

Ascott Residence Trust

The Proposed Acquisitions of Serviced Residence Properties in Australia and Japan and Rental Housing Properties in Japan From Interested Persons

Extraordinary General Meeting
24 July 2015



Important Notice

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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 Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.



Content

- 1 Overview of the Target Acquisitions
- 2 Rationale for the Target Acquisitions
- 3 Overview of Funding Structure
- 4 Impact on Ascott REIT
- 5 Conclusion



Overview of the Target Acquisitions

Ascott Raffles Place Singapore



Overview of the Target Acquisitions

Summary of the Target Acquisitions

	Citadines on Bourke Melbourne ("COBM")	Citadines Shinjuku Tokyo ("CST")	Citadines Karasuma-Gojo Kyoto ("CKK")	Portfolio of four rental housing properties in Osaka ("S-Residences")	Total
Proposed Acquisition	100%	Remaining 40% interest	Remaining 40% interest	100%	
Purchase Consideration¹	A\$158.0m (\$167.0m)	JPY1.8b (\$20.5m)	JPY872.2m (\$9.7m)	JPY4.4b (\$48.8m)	S\$246.0m²
No. of Apartment Units	380	160	124	488	868³

Blended EBITDA yield = 5.1%⁴

Interested Person/Party Transactions	Unitholders' approval is required for the proposed transactions at the extraordinary general meeting on 24 July 2015, 10.00 a.m.
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Notes:

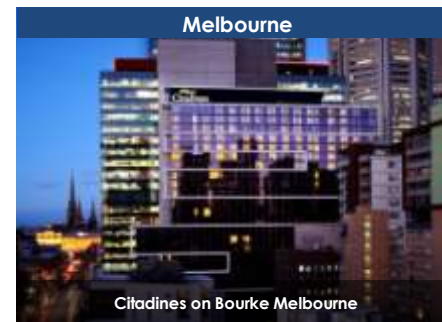
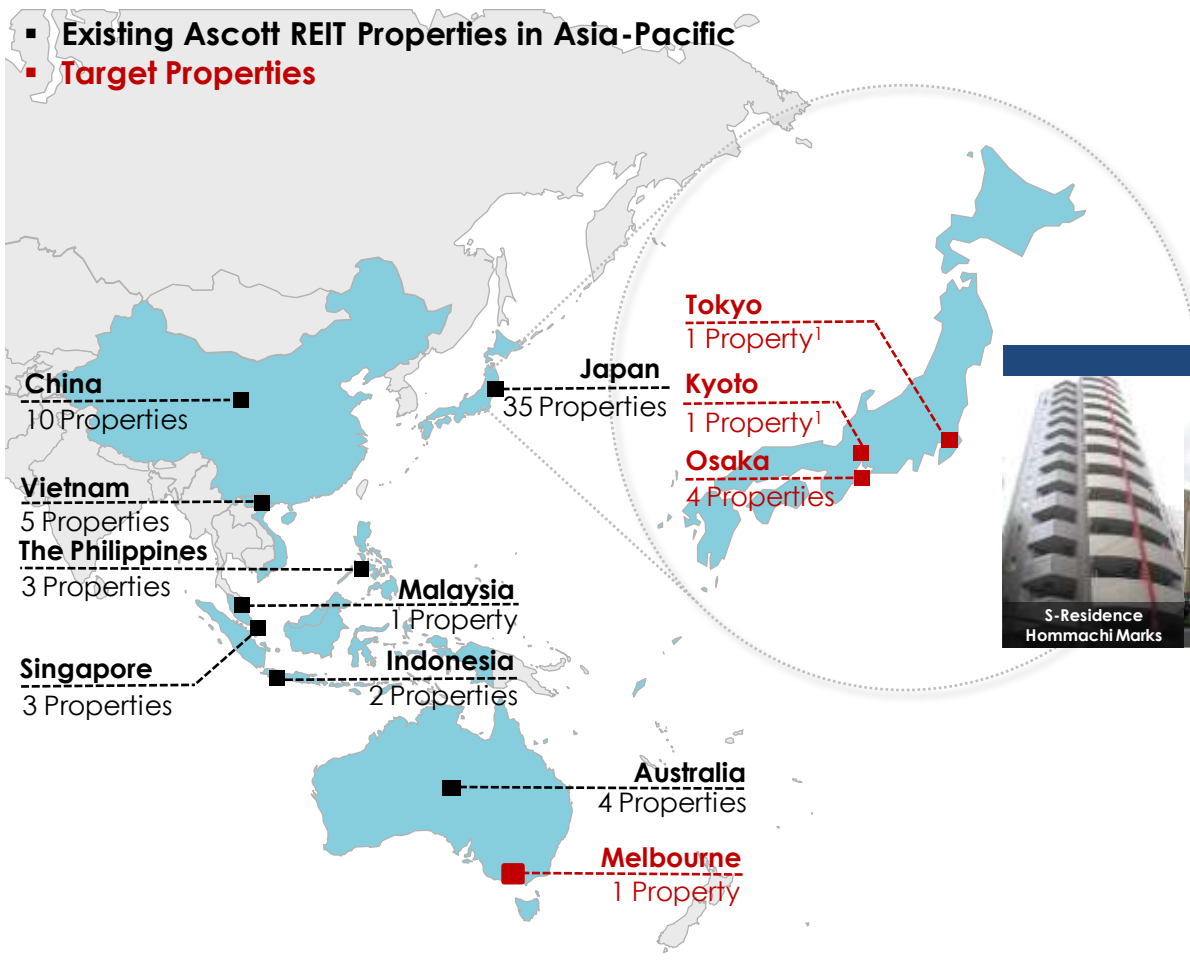
1. Based on exchange rates of A\$1.00 to S\$1.05727 and JPY1.00 to S\$0.01109
2. Adjusted for 40% share of property value in CST and CKK
3. Adjusted for full inventory from CST and CKK which have already been included in Ascott REIT's existing number of units
4. On pro forma basis for FY2014



