

Ascott Residence Trust

Acquisition of a Hotel Property in Tokyo, Japan

16 October 2014

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- 1 Overview of the Acquisition
- 2 Rationale of the Acquisition
- 3 Impact on Ascott REIT
- 4 Conclusion



Overview of the Acquisition

Ascott Raffles Place Singapore

Overview of the Acquisition

Transaction Details



Hotel property located in Shinjuku-ku, Tokyo

Property	A hotel property situated in Shinjuku-ku, Tokyo ("the Property")
No. of Units	206 units 3 retail units
Gross Floor Area	8,085 sqm
Title	Commercial, Freehold
Seller	Kabushiki Kaisha Oumi, an unrelated third party
Year of Opening	March 2008
Acquisition Price of Property	JPY8.0 billion (\$95.2 ¹ million)
Valuation	JPY8.4 billion ² (\$100.0 ¹ million)
FY2013 Pro Forma EBITDA Yield	4.3% ³
FY2013 Pro Forma DPU Impact	0.6% accretion

Notes:

1. Based on exchange rate of JPY/SGD = 0.0119.
2. Valuation, appointed by DBS Trustee Limited, in its capacity as trustee of Ascott REIT, derived by Savills Japan Co., Ltd. as of 10 September 2014.
3. Based on purchase price of JPY8.0 billion.

Rationale of the Acquisition

Ascott Raffles Place Singapore



Rationale of the Acquisition

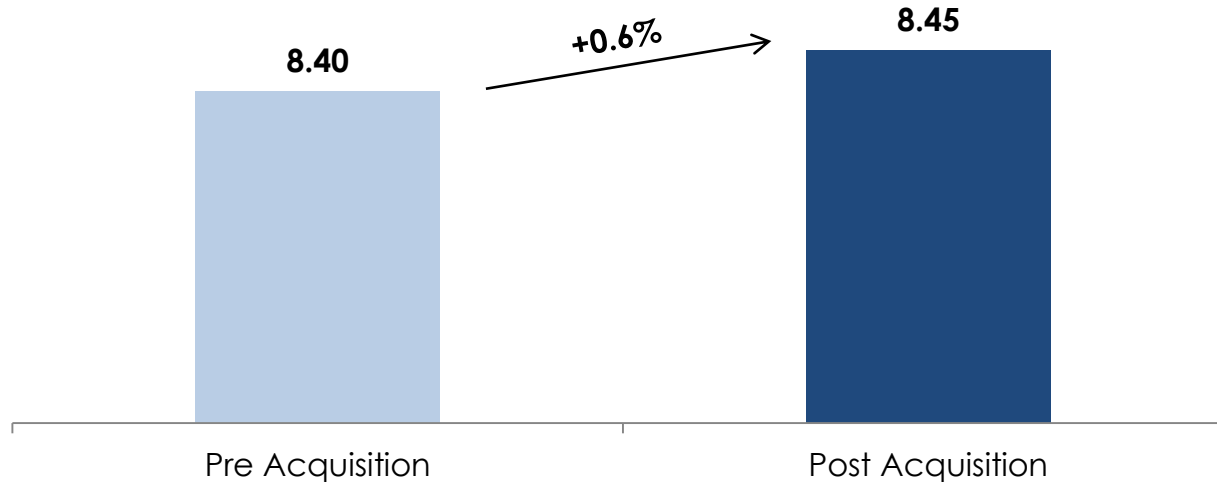
Key Rationale

- 1 Accretive acquisition
- 2 Strengthen presence in recovering hospitality market
- 3 High quality asset in a prime location within Shinjuku, Tokyo
- 4 Rebranding into a Citadines serviced residence to enjoy greater operational efficiency

Rationale of the Acquisition

1 Accretive acquisition

Distribution Per Unit ("DPU") (\$ cents)



FY2013 pro forma DPU will increase by 0.6% from 8.40 cents to 8.45 cents post acquisition.

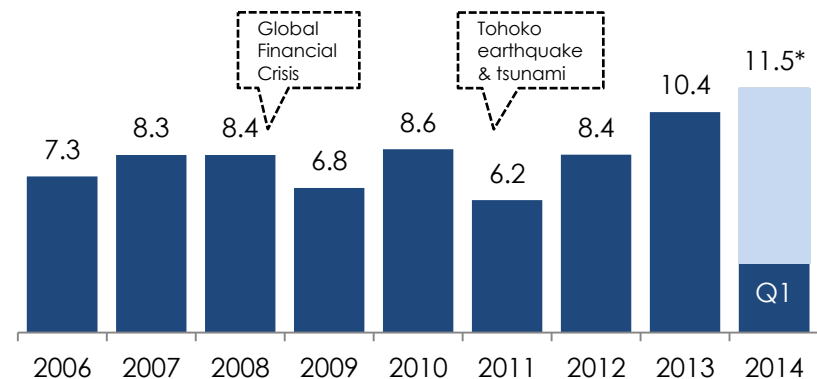
Rationale of the Acquisition

2 Strengthen presence in recovering hospitality market

Rapid growth in visitor arrivals into Japan

- Japan welcomed a record breaking 10 million foreign visitors in 2013.
- For 1Q 2014, visitor arrivals reached an estimated 2.87 million – equivalent to approximately 28% of 2013's total.
- With upcoming Tokyo Olympics and government's action, the plan is to hit 20 million foreign visitors by 2020¹.

