset Azabu East Tokyo



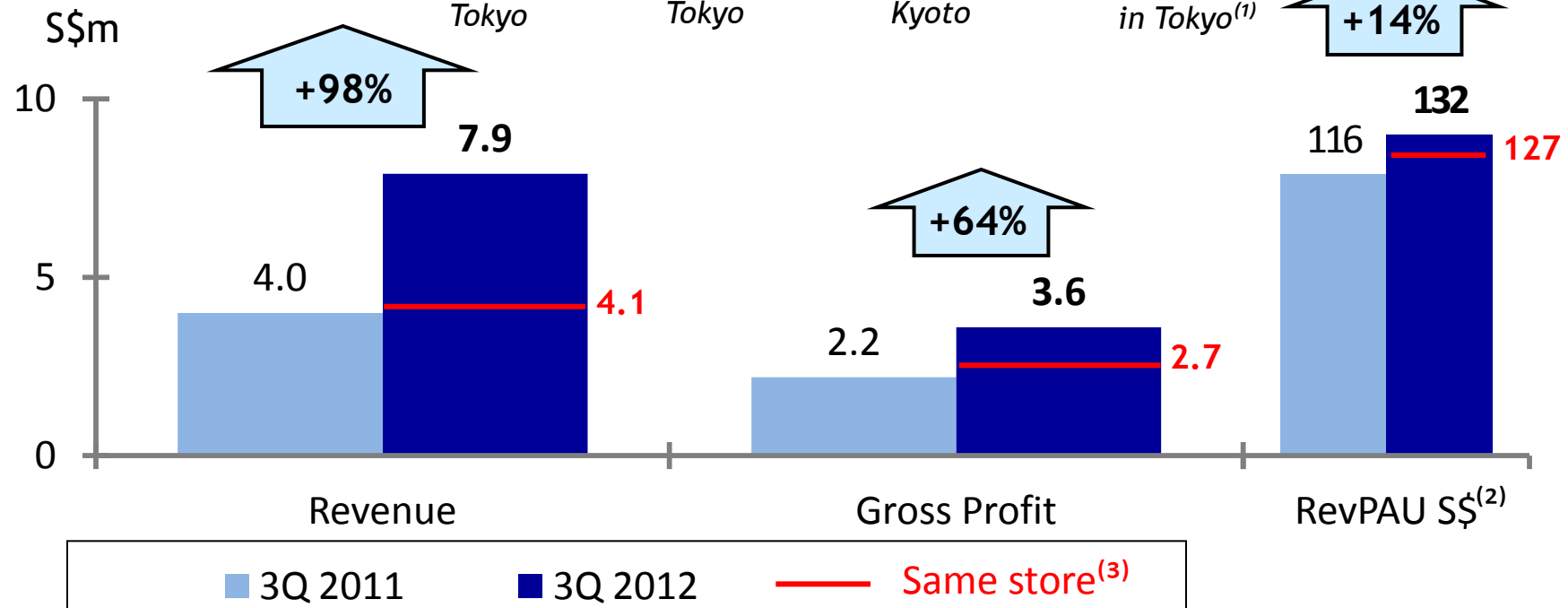
Citadines Shinjuku Tokyo



Citadines Karasuma-Gojo Kyoto



19 rental housing properties in Tokyo<sup>(1)</sup>



Revenue and gross profit increased mainly due to contribution from Citadines Shinjuku and Citadines Kyoto. On a same store basis, revenue and RevPAU increased due to improved market conditions in 3Q 2012.

(1) Somerset Roppongi Tokyo was converted to rental housing in April 2012  
 (2) RevPAU for serviced residence properties only  
 (3) Excludes Citadines Shinjuku and Citadines Kyoto

