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ASCOTT REIT'S 2Q 2018 REVENUE RISES 6% TO S$130.5 MILLION ON THE BACK OF ACQUISITIONS

Gross profit up by 7% while RevPAU increases 6% with stronger performances in Belgium, China and the United Kingdom

Singapore, 24 July 2018 – Ascott Residence Trust's (Ascott Reit) 2Q 2018 revenue grew 6% year-on-year to S$130.5 million, lifted by its acquisitions in 2017. Gross profit increased 7% to S$63.1 million due to higher revenue. Revenue per available unit (RevPAU) rose 6% to S$155 on the back of stronger demand and operating performance for Ascott Reit's properties in markets such as Belgium, China and the United Kingdom.

Unitholders' distribution for the quarter was S$39.8 million. Distribution per unit (DPU) remained at 1.84 cents, the same as that of 2Q 2017. DPU for 2Q 2018 would have increased 13% if one-off item for 2Q 2017 was excluded. The one-off item was a realised exchange gain of S$11.9 million arising from the repayment of foreign currency bank loans with the proceeds from Ascott Reit's rights issue[1] and completion of divestments of 18 rental housing properties in Tokyo.

Ascott Reit's higher revenue and gross profit in 2Q 2018 resulted from its 2017 acquisitions of quality assets – Ascott Orchard Singapore, Citadines City Centre Frankfurt and Citadines Michel Hamburg with master leases that provide income stability, and DoubleTree by Hilton Hotel New York – Times Square South which continues to see strong demand.

Mr Bob Tan, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit has been delivering stable returns to Unitholders through a diversified portfolio of quality assets in major gateway cities across Asia Pacific, Europe and the U.S. Ascott Reit's asset size has grown sixfold and shareholder returns have increased over 200%[2] since its listing in 2006. We will continue to seek accretive acquisitions to sustain growth, while maintaining a balanced portfolio that delivers stable income through master leases and management contracts with minimum guaranteed income, as well as growth income through management contracts. We will also actively manage our portfolio by identifying opportunities to divest assets and redeploy the capital to higher-yielding properties."

Ms Beh Siew Kim, ARTML's Chief Executive Officer, said: "In 2Q 2018, higher demand boosted our revenue and gross profit in the U.S. and the United Kingdom, particularly for our newly renovated Citadines Barbican London. Revenue and gross profit of our Singapore properties also improved with the added contribution from Ascott Orchard Singapore acquired

[1] Ascott Reit issued 481,688,010 units on 11 April 2017. Gross proceeds from the rights issue was used to part finance the remaining purchase price for Ascott Orchard Singapore and the acquisitions of Citadines City Centre Frankfurt and Citadines Michel Hamburg in 2017.
[2] Consists of all distributions and capital appreciation of Ascott Reit's unit price from IPO to 30 June 2018.

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last year. The performance of our Japan properties remained stable amidst new supply in the market. In China, while total revenue and gross profit decreased because we divested two lower-yielding properties in Shanghai and Xi'an, our other China properties continued to perform well. We will leverage our sponsor Ascott's global scale and marketing network, as well as their strong brand reputation to drive the performance of our properties."

"We are committed to optimising returns to our Unitholders through active asset enhancement, which will increase the appeal of our properties and provide uplift to rates. We have recently completed the refurbishment of Citadines Arnulfpark Munich[3] and Sheraton Tribeca New York Hotel. The final phase of renovation at Ascott Makati is on track for completion in end July. We expect to finish the refurbishment of Citadines Trocadéro Paris[3] and Somerset Grand Hanoi this year, as well as Somerset Grand Citra Jakarta next year."

While the International Monetary Fund has forecasted the global economy to grow 3.9% for 2018[4], the tightening of financial conditions and trade tensions around the world have introduced uncertainties to global growth. The U.S. Federal Reserve increased interest rates for the second time in June 2018, and further hikes are expected.

Ms Beh added: "Taking a disciplined and prudent approach towards capital management, we will continue to actively monitor the market and employ appropriate capital financing and hedging strategies to manage interest rates and foreign currency exposure. We have maintained Ascott Reit's gearing at a healthy 35.7%[5] and approximately 84% of our total borrowings is on fixed interest rates to hedge against potential rising interest rates. We have also ensured our debt maturity is well spread over the long term with the bulk of debt maturing in 2020 and beyond."