Visitor arrivals to Japan (mil)

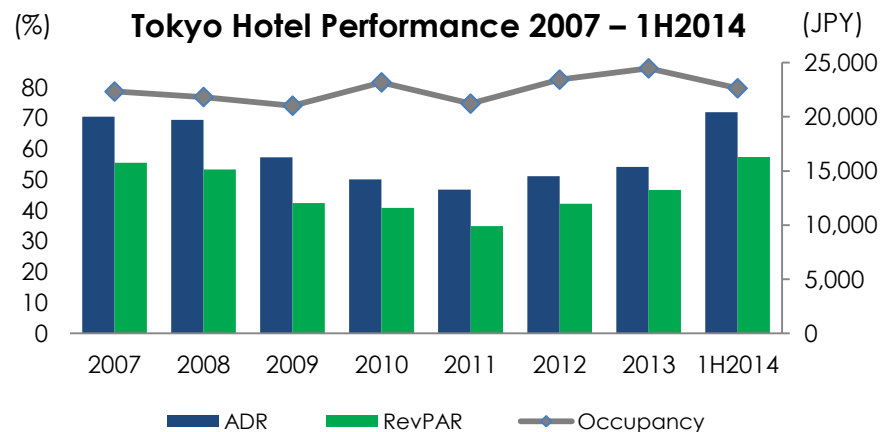


Source: Japan National Tourism Organisation.

* On annualised basis.

Strong recovery in the performance of hospitality sector, particularly within Tokyo

- Average hotel occupancy rates in Tokyo reached 87.1% in March 2014, representing a strong recovery from lows of 70.3% and 72.8% recorded in 2009 and 2011 respectively.
- Average Daily Rates ("ADR") is expected to grow at 5-10% in FY2014².



Source: STR Global Data.

Notes:

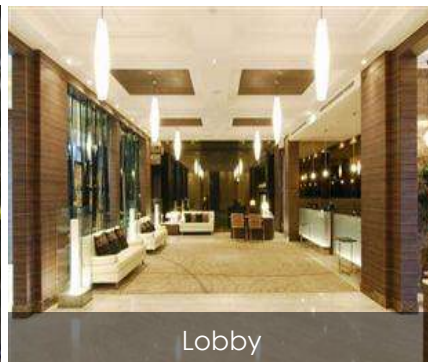
1. Tokyo Metropolitan government.
2. Howarth HTL Japan Hotel Market Sentiment Survey dated April 2014.

Rationale of the Acquisition

3 High quality asset...

Well maintained asset with strong historical operating performance

- In operation since March 2008, The Property has been well maintained, with a proven track record of good operational performance.
- The Property has been operating above 90% occupancy with consistent growth in ADR since 2012.



Rationale of the Acquisition

3 ...in a prime location within Shinjuku, Tokyo

Strategically located in the heart of Shinjuku; next to Shinjuku Station

- The Property is ~7 min walk to Shinjuku Station, the world's busiest transport hub. This major transportation node in Japan is used by an average of 3.6 million commuters per day¹.
- It enjoys good inter-city and intra-city connectivity via railways and metro lines within Shinjuku Station.
- The Property is surrounded by many restaurants, entertainment outlets and department stores such as Isetan and OIOI.



Note:

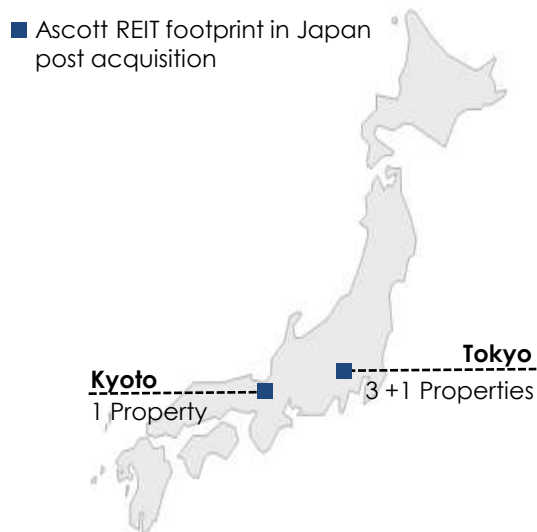
1. Certified by the Guinness Book of World Records.