# The Philippines



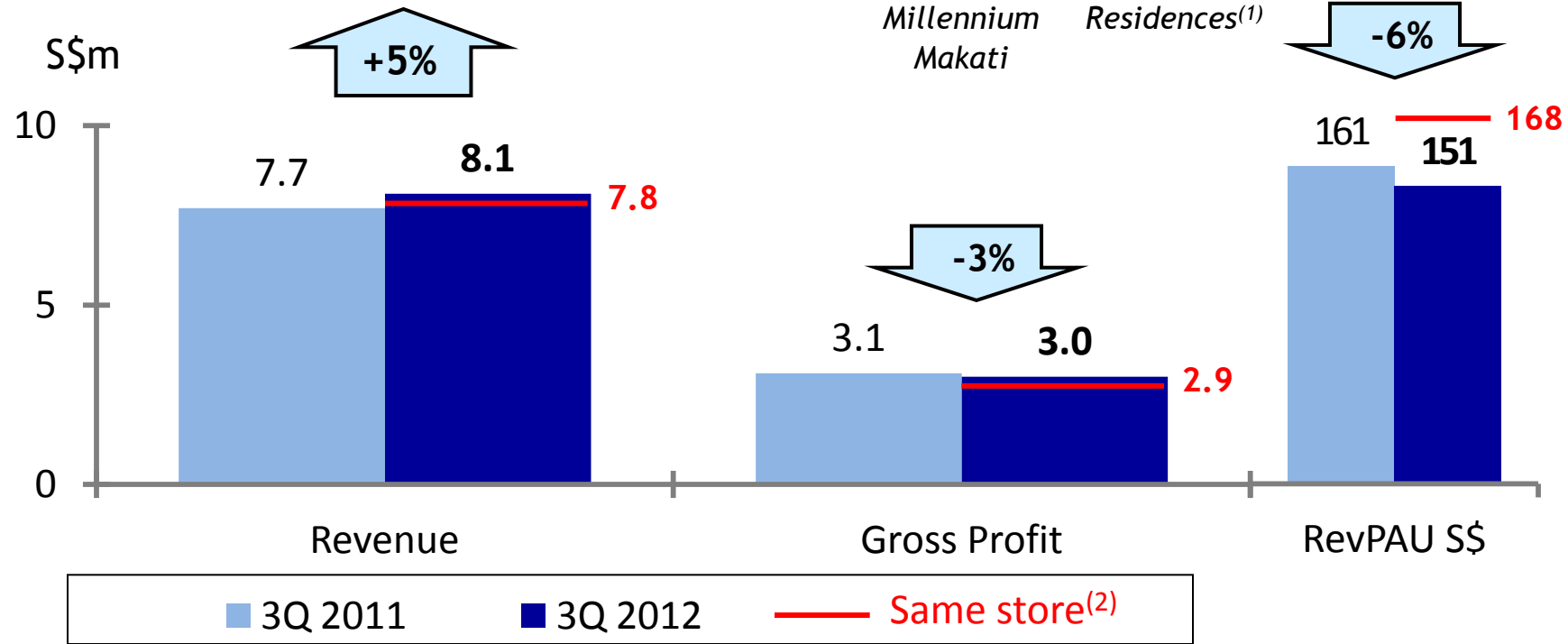
Ascott Makati



Somerset Millennium Makati



Salcedo Residences<sup>(1)</sup>



Revenue increased mainly due to higher demand from business process outsourcing industries and inclusion of Salcedo Residences. Gross profit declined due to higher utility and staff costs.

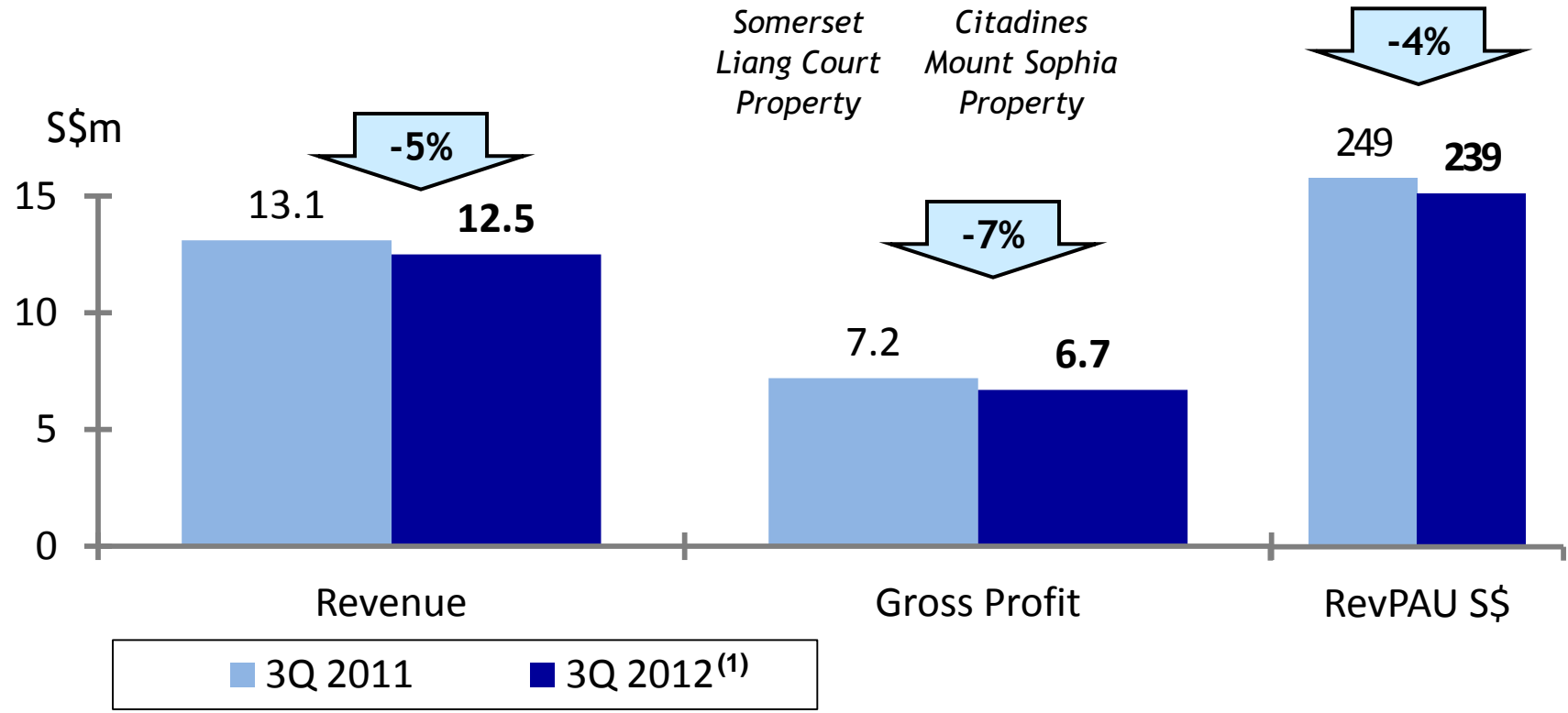
(1) As of July 2012, Somerset Salcedo Property Makati has been renamed Salcedo Residences after conversion from a master lease arrangement to a management contract  
 (2) Excludes Salcedo Residences



Somerset  
Liang Court  
Property



Citadines  
Mount Sophia  
Property



Revenue, gross profit and RevPAU decreased due to lower occupancy at Somerset Grand Cairnhill arising from the impending closure of the property on 27 September 2012.

(1) Includes contribution from Somerset Grand Cairnhill.