Overview of the Target Acquisitions

Overview of the Target Properties

- Existing Ascott REIT Properties in Asia-Pacific
- Target Properties**



Note:

- Ascott REIT targets to acquire remaining 40% interest in CST and remaining 40% interest in CKK



Overview of the Target Acquisitions

Property details of Citadines on Bourke Melbourne



Agreed Property Value	A\$158.5m (\$\$167.6m ¹)
Appraised Value²	A\$156.0m (\$\$164.9m ¹)
No. of Units	380; Comprising studio, 1-bedroom, 2-bedroom units
Gross Floor Area	28,427.0 sqm
Title	Freehold
Location	131-135 Bourke Street, Melbourne, Victoria 3000, Australia
Year of Opening	2010

Notes:

1. Based on exchange rates of A\$1.00 to S\$1.05727
2. Average of two independent valuations by the independent valuers, namely, CBRE Pte. Ltd. (appointed by DBS Trustee Limited, in its capacity as trustee of Ascott REIT) and Savills (Singapore) Pte. Ltd. (appointed by The Ascott Limited), as at 30 April 2015.



Overview of the Target Acquisitions

Property details of Citadines on Bourke Melbourne (cont'd)



Citadines on Bourke Melbourne

- Post completion, COBM will continue to be managed and operated by The Ascott Limited (“**Ascott**”) by the execution of a new serviced residence management agreement
- The new management agreement is for an initial term of 10 years and with fee payable as follows:
 - 3% of the total revenue of the property; and
 - between 5% to 8% of the gross operating profit of the property (with the actual percentage payment depending on the gross operating profit generated by the property)

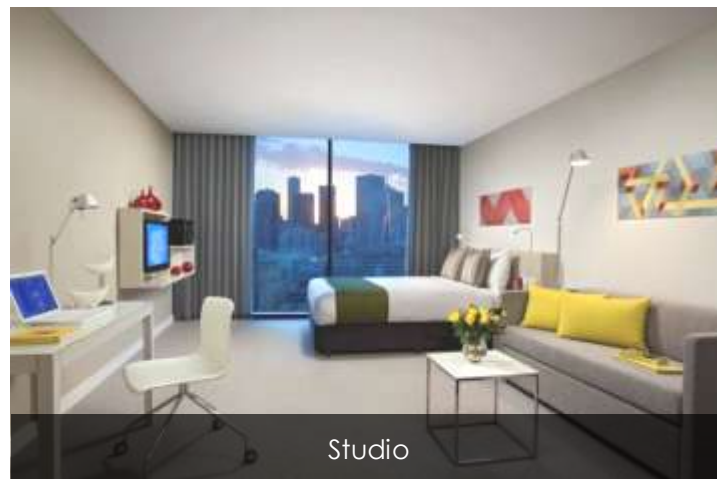
The proposed outcome-based management fee structure is to incentivise the operator to achieve higher gross operating profit for the property



Overview of the Target Acquisitions

Competitive strengths of Citadines on Bourke Melbourne

- 1 The property is strategically located within Melbourne's central business district. Close to Parliament House, 101 Collins Street and Bourke Street Mall, it is ideal for both business and leisure travellers
- 2 Enjoys good inter-city and intra-city connectivity
- 3 Relatively new property, opened in 2010



Studio



2-Bedroom – Living Room





Overview of the Target Acquisitions

Property details of Citadines Shinjuku Tokyo



Citadines Shinjuku Tokyo

Ascott REIT acquired 60% interest in Citadines Shinjuku Tokyo from Mitsubishi Estate Co. Ltd, an unrelated third party, on 25 November 2011

Agreed Property Value JPY7.6b (\$\$84.3m¹)

Appraised Value² JPY7.7b (\$\$85.0m¹)

