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ASCOTT REIT'S 2Q 2017 UNITHOLDERS' DISTRIBUTION RISES 34% TO S$46.9 MILLION

Strong operating performance with double-digit increase in RevPAU in Belgium, Philippines and Vietnam

Singapore, 20 July 2017 – Ascott Residence Trust's (Ascott Reit) Unitholders' distribution for 2Q 2017 grew 34% to S$46.9 million year-on-year. It included a one-off realised foreign exchange gain of S$11.9 million arising from the repayment of foreign currency bank loans.

Revenue for 2Q 2017 grew 4% to S$123.6 million. This was mainly contributed by Sheraton Tribeca New York Hotel which was acquired in April 2016 as well as Citadines City Centre Frankfurt and Citadines Michel Hamburg which were acquired in May 2017. Revenue per available unit (RevPAU) rose 3% to S$146.

Distribution per unit (DPU) for 2Q 2017 was 1.84 cents. For a same-store comparison, DPU for 2Q 2017 would be 2.10 cents if it is adjusted to exclude the one-off realised foreign exchange gain and the effects of the rights issue. DPU for 2Q 2016 would be 1.95 cents if it is adjusted to exclude a one-off realised foreign exchange gain from the repayment of foreign currency bank loans as well as the effects of the equity placement in March 2016 to fund the acquisition of Sheraton Tribeca New York Hotel. This represents an 8% increase in DPU from 1.95 cents in 2Q 2016 to 2.10 cents in 2Q 2017.

Mr Bob Tan, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "We continue to enhance the quality of Ascott Reit's portfolio and focus on providing Unitholders with stable returns. In May, we announced the acquisition of a prime freehold property in Manhattan, DoubleTree by Hilton Hotel New York – Times Square South at an accretive EBITDA yield of 6%. Our existing properties in Manhattan, Sheraton Tribeca New York Hotel and Element New York Times Square West hotel, have been getting high average occupancy rate of more than 90%. The acquisition of our third property in the U.S. will reinforce Ascott Reit's position as the largest hospitality REIT by asset size and the most geographically diversified REIT in Singapore."

"Ascott Reit's asset size will expand to S$5.3 billion after we complete the acquisitions of DoubleTree by Hilton Hotel New York – Times Square South and Ascott Orchard Singapore, which are expected to take place in August 2017 and 4Q 2017 respectively. We continue to maintain a balanced portfolio across various geographies to provide stable returns to Unitholders. We remain on the lookout for accretive acquisitions in gateway cities in markets such as Australia, Japan, Europe and the U.S."

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Mr Tan said: "As part of our ongoing reconstitution of Ascott Reit's portfolio, we recently divested Citadines Biyun Shanghai and Citadines Gaoxin Xi'an for RMB980 million (S$198.0 million[1]). The divestment of these properties with limited growth potential would allow Ascott Reit to redeploy the proceeds into other higher yielding assets to enhance the returns of the portfolio. The properties were divested at 69% above the 2016 valuation and the estimated net gain is approximately RMB239 million (S$48.3 million[1])."

Ms Beh Siew Kim, ARTML's Chief Executive Officer, said: "There is stronger demand from corporate customers for our serviced residences in several markets. Belgium is in the lead with RevPAU surging 35%[2]. RevPAU for Philippines and Vietnam rose 24%[2] and 23%[2] respectively, mainly due to higher demand for the refurbished properties – Ascott Makati in Manila and Somerset Ho Chi Minh City. RevPAU for Spain and United Kingdom climbed 5%[2] and 4%[2] respectively because of stronger demand from leisure travellers."

"To enhance guest experience and maximise unitholders' returns, 90% of Ascott Reit's serviced residences have undergone or are undergoing asset enhancement. Average daily rates for Somerset Ho Chi Minh City and Somerset Millennium Makati that were renovated last quarter have increased by 23%[2] and 14%[2] respectively. Our recently refurbished Citadines Barbican London has been well received, and we are currently renovating Citadines Mount Sophia Singapore, Citadines Trocadéro Paris as well as Somerset Grand Hanoi."