Somerset  
Grand Hanoi



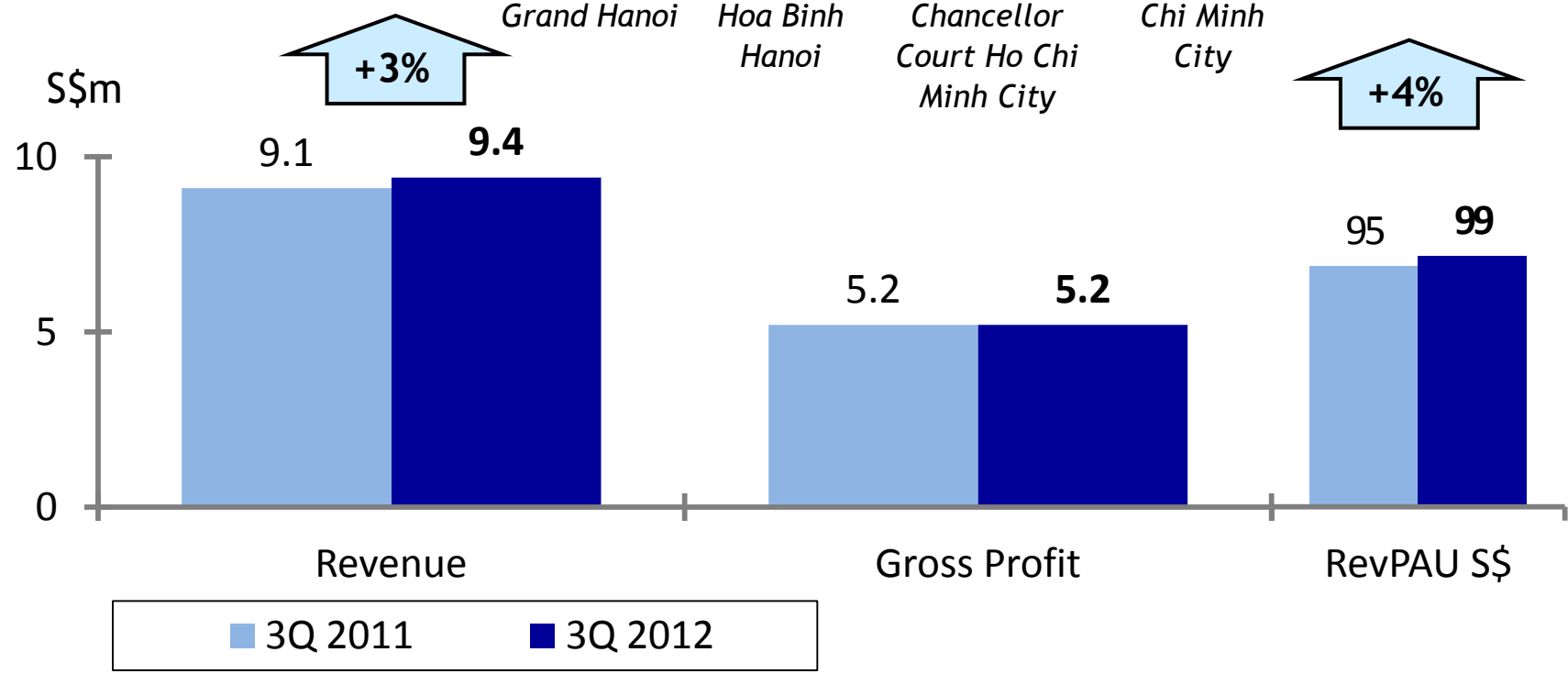
Somerset  
Hoa Binh  
Hanoi



Somerset  
Chancellor  
Court Ho Chi  
Minh City



Somerset Ho  
Chi Minh  
City



Revenue increased mainly due to appreciation of VND against SGD. In VND terms: revenue declined 1% due to lower office rental income partially offset by stronger serviced residence revenue; gross profit declined 5% because of higher utility and staff costs.

# Portfolio Information

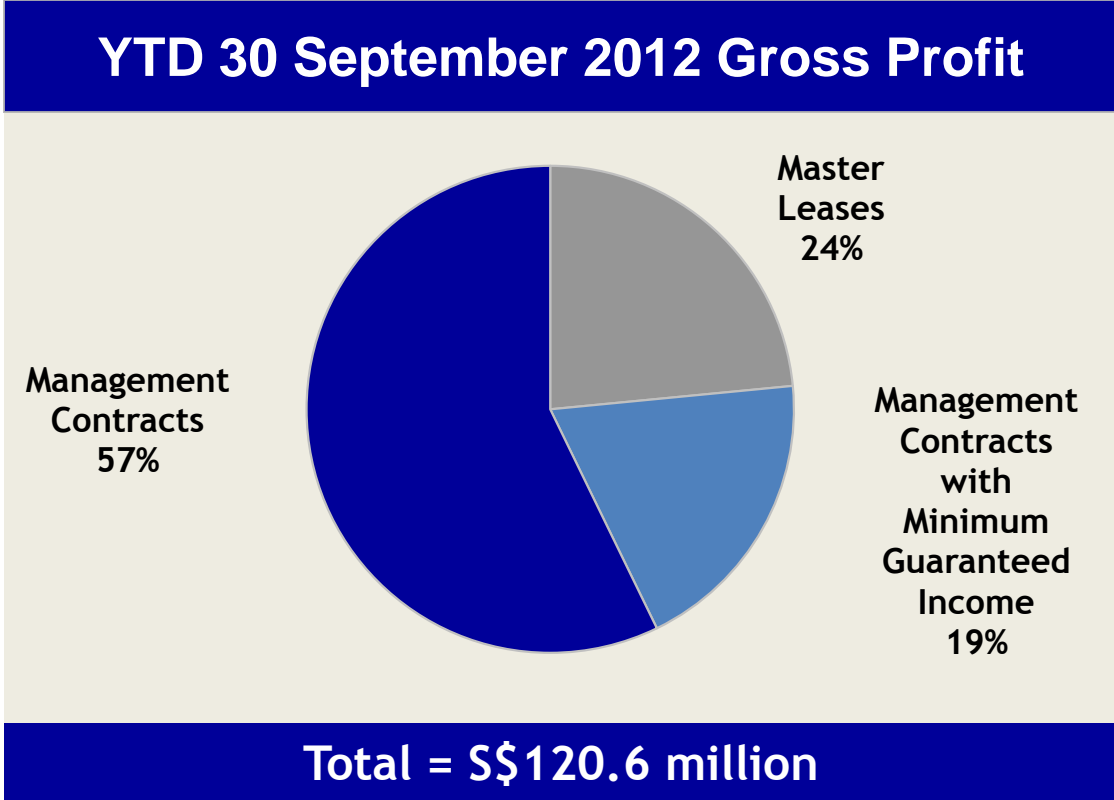


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# Balance of Income Stability and Growth