No. of Units 160; Comprising studios units

Gross Floor Area 6,197.1 sqm

Title Freehold

Location 1-28-13 Shinjuku,
Shinjuku-ku, Tokyo

Year of Opening 2009

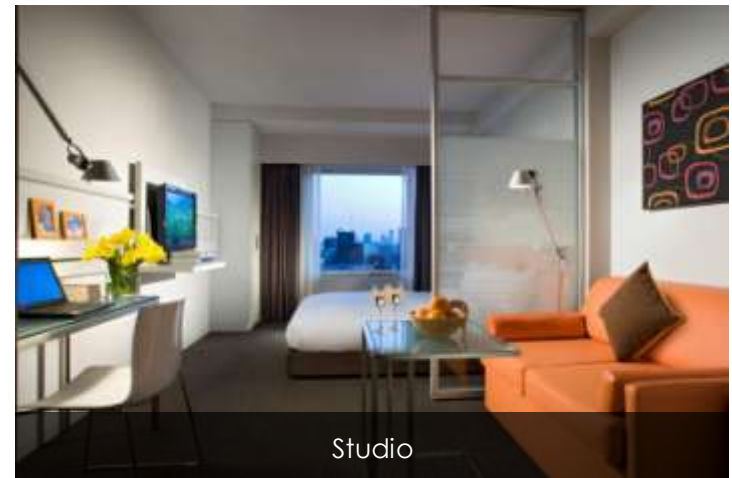
Notes:

1. Based on exchange rates of JPY1.00 to \$\$0.01109
2. Average of two independent valuations by the independent valuers, namely, CBRE Pte. Ltd. (appointed by DBS Trustee Limited, in its capacity as trustee of Ascott REIT) and Savills (Singapore) Pte. Ltd. (appointed by The Ascott Limited), as at 30 April 2015.

Overview of the Target Acquisitions

Competitive strengths of Citadines Shinjuku Tokyo

- 1 Located near the Shinjuku east area, the property is surrounded by many restaurants, entertainment outlets and department stores
- 2 It enjoys good inter-city and intra-city connectivity via the Marunouchi, Toei Shinjuku and Fukutoshin subway lines
- 3 Ranked second by TripAdvisor in 2014 among the 70 Top Hotels in Shinjuku





Overview of the Target Acquisitions

Property details of Citadines Karasuma-Gojo Kyoto



Ascott REIT acquired 60% interest in Citadines Karasuma-Gojo Kyoto from Mitsubishi Estate Co. Ltd, an unrelated third party, on 8 March 2012

Agreed Property Value	JPY3.6b (\$\$39.9m ¹)
Appraised Value²	JPY3.7b (\$\$40.7m ¹)
No. of Units	124; Comprising studios units, 1 retail unit, 35 car park lots
Gross Floor Area	4,835.1 sqm
Title	Freehold
Location	432 Matsuyacho Gojo-dori Karasuma-Higashiiru, Shimogyo-ku, Kyoto-shi, Kyoto
Year of Opening	2010

Notes:

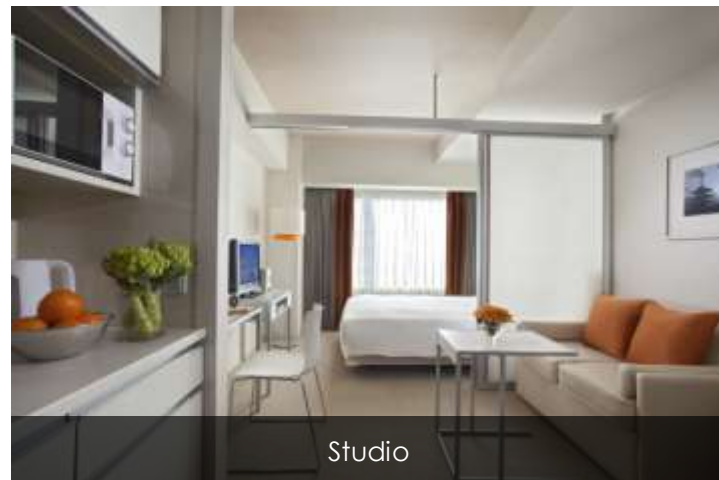
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Overview of the Target Acquisitions

Competitive strengths of Citadines Karasuma-Gojo Kyoto

- 1 Property is located near Kyoto's business district and tourist belt, 1-minute walk from Gojo subway station which is one stop from the main Kyoto station where the Shinkansen passes through
- 2 Ranked 17th in the Top 25 Japan Hotel by TripAdvisor's Travelers Choice Award 2015, CKK is the only property in Kyoto city to receive this award



Studio



1-Bedroom – Living Room



Overview of the Target Acquisitions

Property details of S-Residences



Agreed Property Value	JPY7.3b (\$\$81.0m ¹)
Appraised Value²	JPY7.4b (\$\$82.3m ¹)
No. of Units	488 (excludes 5 retail units)
Gross Floor Area	16,322.5 sqm
Title	Freehold
Location of S-Residences	Hommachi Marks 2-3-6, Tokuicho, Chuo-ku, Osaka
	Tanimachi 9 chome 4-29, Ikutamamaemachi, Tennoji-ku, Osaka
	Midoribashi Serio 3-17-6, Nakamoto, Higashinari-ku, Osaka
	Fukushima Luxe 7-22-9, Fukushima, Fukushima-ku, Osaka

