CapitaLand Investors’ Day
Presentation by Lee Chee Koon
CEO, The Ascott Limited

6 June 2013
Disclaimer

This presentation 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, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.
Content

• Overview
• Businesses Model
• Real Estate
• Hospitality Management
• Recent Transactions and 1Q 2013 Highlights
• Outlook
Overview

Ascott Huai Hai Road Shanghai, China
World’s Largest International Serviced Residence Owner-Operator

- ~31,700 Units
- 220 Properties
- 22 Countries
- 78 Cities
- >5,000 Employees
- >22,300 Operating Units
Track Record of Robust Growth

No. of Apartment Units

Owned/Leased: 18,020 units
Managed for 3rd Party: 13,750 units

CAGR 13%

6,000 15,500 26,400 31,770
2000 2005 2010 1Q 2013
Company Structure

Assets on balance sheet
S$3.0 B (as at 31 Mar ‘13)

Ascott China Fund (ACF)
Owns 45.0%
S$0.7 B

Ascott China Fund (ACF)
Owns 36.1%
S$0.2 B

Real Estate Investments
S$1.6 B

Owned Properties

3rd Party Properties

Properties Managed by

Ascott International Management
(wholly owned subsidiaries of TAL)

Owns 45.0%
S$0.7 B

Owns 36.1%
S$0.2 B

Portfolio:
S$2.8 B

Portfolio:
S$1.1 B

Portfolio:
S$2.8 B

Portfolio:
S$1.1 B
Organisation

**Geographical Sectors**

- Investments, Operations, Asset management
  - Singapore HQ
  - Singapore & Malaysia
  - Philippines & Thailand
  - Indonesia & Australia
  - Vietnam & India
  - North Asia
  - GCC
  - Europe

**Global Operations**

- Provides HQ support to geographical sectors
  - Brand & Marketing
  - Procurement
  - InfoComm Systems
  - Service Quality & Innovation
  - Customer Service
  - Product & Technical Service
### Serviced Residences: An Attractive Asset Class

<table>
<thead>
<tr>
<th>Lease Structure &amp; Terms</th>
<th>Apartments for Rent</th>
<th>Serviced Residences</th>
<th>Hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term leases</td>
<td></td>
<td>Hybrid between hotels and apartments/condominiums</td>
<td>Short-term accommodation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Variable lease terms</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Range of Services</th>
<th>No service provided</th>
<th>Limited services provided</th>
<th>Full range of hospitality services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Role and involvement of property manager less intensive compared to hotels</td>
<td>Including food &amp; beverage (F&amp;B)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Role and involvement of property manager most intensive</td>
</tr>
</tbody>
</table>

| Cost Structure          | Low investment cost  | Low investment cost        | High investment cost              |
|                        | - Unfurnished       | - High building efficiency | - Land (premium location)         |
|                        | - Less common facilities | - No F&B outlets  | - Lower building efficiency (more common facilities) |
|                        | Low operating costs | Low operating costs        | High operating costs              |
|                        | - Minimal staffing  | - Less intensive staffing | - More intensive staffing         |
|                        |                     | requirements as only limited services are provided | requirements due to complete range of services |
|                        |                     | - Lower marketing and maintenance costs as average length of stay is longer | - High maintenance due to significant wear and tear |

| Seasonality             | Dependent on general property sector conditions | Some seasonality of hospitality industry, though longer lease terms provide certain level of rental support | Seasonal nature of hotel industry |
|                        | Correlated to GDP growth and FDI inflows       |                                        | Highly correlated with the tourism industry |
Our Business Model
Ascott’s Value Add

Real Estate Value + Hospitality Fee Income

Enhanced Brand Value

Development stage
• Product quality through design
• Cost discipline

Operations stage
• Branding, Marketing & Sales to achieve higher revenue
• Efficient operations to ensure higher margins
• Higher fee income

Divestment stage
• Stronger cash flow = higher real estate value = higher divestment gains
Ascott’s Business Model

Real Estate
- Capital intensive
- Significant profits from divestment gains

Hospitality
- Operational capabilities
- Drives real estate value creation

Every $1 million of EBITDA improvement creates ~$20 million of real estate value*

- Real Estate and Hospitality Operations are mutually reinforcing
- BOTH are integral to our business
- Combination sets us apart from pure real estate developers and asset light hospitality operators

*Assumes cap rate of 5%
Optimising Real Estate Value

Capital Recycling

Process

Origination: Pipeline of Properties
Development
Completed/Operational SRs

Holding Vehicle

Directly Held
Joint Ventures
Private Equity Funds (Ascott China Fund)
REITs
### Business Overview

Ascott Residence Trust (Ascott Reit) invests primarily in real estate and real estate related assets, which are income-producing and used predominantly as serviced residences or rental housing properties.