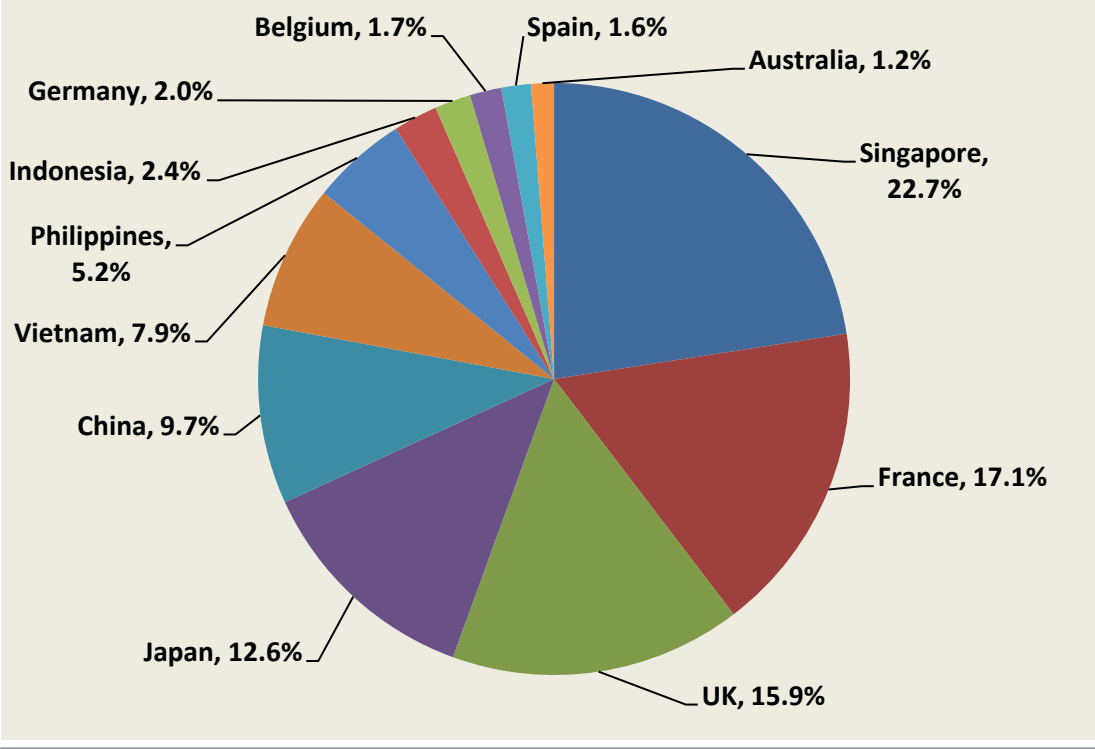


Both master leases and management contracts with minimum guaranteed income have average weighted remaining tenures of about 6 years