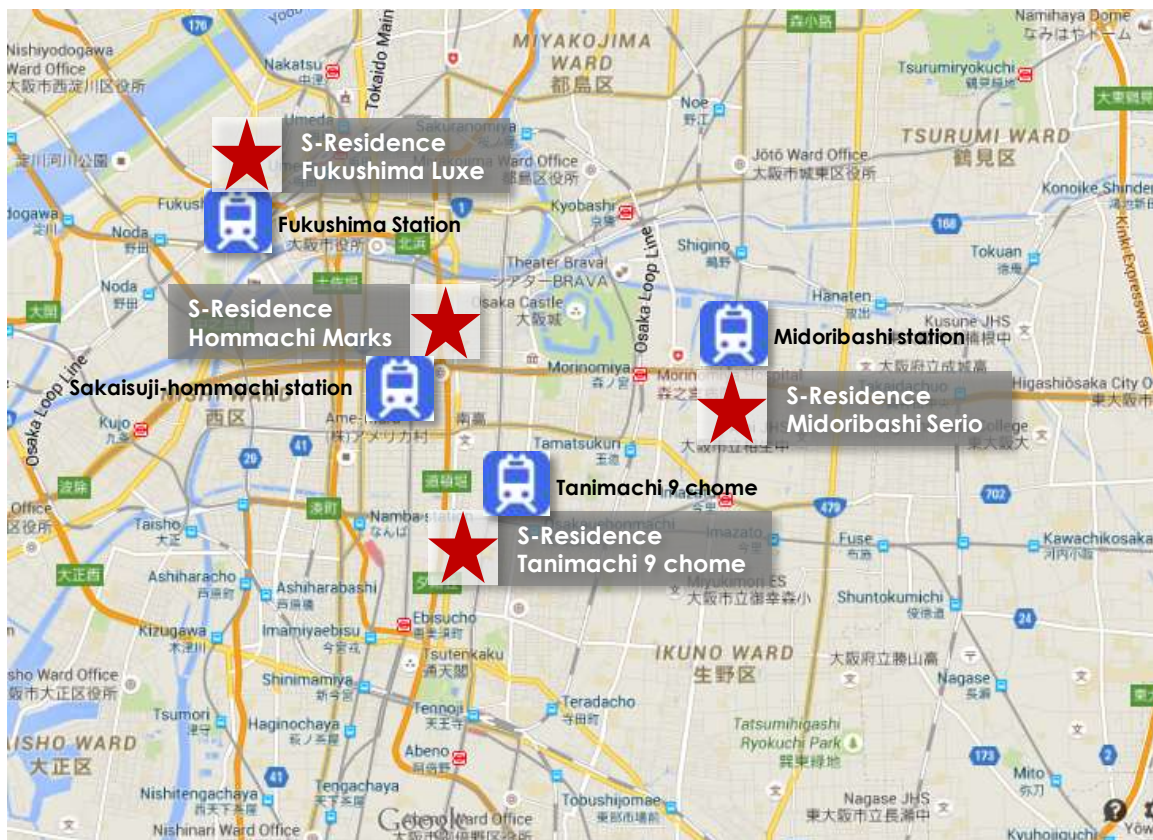
Notes:

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Overview of the Target Acquisitions

Competitive strengths of S-Residences



- 1 The S-Residences are located in Osaka city, within 7-minute walking distance from the nearest subway stations which provide easy access to the central business districts in Osaka
- 2 The S-Residences exhibited stable and strong occupancy, with annual occupancy of around 97% for the past three years and tenant leases averaging one to two years