Rationale of the Acquisition

4 Rebranding into a Citadines serviced residence to enjoy greater operational efficiency

Greater operational efficiency will be achieved through rebranding property into a Citadines serviced residence

- The sponsor, The Ascott Limited, is currently managing three Ascott REIT properties in Japan, namely Citadines Shinjuku Tokyo, Somerset Azabu East Tokyo, and Citadines Karasuma-Goto Kyoto.
- Rebranding allows Ascott REIT to reap greater economies of scale through operational and cost synergies.



Impact on Ascott REIT



Citadines Suites Louvre Paris

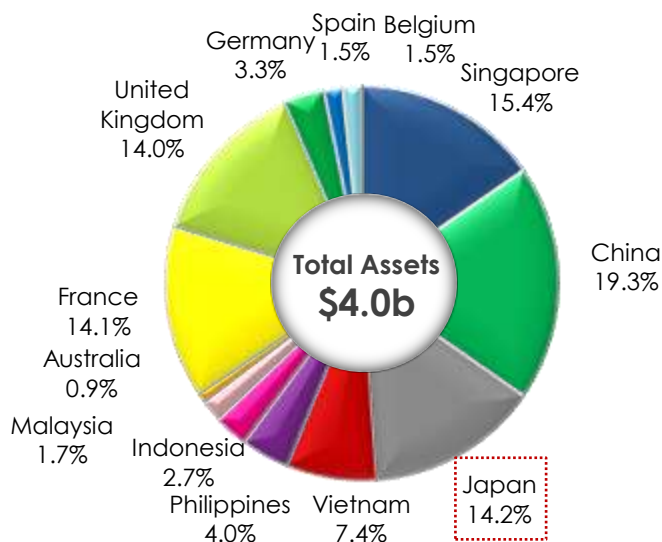
Impact on Ascott REIT

Geographical Diversification

Breakdown of Ascott REIT's Assets by Geography

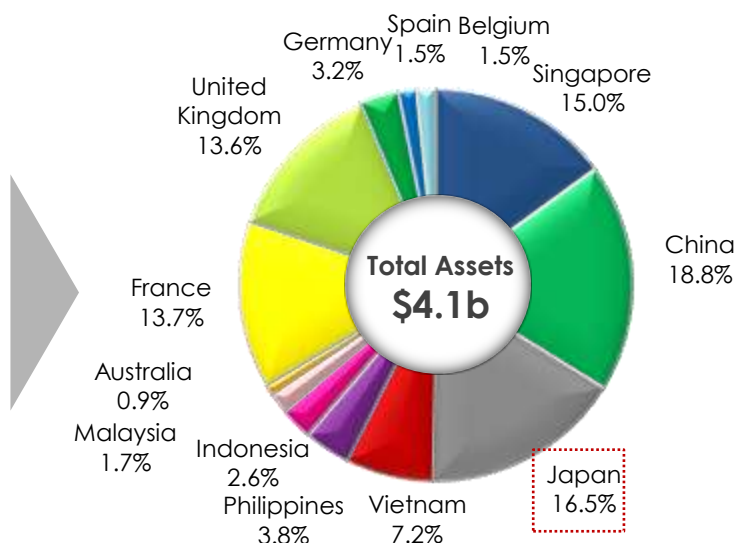
Pre Acquisition¹

- 65.6% in Asia Pacific,
- 34.4% in Europe



Post Acquisition

- 66.5% in Asia Pacific,
- 33.5% in Europe



Presence in Japan will grow from 14.2% to 16.5%

Note:

1. As at 30 June 2014 and including the acquisition of Somerset Ampang Kuala Lumpur, Citadines Zhuanhou Wuhan and Citadines Gaoxin Xi'an completed on 18 August 2014.

Conclusion

Citadines Mount Sophia



Acquisition of a Hotel Property in Tokyo, Japan

1

Accretive acquisition

- FY2013 pro forma DPU accretion of 0.6% from 8.40 cents to 8.45 cents.

2

Strengthen presence in recovering hospitality market

- Rapid growth in visitor arrivals benefitting hospitality sector in Japan, particularly Tokyo.
- Strong RevPAU growth expected with the upcoming Tokyo Olympics and the government's plan to hit 20 million foreign visitors by 2020.

3

High quality asset in a prime location within Shinjuku, Tokyo

- Well maintained asset with strong historical operating performance.
- Conveniently situated next to Shinjuku Station, a major transportation node in Japan.
- Surrounded by many restaurants, entertainment outlets and department stores such as Isetan and OIOI.

4

Rebranding into a Citadines serviced residence to enjoy greater operational efficiency

- Greater operational efficiency can be achieved for Ascott REIT through rebranding property into a Citadines serviced residence.




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Thank you