# Geographical Diversification

## Ascott Reit's Share of Asset Values As at 30 September 2012



**Total= S\$2.92 billion**

Portfolio diversified across economic cycles

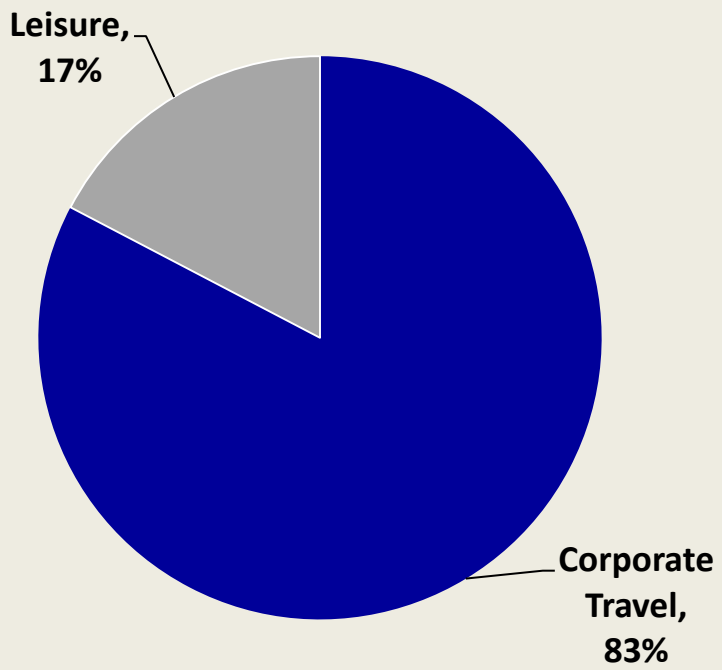


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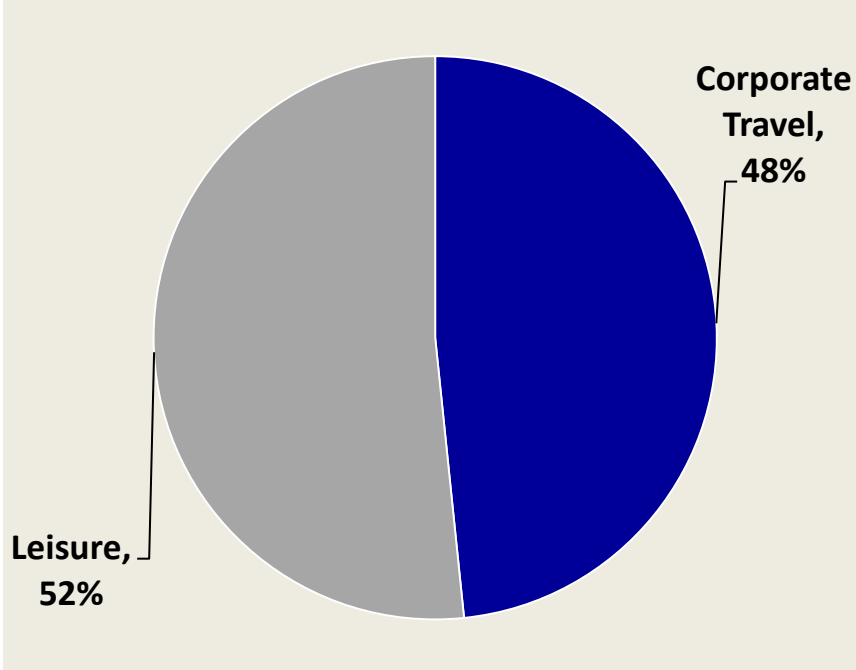


# Apartment Rental Income by Market Segment<sup>1</sup>

**Asia-Pacific Portfolio  
YTD 30 September 2012**



**Europe Portfolio  
YTD 30 September 2012**

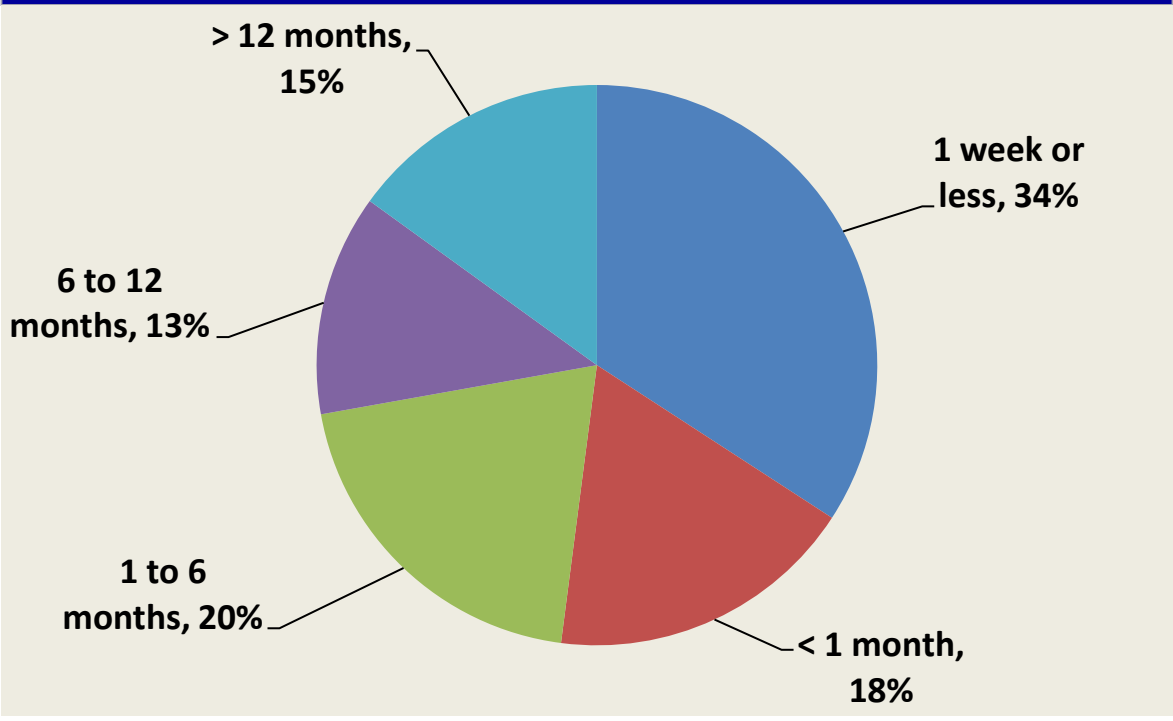


(1) Information for properties on management contracts and rental housing only. Information for properties on master leases is not included.



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

**YTD 30 September 2012**



Average apartment rental income by length of stay is about 4 months



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(1) Information for properties on management contracts and rental housing only. Information for properties on master leases is not included.

# Capital & Risk Management



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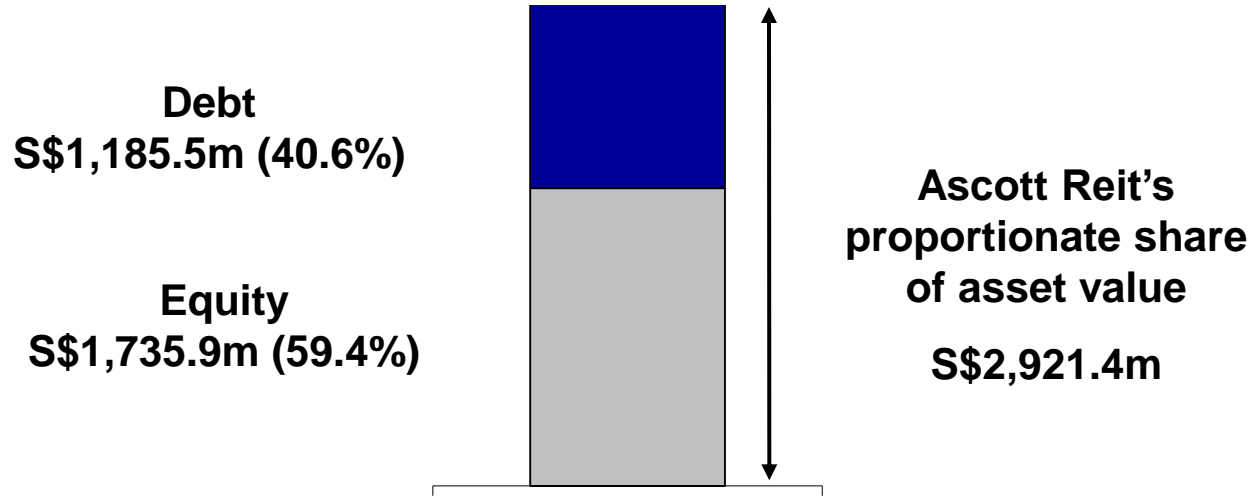
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# Healthy Balance Sheet

