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ASCOTT REIT'S NEW YORK ACQUISITION LIFTS 1Q 2017 REVENUE BY 5% TO S$111.3 MILLION

Singapore, 21 April 2017 – Ascott Residence Trust's (Ascott Reit) revenue for 1Q 2017 grew 5% to S$111.3 million, mainly contributed by its acquisition of Sheraton Tribeca New York Hotel in 2016. Revenue per available unit (RevPAU) notched up 2% to S$128, due to higher average daily rate from Sheraton Tribeca New York Hotel.

Unitholders' distribution for 1Q 2017 was S$25.1 million and distribution per unit (DPU) was 1.51 cents. For a same-store comparison, DPU for 1Q 2017 would be 1.64 cents if it is adjusted to exclude Ascott Reit's equity placement in March 2016 to fund the acquisition of Sheraton Tribeca New York Hotel as well as contribution from the hotel. DPU for 1Q 2016 would be 1.57 cents if it is adjusted to exclude a one-off net realised exchange gain and the equity placement. This represents a 4% increase in DPU from 1.57 cents in 1Q 2016 to 1.64 cents in 1Q 2017.

Mr Bob Tan, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit remains focused on providing Unitholders with stable returns and are constantly on the lookout for quality assets to enhance our portfolio. Sheraton Tribeca New York Hotel, which we acquired last year, continues to achieve above 90% occupancy. Ascott Reit's recent successful rights issue was 182% oversubscribed. We will use the proceeds to acquire Citadines City Centre Frankfurt, Ascott Reit's first property in the city, Citadines Michel Hamburg, and Ascott Orchard Singapore. These properties are expected to further strengthen Ascott Reit's portfolio, increase our earnings base, and give us stable income through master leases."

"When the acquisitions of the German and Singapore properties are completed, they will increase Ascott Reit's asset size to S$5.3 billion, reinforcing its position as the largest hospitality REIT in Singapore. We continue to actively seek accretive acquisitions in gateway cities in markets such as Australia, Japan, Europe and the U.S."

Mr Tan said: "As part of our ongoing active management of Ascott Reit's portfolio, we recently divested 18 rental housing properties with limited growth potential for JPY12 billion (S$153.6 million[1]). The net divestment proceeds may be used to enhance Ascott Reit's assets or fund potential acquisitions."

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "Ascott Reit's properties in several markets achieved stronger operational performance. Vietnam was the top performer with RevPAU rising 10%[2] mainly because of higher demand for the refurbished apartments at Somerset Ho Chi Minh City. Besides stronger demand for our serviced residences in Vietnam, our office components that are getting almost full occupancies also increased rental income.

[1] Based on exchange rate of JPY1 = S$0.0128.
[2] Based on RevPAU in local currencies.

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RevPAU for Spain grew 7%[2] as Citadines Ramblas Barcelona had more leisure travellers and higher retail income. RevPAU for Indonesia and the United Kingdom climbed 6%[2] and 4%[2] respectively due to stronger demand from corporate accounts."

"To enhance guest experience and maximise returns to Unitholders, about 90% of Ascott Reit's serviced residences have undergone or are undergoing asset enhancement. Somerset Ho Chi Minh City and Somerset Millennium Makati were recently refurbished and we expect to complete the renovation of Citadines Barbican London in 2Q 2017."

Mr Tay added: "We continue to be proactive in capital management and have maintained 82% of our total borrowings on fixed interest rates to mitigate interest rate volatility. We will also tap the debt capital market to diversify our funding sources and secure longer term financing at an optimal cost."

<u>Summary of Results</u>

1Q 2017 vs. 1Q 2016

	1Q 2017	**1Q 2016**	**Change (%)**
Revenue (S$ million)	111.3	105.5	+5
Gross Profit (S$ million)	47.2	48.6	-3
Unitholders' Distribution (S$ million)	25.1	27.3	-8
DPU (S cents)	1.51	1.75	-14
DPU (S cents) (adjusted for one-off item, equity placement and acquisition of Sheraton Tribeca New York Hotel in 2016)	1.64	1.57	+4
Revenue Per Available Unit (RevPAU) S$/day	128	125	+2

- Revenue for 1Q 2017 increased mainly due to the additional revenue of S$7.6 million from Ascott Reit's acquisition of Sheraton Tribeca New York Hotel in 2016. The increase was partially offset by a decrease in revenue of S$1.8 million from the existing properties, mainly in Singapore and United Kingdom (arising from depreciation of Sterling Pound against Singapore dollar).
- On 23 March 2016, 94,787,000 new units were issued on SGX-ST in relation to Ascott Reit's equity placement. The gross proceeds of S$100 million were used to fund the acquisition of Sheraton Tribeca New York Hotel.
- Unitholders' distribution for 1Q 2016 included a one-off net realised exchange gain of S$3.0 million. This resulted from the repayment of foreign currency bank loans.

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- DPU would increase by 4% from 1.57 cents in 1Q 2016 to 1.64 cents in 1Q 2017 if the one-off item, equity placement and acquisition of Sheraton Tribeca New York Hotel were excluded.
- RevPAU grew 2% because of the higher average daily rate from Sheraton Tribeca New York Hotel as compared to the existing properties.

For Ascott Reit's 1Q 2017 financial statement and presentation slides, please visit www.ascottreit.com.

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 quadrupled to S$4.8 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 90 properties with 11,635 units in 38 cities across 14 countries in the Americas, Asia Pacific and Europe. Ascott Reit was awarded 'Best REIT (Asia)' by World Finance magazine at its Real Estate Awards in 2015.

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, 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.

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.

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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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