Ms Beh added: "We continue to be proactive in capital management and have maintained 85% 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."

[1] Based on exchange rate of RMB1 = S$0.20206.
[2] Based on RevPAU in local currencies.

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Summary of Results

2Q 2017 vs. 2Q 2016

	2Q 2017	2Q 2016	Change (%)
Revenue (S$ million)	123.6	119.4	+4
Gross Profit (S$ million)	59.0	57.9	+2
Unitholders' Distribution (S$ million)	46.9	35.0	+34
DPU (S cents)	1.84	2.13	-14
DPU (S cents) (adjusted for one-off items, rights issue, equity placement)	2.10	1.95	+8
Revenue Per Available Unit (RevPAU) S$/day	146	142	+3

- Revenue for 2Q 2017 increased mainly due to the additional revenue of S$3.0 million from Sheraton Tribeca New York Hotel and S$0.9 million from Citadines City Centre Frankfurt and Citadines Michel Hamburg. The increase was partially offset by a decrease in revenue of S$1.4 million from the divestment of 18 rental housing properties in Tokyo. On a same-store basis (excluding the 2016 acquisition, 2017 acquisitions and the divestment), revenue increased by S$1.7 million mainly from Vietnam and Philippines, partially offset by the decrease in revenue from Singapore and United Kingdom (arising from depreciation of GBP against SGD).
- Unitholders' distribution for 2Q 2017 included a one-off realised exchange gain of S$11.9 million. This resulted from the repayment of foreign currency bank loans using the proceeds from Ascott Reit's rights issue and divestment proceeds.
- Unitholders' distribution for 2Q 2016 included a one-off net realised exchange gain of S$3.5 million arising from the repayment of foreign currency bank loans.
- 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. The acquisition was completed on 29 April 2016.
- DPU would increase by 8% from 1.95 cents in 2Q 2016 to 2.10 cents in 2Q 2017 if the one-off items, the effects of the rights issue and equity placement were excluded.

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1H 2017 vs. 1H 2016

	1H 2017	1H 2016	Change (%)
Revenue (S$ million)	234.9	224.9	+4
Gross Profit (S$ million)	106.4	106.7	-
Unitholders' Distribution (S$ million)	72.0	62.4	+15
DPU (S cents)	3.36	3.88	-13
DPU (S cents) (adjusted for one-off items, rights issue, equity placement and contribution from Sheraton Tribeca New York Hotel for 1Q 2017)	3.74	3.52	+6
Revenue Per Available Unit (RevPAU) S$/day	137	134	+2

- Revenue for 1H 2017 increased by S$10.0 million mainly due to the additional revenue of S$11.5 million from Ascott Reit's acquisitions in 2016 and 2017. The increase was partially offset by the decrease in revenue of S$1.5 million from the divestment of 18 rental housing properties in Tokyo. Revenue from the existing properties remained at the same level as last year.
- Unitholder's distribution in 1H 2017 included a one-off realised exchange gain of S$11.9 million arising from the repayment of foreign currency bank loans in 2Q 2017.
- Unitholders' distribution for 1H 2016 included a one-off net realised exchange gain of S$6.5 million arising from the repayment of foreign currency bank loans.
- 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. The acquisition was completed on 29 April 2016.
- DPU would increase by 6% from 3.52 cents in 1H 2016 to 3.74 cents in 1H 2017 if the one-off items, the effects of rights issue and equity placement, as well as the contribution from Sheraton Tribeca New York Hotel for 1Q 2017 were excluded.

ASCOTT RESIDENCE TRUST
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Distribution

- 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 2017 to 30 June 2017
Distribution Rate	3.356 cents per unit
Last Day of Trading on "cum" Basis	25 July 2017, 5 pm
Ex-Date	26 July 2017, 9 am
Book Closure Date	28 July 2017
Distribution Payment Date	25 August 2017

For Ascott Reit's 2Q 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$4.9 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 11,417 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. 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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