Gearing of 40.6%, well within the 60% gearing limit allowable under MAS property fund guidelines

## Ascott Reit Gearing Profile As at 30 September 2012



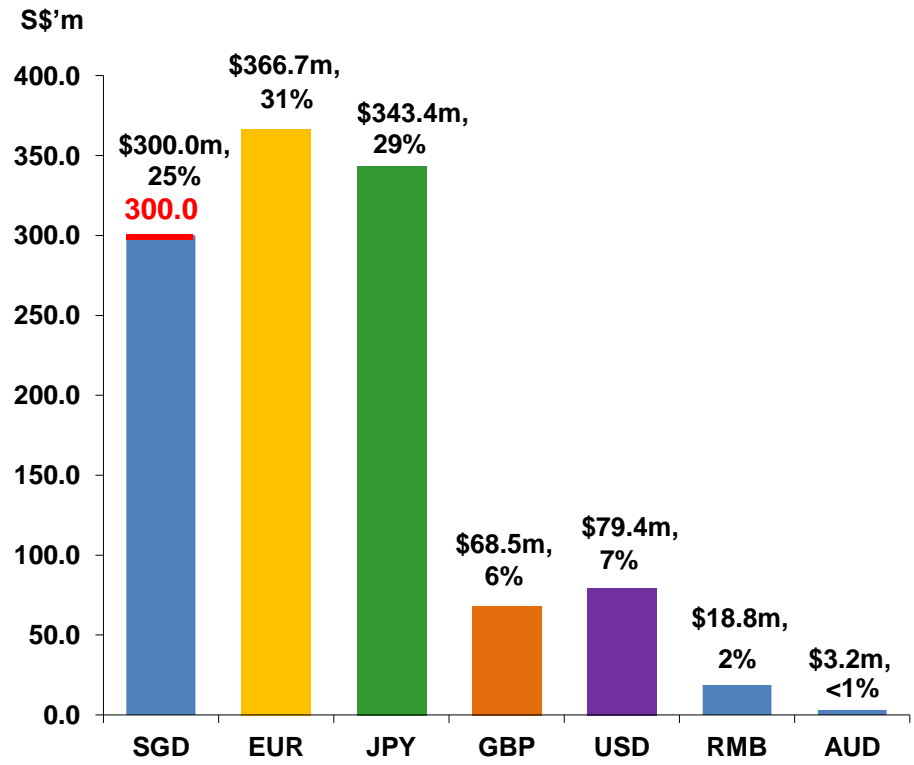
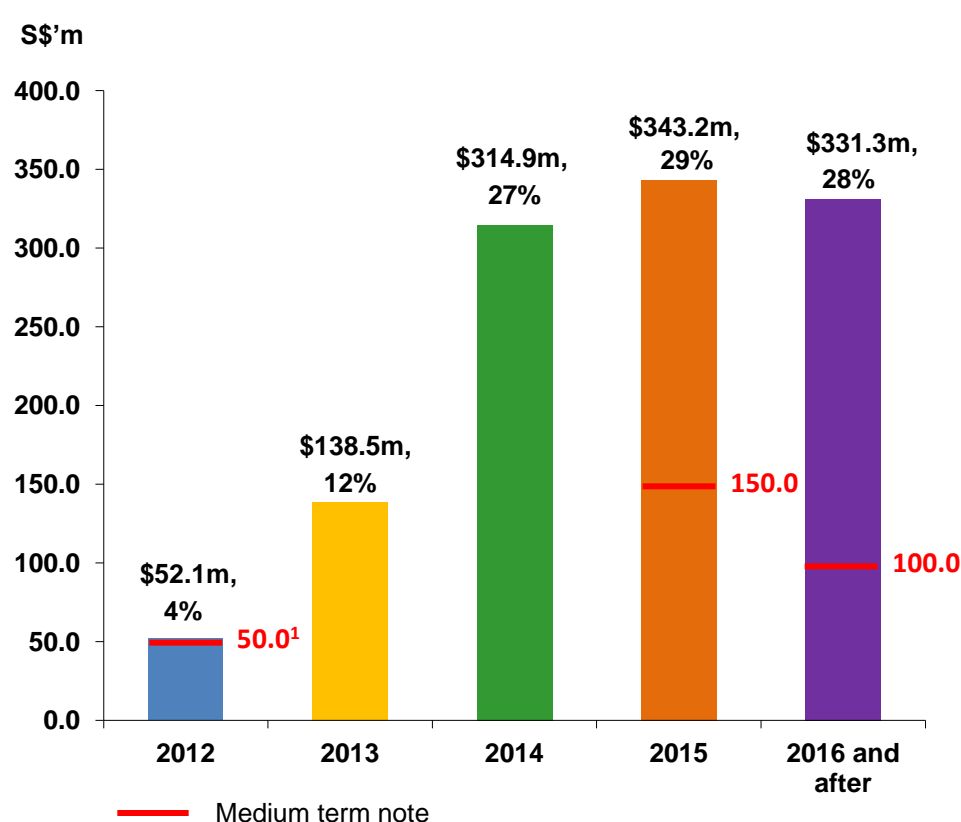
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# Debt Profile