### Listing Info

- Listed on SGX-ST in March 2006
- Initial portfolio of 12 Asia Pacific properties from Sponsor, Ascott
- Asia Pacific mandate extended to Global investment mandate in 2010

### Portfolio

- Owns 8,632 apartments in 32 cities across 12 countries in Asia Pacific and Europe
- Operates under Ascott, Citadines and Somerset Brands

### Portfolio Value

- S$2.8 billion
  - as at 31 March 2013

### Market Cap

- S$1.7 billion
  - as at 31 May 2013
Divestment of Assets to Ascott Reit

S$3.2 billion Assets divested to Ascott Reit since 2006

- 40.0% stake in Somerset Roppongi Tokyo (S$21 million)
- 40.2% stake in Somerset Chancellor Court Ho Chi Minh City (S$28 million)
- 70% stake in Somerset West Lake (S$21 million)
- 2 Asian and 26 European properties (S$1.39 billion)
- 36.1% stake in Somerset Heping Shenyang (S$31 million)
- 36.1% stake in Citadines Biyun Shanghai (S$23 million)
- Citadines Xinghai Suzhou (S$23 million)
- 11 Rental Housing Properties in Japan (S$102 million)
- 12 properties in 5 countries (S$856 million)
- Ascott Raffles Place Singapore, Ascott Guangzhou, New Cairnhill SR3 (S$711 million)

2. As announced on 2 May 2013 and to be completed in Q2 2013
3. To be completed in 2017
Ascott China Fund (ACF) - 36.1% ownership

• US$500 m private equity fund to invest in serviced residence projects in China
• Fund is fully invested
• Portfolio of 11 properties with about 2,215 apartment units
  – Mainly in 2nd tier cities including Tianjin, Chengdu, Chongqing, Shenyang, Shenzhen, Wuhan and Xi’an
• Maiden divestment of Citadines Biyun Shanghai for S$53.8m and Somerset Heping Shenyang for S$59.4m to Ascott Reit expected to be completed by 2Q 2013
Ascott’s Edge - Scale

Leverage on scale to extend our pole position in the SR industry

- Large offering to customers
  - Apartment types
  - Geography
- First and only SR company to have its own GDS code
  - Ascott Direct Channels account for ~40% of Total Revenue
  - More than 73,000 corporate clients and 1,400 global accounts
  - 4 reservation centres operating in Asia & Europe
- First SR company to offer ‘Best Rate Guarantee’
- First SR company to partner airline loyalty programmes
Award Winning Hospitality Brand

More than 100 awards since 2008

- Best Serviced Apartment Company
- Best Serviced Residence: Somerset Serviced Residence
  - *Business Traveller Middle East*, 2010
- Best Serviced Residence Brand in China
- Best Serviced Residence/ Residence Operator
  - *DestinAsian Readers’ Choice Awards*, 2008 - 2013
- Best Serviced Residence Operator
  - *TTG Travel Awards*, 2005 - 2012
Recent Transactions and 1Q 2013 Highlights
Recent Transactions

- Divestment of 3 China properties and 11 Japan properties to Ascott Reit
  - Divestment proceeds of $92 mil
  - Divestment gain of $15 mil
- Ascott will continue to manage the properties
- Expected completion in 2Q 2013

China
- Somerset Heping Shenyang
- Citadines Biyun Shanghai
- Citadines Xinghai Suzhou

Japan
- Actus Hakata V-Tower
- Big Palace Kita 14jo
- Grand Mire Miyamachi
- Grand Mire Shintera
- Gravis Court Kakomachi
- Gravis Court Kokutaiji
- Gravis Court Nishi-haraekimae
- Grand E’terna Saga
- Grand E’terna Saga Idaidori
- Grand E’terna Nijojoma
- Grand E’terna Chioninmae
1Q 2013 Business Highlights

- Secured 4 new management contracts
  - >600 units across China, Vietnam and Malaysia
- Opened 2 properties
  - >200 units across Paris and Indonesia
- Overall RevPAU remained stable at S$109
  - Growth across China (+4%), Europe (+2%), and Gulf region and India (+2%)
• Entered into strategic alliance with Yuexiu Property to drive expansion plans in China
  - Yuexiu Property will acquire and develop serviced residences in China, and Ascott will manage the serviced residences

• Increased Ascott’s profile in North America through marketing partnerships in the U.S. with AKA
1Q 2013 Business Highlights – cont’d

• Strengthened leadership position in Indonesia
  - Opened first Citadines in Indonesia

• Opened first boutique-style luxury residence under the Citadines Suites label
  - 51-unit Citadines Suites Louvre Paris
Outlook

• **Active portfolio management of owned properties**
  - S$1.1 billion of operating assets* with more than 6,800 apartment units
  - About SS$0.9 billion assets under development* with about 1,900 apartment units

• **Continue to grow Ascott Reit**
  - Platform for holding stable yielding assets

• **Improve the quality of portfolio through new investments and asset enhancement initiatives**
  - Focus on growing in existing markets to deepen presence e.g. Indonesia, Malaysia, key cities in Europe
  - Study new markets
  - Explore more PE funds to accelerate investments in key markets

• **Leverage on brand equity to increase hospitality fee income**

*Ascott’s share of asset values for properties owned directly. Includes properties which are 100% owned, majority owned and properties which Ascott has a minority stake in.
2013 and beyond

Growth through investments and MA in existing and new markets

Leverage on brand equity

Continue Recycling Capital for Optimal Returns

Enhance products and branding

Target By 2015: 40,000 units

- 2012: 31,608 units
- 2013: 31,608 units
- 2014: (No data)
- 2015: 40,000 units
Thank You