

## **ASCOTT REIT'S 2Q 2011 UNITHOLDERS' DISTRIBUTION MORE THAN DOUBLE**

**- Distribution per unit (DPU) 25% higher than last year, 16% higher than forecast<sup>1</sup>**

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**Singapore, 22 July 2011** – Ascott Residence Trust (Ascott Reit) achieved a unitholders' distribution of S\$26.3 million for the period 1 April to 30 June 2011, 127% higher than the same period last year. Distribution per unit (DPU) was 25% higher at 2.33 cents.

Ascott Reit's revenue for second quarter 2011 was 65% higher at S\$73.1 million. The increase in revenue was mainly due to the contribution of S\$33.1 million from the yield accretive acquisition of 28 properties on 1 October 2010. Correspondingly, gross profit was up 98% at S\$41.2 million. Gross profit margin has increased from 47% in 2Q 2010 to 56% in 2Q 2011 due to high margins for properties on master leases, and better margins achieved by properties on management contracts as a result of higher rental rates and better cost management.



Independent valuations of the Group's portfolio were carried out as at 30 June 2011. The portfolio was revalued at S\$2.63 billion, resulting in a revaluation surplus of S\$82.8 million. Ascott Reit's net asset value (NAV) per unit as at 30 June 2011 was S\$1.33, an increase of 4% from 31 December 2010.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML or the "Manager") Chairman, said: "Ascott Reit has delivered a robust set of results in 2Q 2011. The yield accretive acquisition of the 28 Asia and Europe properties last year has boosted performance. Ascott Reit's second quarter DPU of 2.33 cents is 25% higher than the same period last year and 16% higher than forecast<sup>1</sup>. We will continue to seek opportunities to expand the portfolio through yield accretive acquisitions."

Mr Chong Kee Hiong, ARTML's Chief Executive Officer, said, "Ascott Reit's portfolio achieved a revenue per available unit (RevPAU) of S\$147 in 2Q 2011, a 17% increase over the same period last year and 7% higher than forecast<sup>1</sup>. This was mainly attributable to the better performance from the Singapore, Indonesia and Australia properties which achieved double digit RevPAU increases. The strong performance from the newly acquired United Kingdom (UK) properties also contributed to the better RevPAU performance."

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<sup>1</sup> Forecast refers to the forecast extracted from the Offer Information Statement dated 13 September 2010 and is based on the assumptions set out in the Offer Information Statement.

“Following the March 2011 earthquake in Japan, Ascott Reit’s 18 rental housing properties, where tenants are mainly local Japanese, have continued to perform well. In addition, occupancy in the two serviced residence properties which cater mainly to an expatriate clientele has picked up in tandem with the improving business conditions in Japan.”

Mr Chong added, “We expect to continue to enjoy RevPAU growth led by Singapore and the UK. We will continue to optimise the yield and value of Ascott Reit’s portfolio through active asset management and asset enhancements. We expect to deliver the forecast<sup>1</sup> distribution of 7.74 cents as disclosed in the Offer Information Statement dated 13 September 2010.”

## SUMMARY OF RESULTS

### 2Q 2011 VS 2Q 2010

	2Q 2011	2Q 2010	Better/ (Worse) +/-
<b>Revenue (S\$ million)</b>	73.1	44.4	+65%
<b>Gross Profit (S\$ million)</b>	41.2	20.8	+98%
<b>Unitholders’ Distribution (S\$ million)</b>	26.3	11.6	+127%
<b>Revenue Per Available Unit (RevPAU) S\$/day</b>	147	126	+17%
<b>DPU (S cents)</b>	2.33	1.87	+25%

- Increase in revenue and gross profit for 2Q 2011 mainly due to the 28 properties acquired on 1 October 2010 (the “Acquisitions”), partially offset by the decrease from the divestment of Ascott Beijing and Country Woods Jakarta (the “Divestments”).
- Gross profit margin has increased from 47% in 2Q 2010 to 56% in 2Q 2011 due to high margins for properties on master leases, and better margins achieved by properties on management contracts as a result of higher rental rates achieved and better cost management.
- Increase in RevPAU for 2Q 2011 mainly due to the existing Singapore properties and the newly acquired UK properties.
- DPU for 2Q 2011 was higher mainly due to the yield accretive acquisition of the 28 properties on 1 October 2010, and better performance from the Singapore properties.

