

ASCOTT REIT'S 3Q 2016 DISTRIBUTION PER UNIT RISES 14% TO 2.35 CENTS

Unitholders' distribution up 21% to reach a record high of S\$38.7 million

Singapore, 20 October 2016 – Ascott Residence Trust's (Ascott Reit) distribution per unit (DPU) for 3Q 2016 rose 14% year-on-year to 2.35 cents, the highest DPU registered in the past three years. Unitholders' distribution grew 21% to S\$38.7 million, the highest distribution recorded in a quarter since Ascott Reit was launched 10 years ago. The record high distribution is mainly due to the realised exchange gain of S\$3.3 million from the repayment of foreign currency bank loans with the divestment proceeds from Fortune Garden Apartments.

Boosted by Ascott Reit's acquisitions in 2015 and 2016, revenue increased by 9% to S\$123.9 million and gross profit by 4% to S\$57.5 million. Revenue per available unit (RevPAU) also went up 2% to S\$144.

Mr Bob Tan, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit achieved remarkable growth in DPU and distribution income in 3Q 2016. Unitholders' distribution of S\$38.7 million is the highest ever in any quarter, driven by the quality assets Ascott Reit acquired in the last two years. Ascott Reit's entry into the U.S. last August was a significant milestone. The two prime properties in New York have a high average occupancy of over 90% and they are the biggest contributors to our strong performance. As we mark Ascott Reit's 10th anniversary this year, we remain focused on delivering stable returns to Unitholders through accretive acquisitions as well as active asset and capital management."

Mr Tan added: "Ascott Reit is the largest hospitality REIT in Singapore with an asset size of about S\$5 billion and the most diversified portfolio across 38 cities and 14 countries. Ascott Orchard Singapore recently obtained temporary occupation permit. When our acquisition of Ascott Orchard Singapore is completed next year, our asset size will expand to S\$5.3 billion. We will continue to seek accretive acquisitions in gateway cities in markets such as Australia, Japan, Europe and the U.S."

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "Revenue for Australia grew 27%¹ due to the contribution of Citadines on Bourke Melbourne, which was acquired in July 2015. Our properties in Vietnam also showed signs of improvement with revenue increasing by 2%¹, largely due to higher rent and almost full occupancy of the office component at our properties. Since the announcement of Brexit, business has been stable with occupancies of above 80% for our properties in London, driven by continued demand from corporate travellers on extended stay."

"We continue to actively enhance our assets to maximise returns. We have completed the first phase of renovation at Ascott Makati in August 2016. We expect to complete the refurbishment at Citadines Barbican London, Somerset Ho Chi Minh City and Somerset Millennium Makati

¹ Based on revenue in local currencies.

in 2017.”

Mr Tay added: “We maintain a prudent capital management approach and have kept 80% of our total borrowing on fixed interest rates to mitigate interest rate volatility. We will continue to tap the debt capital market to diversify our funding sources and secure longer term financing at an optimal cost.”

Summary of Results

3Q 2016 vs. 3Q 2015

	3Q 2016	3Q 2015	Change (%)
Revenue (S\$ million)	123.9	113.2	+9%
Gross Profit (S\$ million)	57.5	55.2	+4%
Unitholders’ Distribution (S\$ million)	38.7	32.0	+21%
DPU (S cents)	2.35	2.07	+14%
DPU (S cents) (adjusted for effect of equity placement)	2.35	2.07	+14%
DPU (S cents) (adjusted for one-off item)	2.15	2.15	-
Revenue Per Available Unit (RevPAU) S\$/day	144	141	+2%

- Revenue for 3Q 2016 increased mainly due to the additional revenue of S\$20.0 million from Ascott Reit’s acquisitions in 2015 and 2016.
- Unitholder’s distribution in 3Q 2016 included a realised exchange gain of S\$3.3 million arising from repayment of foreign currency bank loans with the divestment proceeds from Fortune Garden Apartments.
- Unitholders’ distribution in 3Q 2015 included a one-off item of approximately S\$1.2 million.
- RevPAU grew 2% because of the acquisitions in 2015 and 2016.

For Ascott Reit’s 3Q 2016 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 90 properties with 11,619 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.

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