## By Maturity As at 30 September 2012

## By Currency As at 30 September 2012



(1) Repaid in October 2012

Ascott Reit's Share of Bank Loans = S\$1,180 million

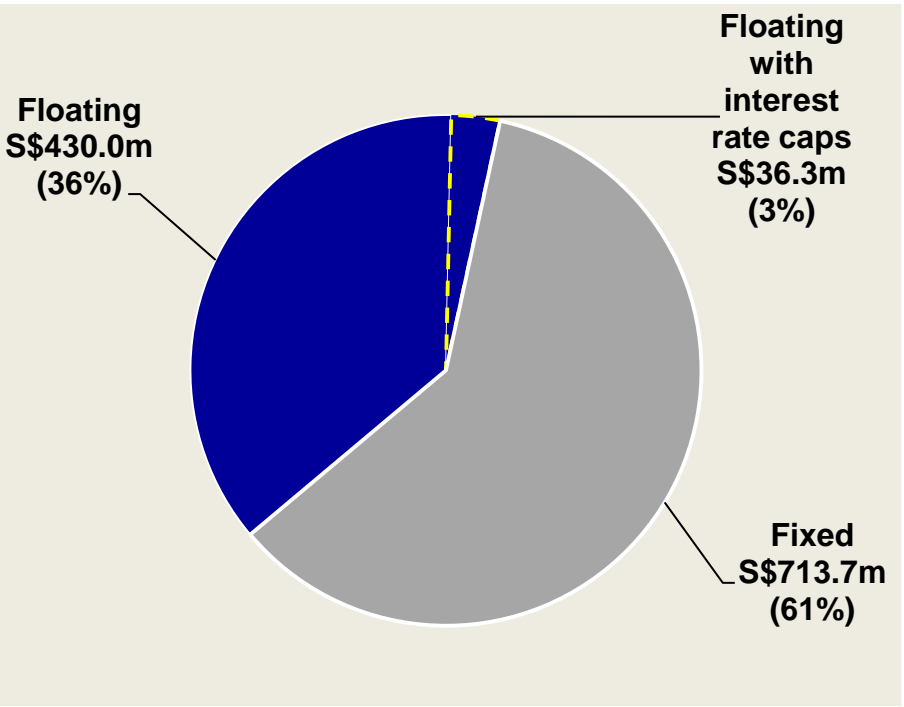


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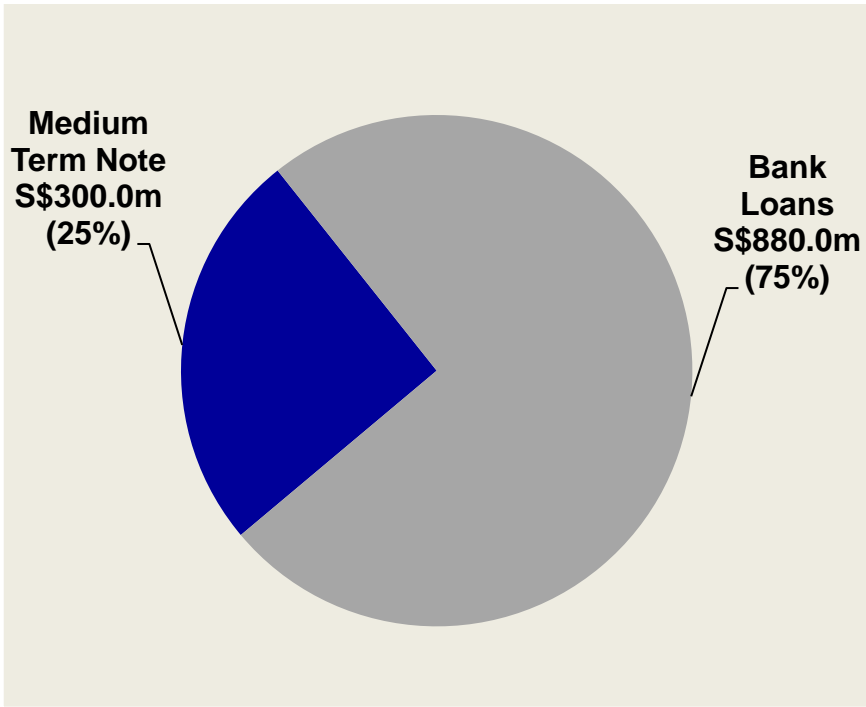


# Interest Rate and Debt Mix Profile

## Interest Rate Profile As at 30 September 2012



## Debt Type As at 30 September 2012





# Capital and Risk Management Strategy

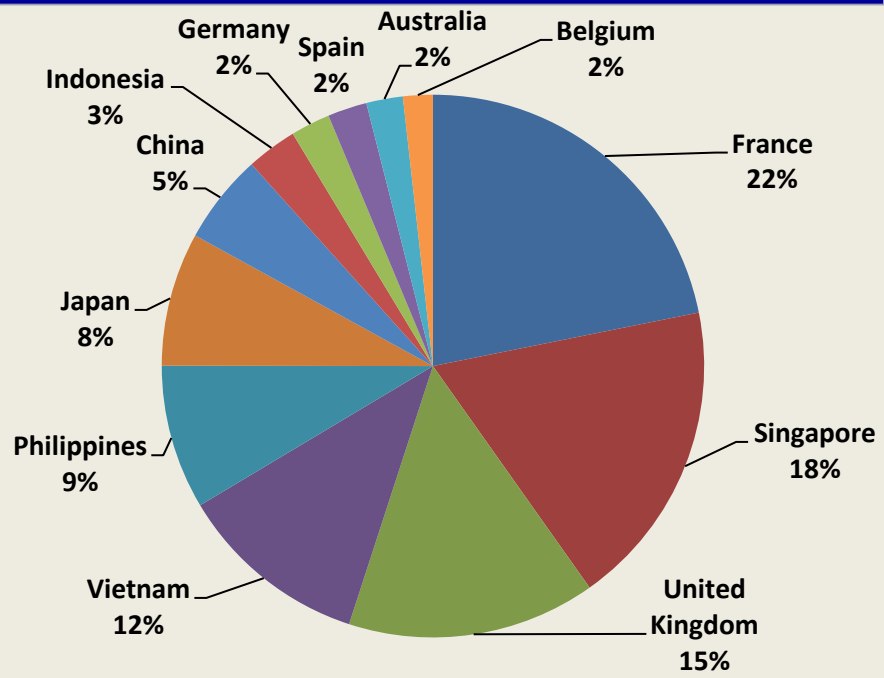
## Credit Metrics as at 30 September 2012