## 2Q 2011 VS FORECAST<sup>1</sup>

	2Q 2011	FORECAST <sup>1</sup>	Better/ (Worse) +/-
<b>Revenue (S\$ million)</b>	73.1	73.4	-
<b>Gross Profit (S\$ million)</b>	41.2	39.5	+4%
<b>Unitholders' Distribution (S\$ million)</b>	26.3	22.7	+16%
<b>Revenue Per Available Unit (RevPAU) S\$/day</b>	147	138	+7%
<b>DPU (S cents)</b>	2.33	2.01	+16%

- Revenue was lower by S\$0.3 million as compared to the forecast<sup>1</sup> as the forecast<sup>1</sup> included a S\$1.1 million contribution from Country Woods Jakarta, which was divested on 29 October 2010. On a same store basis (excluding the revenue from Country Woods Jakarta), revenue was higher by S\$0.8 million or 1% mainly due to higher contribution from serviced residences in Singapore and UK, partially offset by a lower contribution from the serviced residences in Vietnam and Japan.
- Gross profit was higher by S\$1.7 million or 4% as compared to the forecast<sup>1</sup>. On a same store basis (excluding the S\$0.3 million contribution from Country Woods Jakarta in the forecast<sup>1</sup>), gross profit was higher by S\$2.0 million or 5%.
- DPU was higher than the forecast<sup>1</sup> due to higher gross profit mainly from Singapore properties and lower finance costs. Finance costs were S\$1.8 million or 16% lower than the forecast<sup>1</sup> mainly due to lower interest rates achieved as compared to the forecast<sup>1</sup>.

## 1H 2011 VS 1H 2010

	1H 2011	1H 2010	Better/ (Worse) +/-
<b>Revenue (S\$ million)</b>	140.4	87.9	+60%
<b>Gross Profit (S\$ million)</b>	77.5	40.9	+89%
<b>Unitholders' Distribution (S\$ million)</b>	50.3	21.8	+130%
<b>Revenue Per Available Unit (RevPAU) S\$/day</b>	140	124	+13%
<b>DPU (S cents)</b>	4.47	3.53	+27%

- Increase in revenue and gross profit mainly due to the additional revenue of S\$60.6 million and additional gross profit of S\$38.0 million from the Acquisitions, partially offset by the decrease in revenue of S\$9.8 million and gross profit of S\$3.2 million from the Divestments.
- Increase in RevPAU driven by an increase in the average rental rates of the Group's serviced residences.

## **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. For the period of 1 January to 30 June 2011, unitholders can expect to receive their distribution of 4.466 cents per unit on 26 August 2011. The Book Closure Date is on 1 August 2011.

<b>Distribution Period</b>	1 January to 30 June 2011
<b>Distribution Rate</b>	4.466 cents per unit
<b>Last Day of Trading on "cum" Basis</b>	27 July 2011, 5:00pm
<b>Ex-Date</b>	28 July 2011, 9:00am
<b>Book Closure Date</b>	1 August 2011
<b>Distribution Payment Date</b>	26 August 2011

### **About Ascott Residence Trust**

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 or rental housing properties.

Ascott Reit's asset size has more than tripled to about S\$2.73 billion since listing in March 2006. Its international portfolio comprises 64 properties with 6,431 units in 23 cities across 12 countries in Asia Pacific and Europe. Ascott Reit's serviced residence properties are operated under the Ascott, Citadines and Somerset brands, and are mainly located in key gateway cities such as Beijing, Shanghai, Singapore, Tokyo, London, Paris, Berlin, Brussels, Barcelona, Munich, Hanoi, Ho Chi Minh City, Jakarta, Manila, Melbourne and Perth.

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 CapitalLand Limited, one of Asia's largest real estate companies.

For more information about Ascott Reit, please visit <http://www.ascottreit.com>.

### **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.

Investors 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 in Ascott Reit through trading on the SGX-ST. Listing of the units in Ascott Reit on the SGX-ST does not guarantee a liquid market for the units in Ascott Reit.

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