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[3] Citadines Arnulfpark Munich and Citadines Trocadéro Paris are under master leases.
[4] "World Economic Outlook Update, July 2018: Less Even Expansion, Rising Trade Tensions" (July 2018), International Monetary Fund.
[5] As at 30 June 2018.

ASCOTT RESIDENCE TRUST
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Summary of Results

2Q 2018 vs. 2Q 2017

	2Q 2018	2Q 2017	Change (%)
Revenue (S$ million)	130.5	123.6	+6
Gross Profit (S$ million)	63.1	59.0	+7
Unitholders' Distribution (S$ million)	39.8	46.9	-15
DPU (S cents)	1.84	1.84	–
DPU (S cents) (restated for rights issue and adjusted for one-off item)	1.84	1.63	+13
Revenue Per Available Unit (RevPAU) S$/day	155	146	+6

- Revenue for 2Q 2018 increased S$6.9 million or 6% mainly due to the additional revenue of S$10.4 million from the 2017 acquisitions of Ascott Orchard Singapore, Citadines City Centre Frankfurt, Citadines Michel Hamburg and DoubleTree by Hilton Hotel New York – Times Square South.

- DPU for 2Q 2017 has been restated for Ascott Reit's rights issue, through which 481,688,010 units were issued on 11 April 2017. Gross proceeds from the rights issue was used to part finance the remaining purchase price for Ascott Orchard Singapore and the acquisitions of Citadines City Centre Frankfurt and Citadines Michel Hamburg.

- DPU of 1.84 cents for 2Q 2018 is a year-on-year increase of 13% from DPU of 1.63 cents for 2Q 2017 after restating for rights issue and excluding the one-off item in 2Q 2017. The one-off item was a realised exchange gain of S$11.9 million arising from the repayment of foreign currency bank loans with the proceeds from the rights issue and divestment proceeds.

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1H 2018 vs. 1H 2017

	1H 2018	1H 2017	Change (%)
Revenue (S$ million)	243.3	234.9	+4
Gross Profit (S$ million)	111.8	106.4	+5
Unitholders' Distribution (S$ million)	68.9	72.0	-4
DPU (S cents)	3.19	3.36	-5
DPU (S cents) (adjusted for one-off items)	3.12	2.80	+11
Revenue Per Available Unit (RevPAU) S$/day	142	137	+4

- Revenue for 1H 2018 increased by S$8.4 million or 4% mainly due to additional contribution of S$18.6 million from Ascott Reit's acquisitions in 2017.

- Unitholders' distribution for 1H 2018 included a one-off realised exchange gain of S$1.6 million arising from the receipt of divestment proceeds and repayment of foreign currency bank loans with the divestment proceeds.

- DPU for 1H 2017 was calculated based on an enlarged number of units following Ascott Reit's rights issue on 11 April 2017.

- DPU for 1H 2018 would be 3.12 cents, a year-on-year increase of 11% from 2.80 cents if the one-off items in 1H 2018 and 1H 2017 were excluded. The one-off item in 1H 2017 was a realised exchange gain of S$11.9 million arising from the repayment of foreign currency bank loans with the proceeds from the rights issue and divestment proceeds.

<u>Distribution</u>

- Ascott Reit's distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year.

Distribution Period	1 January 2018 to 30 June 2018
Distribution Rate	3.192 cents per unit
Last Day of Trading on "cum" Basis	27 July 2018
Ex-Date	30 July 2018
Book Closure Date	1 August 2018
Distribution Payment Date	27 August 2018

For Ascott Reit's 2Q 2018 financial statement and presentation slides, please visit www.ascottreit.com.

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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, rental housing properties and other hospitality assets.

Ascott Reit's asset size has grown to S$5.3 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 73 properties with 11,430 units in 37 cities across 14 countries in the Americas, Asia Pacific and Europe.

Ascott Reit's serviced residences are mostly operated under the Ascott, Citadines and Somerset brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Guangzhou, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Shanghai, Singapore and Tokyo.

Ascott Reit is managed by Ascott Residence Trust Management Limited, an indirect wholly owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies.

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.

Issued by:

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