Rationale for the Target Acquisitions





Rationale for the Target Acquisitions

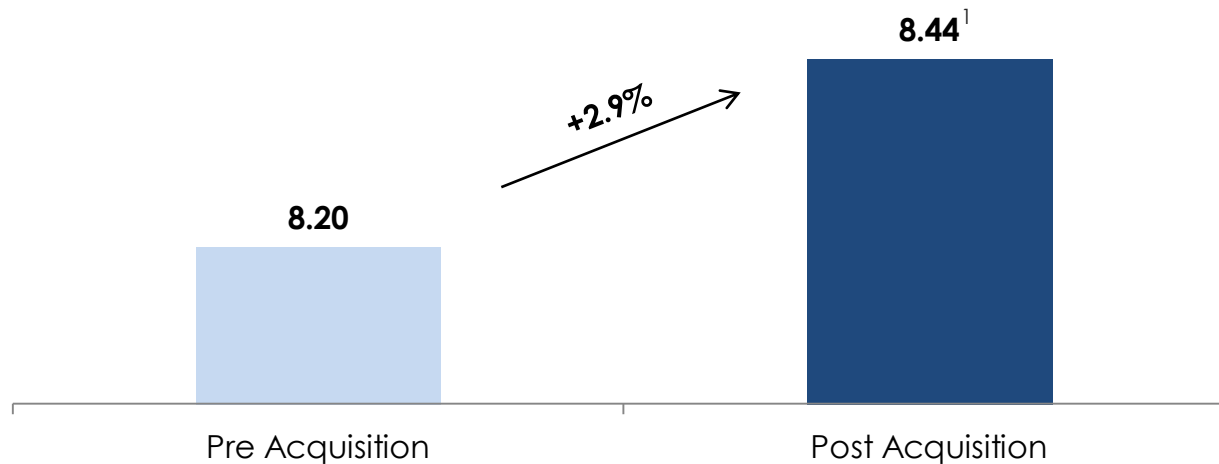
Key Rationale

- 1 Enhance DPU to Unitholders
- 2 Broaden earnings base with increased portfolio scale
- 3 Enhance geographical diversification
- 4 Investment in Melbourne, the capital of Victoria, Australia
- 5 Expand footprint in the growing Japanese market

Rationale for the Target Acquisitions

1 Enhance DPU to Unitholders

Distribution Per Unit (\$ cents)



FY2014 pro forma DPU will increase by 2.9% from 8.20 cents to 8.44 cents¹ post acquisition

Note:

1. Ascott REIT intends to finance the proposed acquisitions with debt financing and the issuance of perpetual securities as announced on 23 June 2015

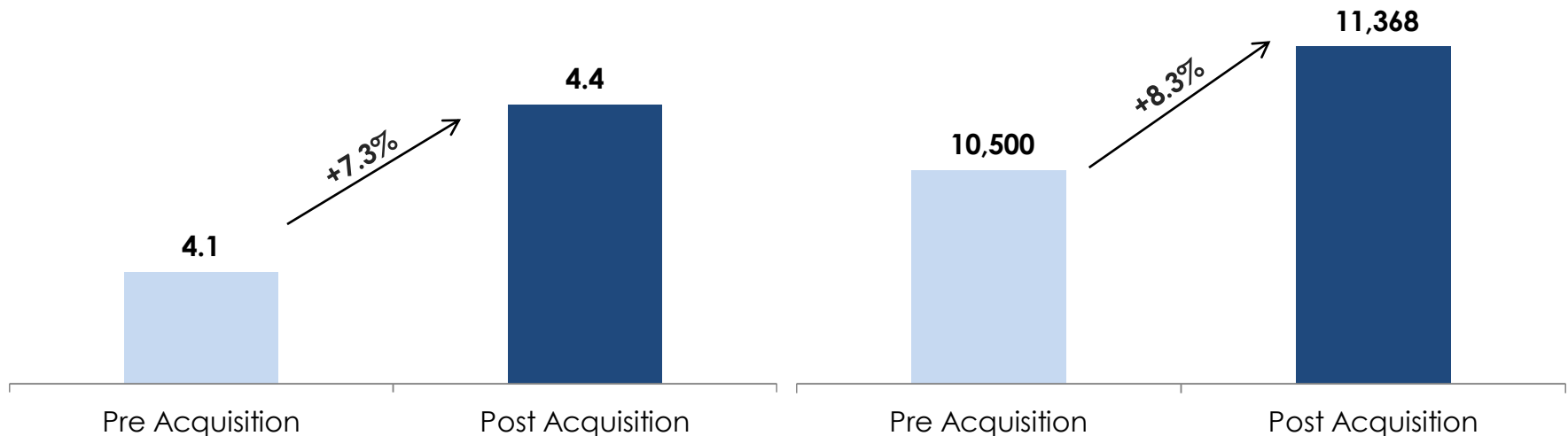
Rationale for the Target Acquisitions

2 Broaden earnings base with increased portfolio scale

- Ascott REIT's total assets will increase 7.3% to S\$4.4b
- The number of apartment units will increase 8.3% to 11,368 in 95 properties in 39 cities across 13 countries

Total Assets (S\$ billion)

Number of Apartment Units



The target acquisitions will enable Ascott REIT to benefit from a broader earnings base, thereby raising the profile of Ascott REIT among global investors