Gearing	40.6%
Interest Cover	3.9x
Effective Borrowing Rate	3.4%
Weighted Avg Debt to Maturity	3.2 years
Moody's Rating	Baa3



# Foreign Exchange Profile

## Ascott Reit's Share of Gross Profit YTD 30 September 2012



**Total = S\$114.5 million**

## Foreign Exchange Movements

Currency	Percentage of Ascott Reit's share of gross profit YTD Sep 2012	Percentage movement of exchange rates from Dec'11 to Sep '12
SGD	18	-
EUR	28	-6.5
GBP	15	-1.7
JPY	8	-4.0
VND	12	-1.8
RMB	5	-1.6
PHP	9	-0.4
USD	3	-2.3
AUD	2	0.2
<b>Total</b>	<b>100</b>	<b>-2.8</b>

# Prospects



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# Outlook and Prospects

- Global economic conditions continue to remain uncertain. Nevertheless, the Group's income remains sustainable because of our extended stay business model and geographically diversified portfolio with exposure across different economic cycles.
- Our properties, particularly in Europe, are also underpinned by master leases and serviced residence contracts with minimum guaranteed income.
- Acquisition of Ascott Raffles Place and Ascott Guangzhou and divestment of Somerset Grand Cairnhill, completed in 3Q 2012.
- Portfolio will be further enlarged with the acquisition of Madison Hamburg in 4Q 2012.
- **Continue to focus on yield accretive acquisitions in countries where we operate.**
  - Explore opportunities in Asia as well as London, Paris and key cities in Germany.
- **On-going asset enhancement programmes to increase returns to Unitholders:**
  - Embarked on the 2<sup>nd</sup> phase refurbishment of Citadines Sainte-Catherine Brussels as well as Ascott Jakarta in 3Q 2012.
- **The Group remains confident in the markets it operates in.**
  - Operating performance for FY2012 is expected to remain profitable.

# Appendix



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# Completed Asset Enhancements

## Citadines Sainte-Catherine Brussels

Phase 1 refurbishment of 80 units completed in 1Q 2012



Apartment (pre-renovation)

Apartment (post-renovation)



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# Completed Asset Enhancements

## Citadines Prestige Trafalgar Square London

Refurbishment of apartment and lobby completed in 1Q 2012



Apartment (pre-renovation)

Apartment (post-renovation)



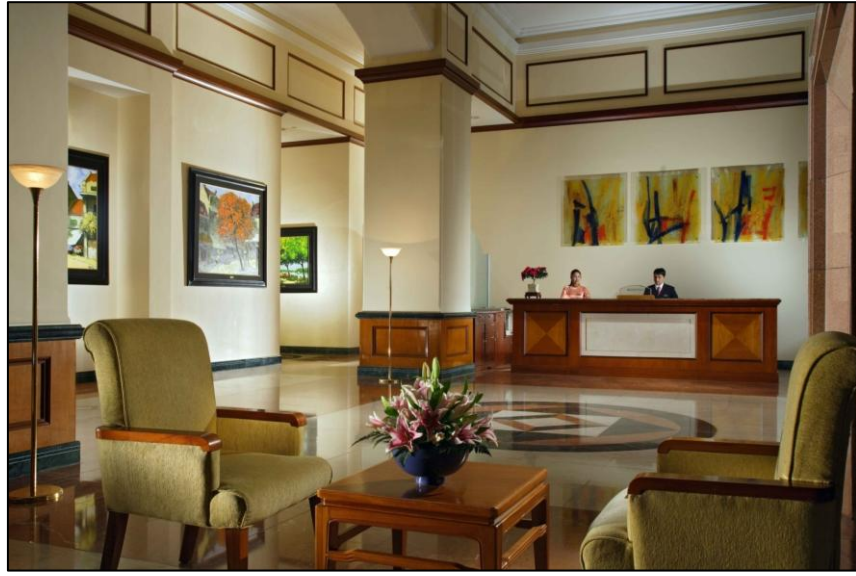
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# Completed Asset Enhancements

## Somerset Grand Hanoi

Refurbishment of lobby completed in 3Q 2012



Lobby (pre-renovation)



Lobby (post-renovation)



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# Ongoing/Proposed Asset Enhancements<sup>1</sup>

S/N	Property	Total No of Units	Start Date	Expected Completion Date
1	<b>Ascott Jakarta</b>	198	Jul 2012	4Q 2013
2	<b>Citadines Sainte-Catherine Brussels</b> Phase 2 – 89 units	169	Jul 2012	4Q 2012
3	<b>Citadines Toison d'Or Brussels</b>	154	Dec 2012	1Q 2014

<sup>1</sup> Asset enhancements for properties on master lease are not included.



# Ongoing/Proposed Asset Enhancements<sup>1</sup>

S/N	Property	Total No of Units	Start Date	Expected Completion Date
1	<b>Citadines City Centre Grenoble</b> Phase 2 – 58 units	106	Jul 2012	4Q 2012
2	<b>Citadines Louvre Paris</b>	51	Jul 2012	1Q 2013
3	<b>Citadines Croisette Cannes</b>	58	Oct 2012	1Q 2013
4	<b>Citadines Place d'Italie Paris</b>	169	Nov 2012	1Q 2014
5	<b>Citadines City Centre Lille</b> Phase 2 – 49 units	101	Dec 2012	1Q 2013

<sup>1</sup> Asset enhancements for properties on master lease will be undertaken by the Master Lessee.

# Thank You



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