ASCOTT RESIDENCE TRUST
A Member of CapitaLand

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10 YEARS
A Defining Decade

ASCOTT REIT ADVANCES 10 YEARS OF STELLAR GROWTH WITH ITS SECOND ACQUISITION IN MANHATTAN NEW YORK FOR USD158 MILLION

Singapore's largest hospitality REIT targets U.S. market to constitute up to 20% of asset size by 2017

Singapore, 14 March 2016 – Ascott Residence Trust (Ascott Reit) marked its 10th year anniversary with the acquisition of its second property in New York, the United States of America, for USD158.0 million (S$218.0 million[1]). The 369-unit Sheraton Tribeca New York Hotel is located in the heart of Tribeca, one of the priciest residential neighbourhoods in Manhattan. It is also adjacent to SoHo, a premier retail district close to the financial district. This is Ascott Reit's second acquisition in New York in less than a year.

The accretive acquisition at an EBITDA yield of 6.8% is expected to increase Ascott Reit's distribution income in FY 2015 by USD6.6 million, translating to a rise in distribution per unit from 7.99 cents to approximately 8.11 cents on a pro forma basis.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit has been acquiring quality assets valued at around S$300 million to S$500 million per annum in the past few years and expects to continue with this strong growth momentum. Our latest acquisition in New York will expand Ascott Reit's portfolio to 90 properties with 11,667 apartment units, bringing us a step closer to achieving our target asset size of S$6.0 billion by 2017. Besides the United States of America, we will actively seek accretive acquisitions in key cities of markets such as Australia, Japan and Europe."

Mr Lim added: "Ascott Reit has made remarkable growth over the last 10 years. It was the world's first Pan-Asian serviced residence real estate investment trust when it was listed on the Singapore Stock Exchange in 2006. Today, it is the largest hospitality REIT in Singapore, and with this acquisition, Ascott Reit's asset size will increase to about S$5.0 billion. This represents a compound annual growth rate (CAGR) of 17.8% since Ascott Reit's listing in 2006. We expect our asset size to increase to S$5.4 billion when the acquisition of Ascott Orchard Singapore is completed in 2017. Over the years, Ascott Reit has also achieved strong growth of 18.0% in Unitholders' distribution. We aim to continue delivering stable and growing distributions to Unitholders through our three-pronged growth strategy of acquiring quality assets, actively managing our portfolio of properties to maximise returns as well as prudent capital management."

Mr Ronald Tay, ARTML's Chief Executive Officer, said: "In 4Q 2015, our maiden acquisition in New York, Element New York Times Square West, was the biggest contributor to revenue growth. With our second acquisition in New York, the United States of America will make up 10% of our asset size, and Asia Pacific and Europe will constitute 63% and 27% respectively,

[1] Based on exchange rate of USD1 = S$1.38

as we continue to maintain a balanced portfolio across the various geographies. We target to increase our presence in the United States of America to constitute up to 20% of our asset size by 2017. Our long-term strategy in the United States of America is to acquire a scalable portfolio of stable, operating assets, with an initial target of key gateway cities along the Eastern Seaboard, so as to attain a more significant presence in the country. As the world's financial capital and an international cultural destination, New York continues to draw millions of corporate and leisure travellers all-year round, making it one of the most resilient hospitality markets in the world."

"Demand for quality accommodation is at an all-time high. Visitor arrivals to New York reached a record 58.3 million in 2015. Business travellers account for about 25% of visitors annually, contributing more than 30% of total visitor expenditure, or approximately USD10 billion per year. Revenue Per Available Room (RevPAR) has been growing and occupancy rates are high, especially in key gateway cities like New York. Located close to Downtown Manhattan, where approximately 10 million square feet of class-A office space will open between now and 2018, Sheraton Tribeca New York Hotel will cater to the increasing demand for accommodation from corporate guests. Since 2009, RevPAR of the Downtown Manhattan hospitality market has increased by a healthy CAGR of 3.5% and is expected to grow."

Mr Tay added: "Sheraton Tribeca New York Hotel has been achieving strong occupancy of more than 90% in the past year and average daily rate has been growing steadily since its opening in October 2010. Following the acquisition, the hotel will continue to be managed by FC-Canal Management LLC. The management company is one of the largest hotel operators in New York City, having managed 19 hotels with more than 3,800 rooms in the United States of America. The hotel will continue to be managed under a franchise of the Sheraton brand, one of the leading brands by Starwood Hotels & Resorts Worldwide, Inc."

SoHo, which is north of Sheraton Tribeca New York Hotel, is New York City's premier retail destination, home to the flagship stores of international brands such as Apple, Chanel and Prada as well as corporate headquarters of numerous major corporations and technology companies like Four Square and GroupMe. In recent years, Tribeca has become the most desired address in New York City. A hotspot for the city's trendiest shops, bars and restaurants, the charming neighbourhood around Sheraton Tribeca New York Hotel has become a sought-after walk-to-work location and is popular with creative professionals and tourists. A two-minute walk from the subway station, Sheraton Tribeca New York Hotel is easily accessible and just a few blocks away from unique neighbourhoods like Chinatown and Little Italy. Sheraton Tribeca New York Hotel has two meeting rooms, a fitness centre, Sheraton Club Lounge and a rooftop terrace.

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The acquisition will be partly funded by proceeds to be raised from a private placement of no less than S$100.0 million which Ascott Reit has launched today, and the balance will be funded by debt. Ascott Reit will issue 94,787,000 new units to institutional and other investors at an estimated price of between S$1.055 per unit and S$1.085 per unit. Morgan Stanley is the placement agent and underwriter for the private placement. Morgan Stanley is not advising Ascott Reit or the manager on the acquisition.

Please refer to the Annex for Ascott Reit's transformation over the last 10 years.

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$4.7 billion since it was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in March 2006. Ascott Reit's international portfolio comprises 89 properties with 11,298 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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ANNEX – ASCOTT REIT'S TRANSFORMATION IN 10 YEARS

	March 2006	March 2016	Percentage growth
Market capitalisation	S$0.8 billion	S$1.7 billion	113%
Asset size	S$856 million	S$4.7 billion	449%
No. of units	2,068 units	11,298 units	446%
No. of properties	12 properties	89 properties	642%
No. of cities	7 cities	38 cities	442%
No. of countries	5 countries	14 countries	180%
Geography	Pan Asia	Americas, Asia Pacific and Europe	
	FY 2006	**FY 2015**	
Unitholders' distribution	S$24.6 million	S$123.3 million	401%
Distribution per unit (S cents)	4.86 cents	7.99 cents	64%
Distribution per unit (S cents) (adjusted for one-off items)	4.86 cents	8.06 cents	66%