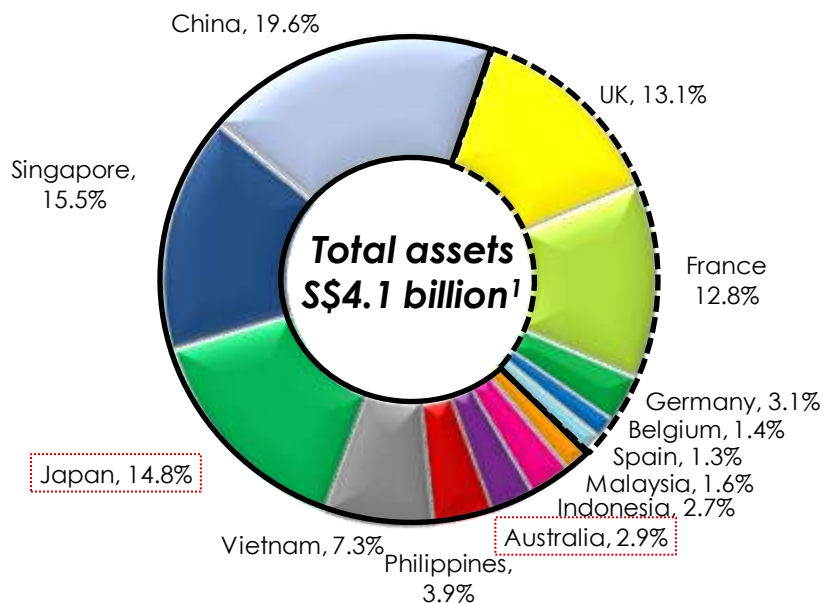
Rationale for the Target Acquisitions

3 Enhance geographical diversification

Breakdown of Ascott REIT's Assets by Geography

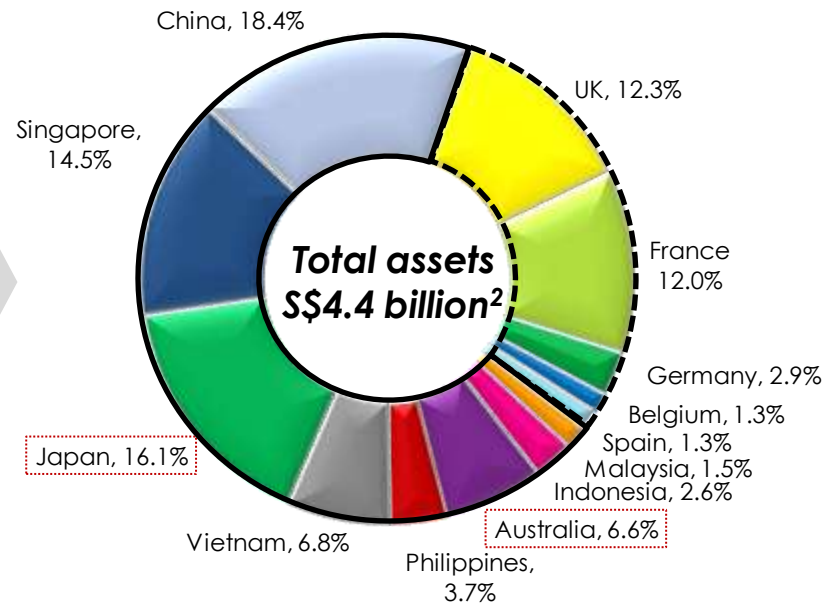
Pre Acquisition

- 68.3% in Asia-Pacific
- 31.7% in Europe



Post Acquisition

- 70.2% in Asia-Pacific
- 29.8% in Europe



Post acquisition, Ascott REIT's portfolio will be diversified across a geographical spread of 39 cities in 13 countries and across property and economic cycles

Notes:

- As at 31 December 2014; Excludes the New Cairnhill SR, which acquisition is targeted to be completed in 2017. If the New Cairnhill SR was included, the portfolio of Ascott REIT would be approximately S\$4.5 billion.
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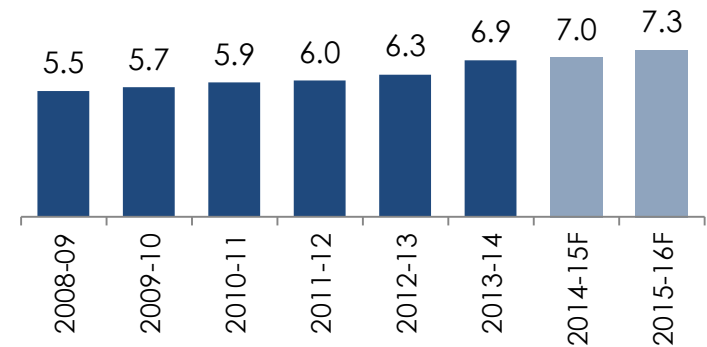
Rationale for the Target Acquisitions

4 Investment in Melbourne, the capital of Victoria, Australia

Deepen Ascott REIT's presence in the mature and stable market of Australia

- Top ten global destination for FDI for third straight year after attracting US\$50 billion of FDI in 2013¹
- In FY2014, Australia recorded a 7.6% growth in visitor arrivals to reach 6.9 million – the highest visitor arrivals growth the country has seen in a decade².
- Market Revenue per Available Room (“**RevPAR**”) for Australia will continue to grow at 5% per year into 2016³

Visitor arrivals to Australia² (million)



With its reputation for transparent business environment and convenient access to the Asia-Pacific region, Melbourne is well-placed to benefit from the FDI activities

- Accounting for only 3% of Australia's land mass, Melbourne is responsible for 22% of Australia's economic activity and has achieved higher than OECD average GDP growth over the past decade⁴
- Melbourne currently holds the title of “World's Most Livable City”⁵
- Ranked seventh in Asia-Pacific by the Global Financial Centre's Index for its dynamic environment for business

Notes:

1. Source: United Nations Conference on Trade and Development
2. Source: Australian Bureau of Statistics
3. Source: Deloitte Access Economics' Tourism and Hotel Market Outlook 2014
4. Source: Invest Australia
5. Source: Economic Intelligence Unit

Rationale for the Target Acquisitions

5 Expand footprint in the growing Japanese market

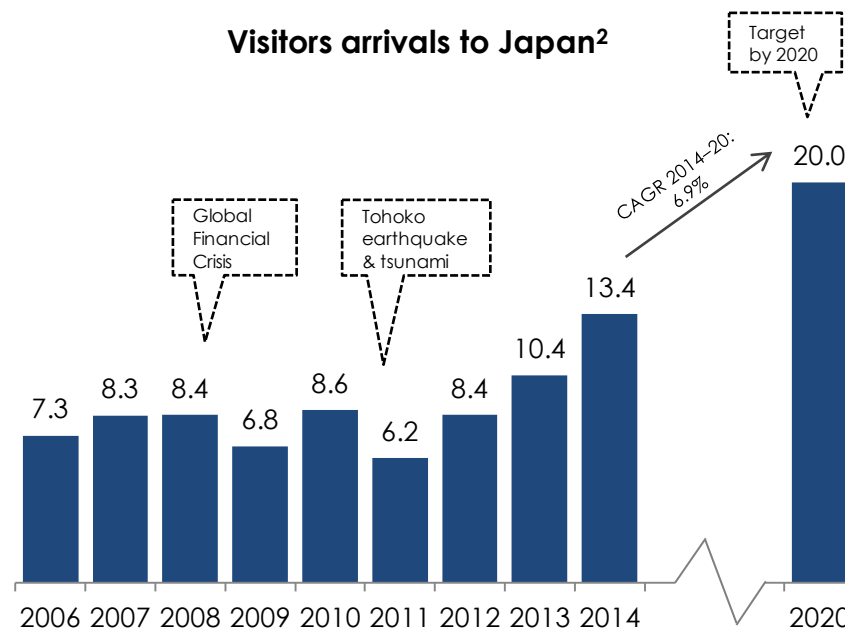
Japanese government proactively attracting foreign companies

- Through the designation of “National Strategic Special Zone” and tax reforms, the government aims to double Japan’s investment balance to JPY35 trillion by 2020¹

Rapid growth in visitor arrivals into Japan leading up to the 2020 Tokyo Summer Olympics

- Visitor arrivals into Japan reached an estimated 13.4 million in 2014, a nearly 30% jump from the record breaking 10.4 million achieved in 2013².
- The government aims to increase annual visitor arrivals to 20 million by the 2020 Tokyo Summer Olympics

Visitors arrivals to Japan²



Notes:

1. Source: Tokyo Metropolitan Government
2. Source: Japan National Tourism Organisation

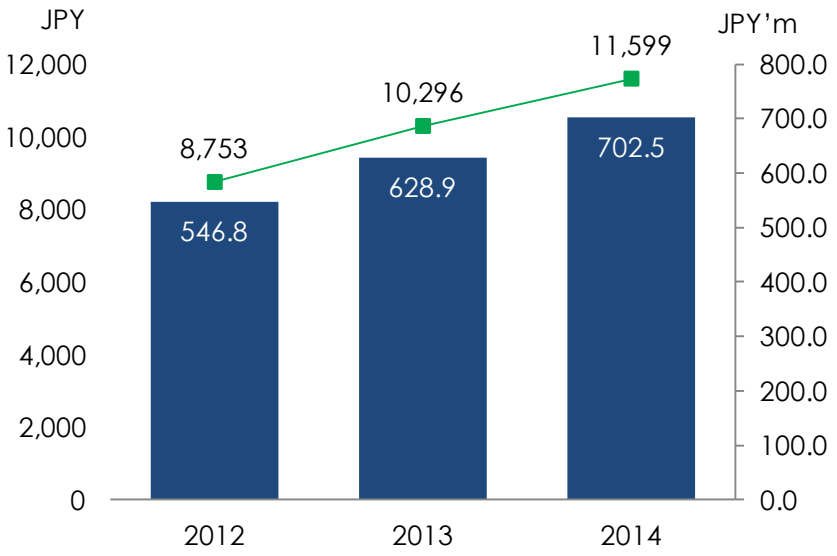
Rationale for the Target Acquisitions

5 Expand footprint in the growing Japanese market (cont'd)

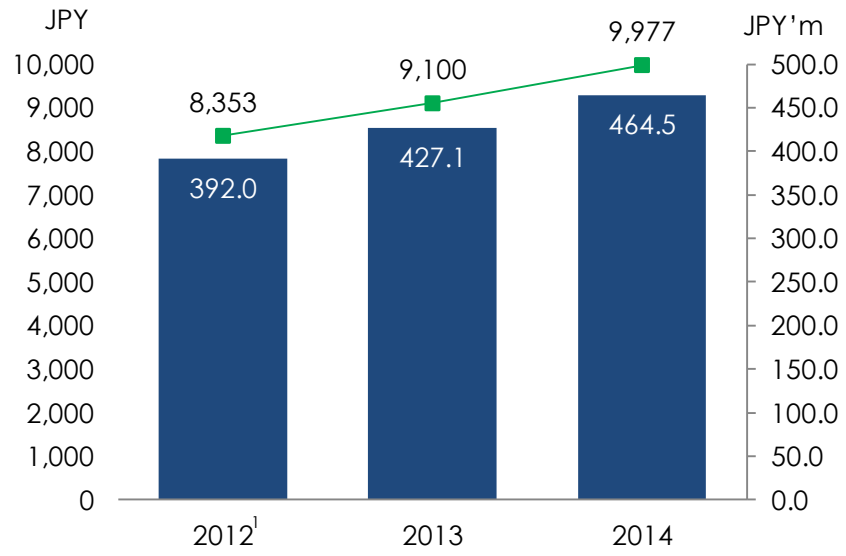
Strong historical performance of our properties

- Both CST and CKK have exhibited strong performance since acquisition of 60% interest in November 2011 and March 2012 respectively
- In FY2014, CST and CKK year-on-year REVPAU grew 12.7% and 9.6% respectively

**Citadines Shinjuku Tokyo
Historical Performance**



**Citadines Karasuma-Gojo Kyoto
Historical Performance**



■ Revenue (JPY'm) ■ RevPAU (JPY)

Note:
1. Relates to FY2012 performance of the property

Overview of Funding Structure



Ascott Raffles Place Singapore

Overview of Funding Structure

Debt financing and issuance of perpetual securities



Citadines on Bourke Melbourne

\$S167.0m¹



Remaining 40% interest in Citadines Shinjuku Tokyo

\$S20.5m¹



Remaining 40% interest in Citadines Karasuma-Gojo Kyoto

\$S9.7m¹



S-Residences

\$S48.8m¹

Transaction Expenses

\$17.8m²

Use of funds: \$S263.8m

Ascott REIT intends to finance the proposed acquisitions with debt financing and the issuance of perpetual securities³

Notes:

1. Based on the exchange rates of A\$1.00 to \$S1.05727 and JPY1.00 to \$S0.01109, where applicable
2. Excludes acquisition fees of approximately \$3.1 million, which will be payable in Units to the Manager
3. As announced on 23 June 2015

Impact on Ascott REIT

Ascott Raffles Place Singapore

Impact on Ascott REIT

Pro Forma Financial Effects

	Pre Acquisition	Post Acquisition ¹
DPU	8.20 cents	8.44 cents
Net Asset Value Per Unit	S\$1.37	S\$1.38
Gearing	38.5%	39.5%

Note:

1. Ascott REIT intends to finance the proposed acquisitions with debt financing and the issuance of perpetual securities as announced on 23 June 2015

Conclusion



Citadines Mount Sophia

The Proposed Acquisitions of Serviced Residence Properties in Australia and Japan and Rental Housing Properties in Japan From Interested Persons

1

Enhance DPU to Unitholders

- FY2014 pro forma DPU will increase by 2.9% from 8.20 cents to 8.44 cents¹ post acquisition

2

Broaden earning base with increased portfolio scale

- Total assets is expected to increase 7.3% to S\$4.4b post acquisition
- The number of apartment units will increase 8.3% to 11,368 in 95 properties in 39 cities across 13 countries

3

Enhance geographical diversification

- Ascott REIT's presence in Japan and Australia from 14.8% to 16.1% and 2.9% to 6.6% respectively, and expanding Ascott REIT's portfolio into Melbourne, the capital of Victoria, Australia

4

Investment in Melbourne, the capital of Victoria, Australia

- Market RevPAR for Melbourne grew 4.1% in 2013-14
- Hospitality sector set to benefit as market RevPAR is expected to grow 7.3% to reach A\$161 in 2015

5

Expand footprint in the growing Japanese market

- Tokyo and Kyoto hospitality markets expected to continue to perform strongly
- Ascott REIT extends presence into the city of Osaka, third largest city in Japan by population, through its rental housing portfolio

Note:

1. Ascott REIT intends to finance the proposed acquisitions with debt financing and the issuance of perpetual securities as announced on 23 June 2015

Conclusion (cont'd)

Overview of Ascott REIT's Portfolio Post Acquisition¹

S\$4.6b²

Total Assets

11,779

Apartment Units

96

Properties

40

Cities in 14 Countries



Notes:

1. Includes the acquisition of an extended-stay hotel property in United States of America as announced on 2 July 2015 ("U.S. acquisition"); excluding the U.S. acquisition, Ascott REIT's post acquisition portfolio would be approximately S\$4.4 billion of total assets, comprises 11,368 units in 95 properties in 39 cities across 13 countries
2. Excludes the New Cairnhill SR, which acquisition is targeted to be completed in 2017. If the New Cairnhill SR was included, the portfolio of Ascott REIT would be approximately S\$5.0 billion




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Thank You