ASCOTT RESIDENCE TRUST

ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2008
TABLE OF CONTENTS

Summary of Group Results

	3Q 2008 S$'000	3Q 2007 S$'000	Better/ (Worse) %	YTD Sep 2008 S$'000	YTD Sep 2007 S$'000	Better/ (Worse) %
Revenue	53,045	42,347	25	144,659	111,946	29
Gross Profit	27,853	18,691	49	74,559	50,547	48
Unitholders' Distribution	15,858	12,033	32	43,344	32,223	35
Distribution Per Unit (cents)	2.61	1.99	31	7.12	5.58	28

INTRODUCTION

Ascott Residence Trust ("Ascott Reit") was established under a trust deed dated 19 January 2006 entered into between Ascott Residence Trust Management Limited (as manager of ART) (the "Manager") and DBS Trustee Limited (as trustee of ART) (the "Trustee").

Ascott Reit's objective is to invest 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 in the Pan-Asian Region.

Ascott Reit was directly held by The Ascott Group Limited up to and including 30 March 2006 (the "Private Trust"). On 31 March 2006 (the "Listing Date"), Ascott Reit was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") with an initial portfolio of 12 properties ("Initial Properties") with 2,068 apartment units in 7 cities across five countries (Singapore, China, Indonesia, the Philippines and Vietnam).

In June 2008, Ascott Reit completed the acquisition of a 100% interest in Somerset St Georges Terrace in Perth, Australia. At 30 September 2008, Ascott Reit's portfolio comprises 37 properties with 3,552 apartment units in 11 cities across seven countries (Singapore, Australia, China, Indonesia, Japan, the Philippines and Vietnam).

As disclosed in the prospectus dated 6 March 2006 (the "Prospectus"), Ascott Reit will distribute at least 90% of its taxable income (other than gains on the sale of real properties or shares by Ascott Reit which are determined to be trading gains) and Net Overseas Income, with the actual level of distribution to be determined at the Manager's discretion. For FY 2008, similar to previous years, Ascott Reit will continue to distribute 100% of its taxable income and Net Overseas Income. Ascott Reit will make distributions to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions, when paid, will be in Singapore dollar.

1(a)(i) CONSOLIDATED STATEMENT OF TOTAL RETURN

	Note	GROUP 3Q 2008 S$'000	GROUP 3Q 2007 S$'000	Better / (Worse) % +/-	GROUP YTD Sep 2008 S$'000	GROUP YTD Sep 2007 S$'000	Better / (Worse) % +/-
Revenue	A.1	53,045	42,347	25	144,659	111,946	29
Direct expenses	A.2	(25,192)	(23,656)	-6	(70,100)	(61,399)	-14
Gross Profit	A.1	27,853	18,691	49	74,559	50,547	48
Finance income		259	209	24	753	633	19
Other operating income		209	107	95	599	646	-7
Finance costs	A.3	(5,605)	(4,145)	-35	(15,025)	(11,733)	-28
Manager's management fees		(2,140)	(1,589)	-35	(6,019)	(4,341)	-39
Trustee's fee		(50)	(48)	-4	(151)	(124)	-22
Professional fees		(237)	(331)	+28	(983)	(659)	-49
Audit fees		(248)	(182)	-36	(650)	(389)	-67
Foreign exchange (loss) / gain - realised		(389)	(48)	-710	(530)	119	n.m.
Other operating expenses		(364)	(232)	-57	(706)	(428)	-65
Share of (loss) / profit of associates (net of tax)		-	19	-100	(43)	114	n.m.
Net income before change in fair value of financial derivative and unrealized foreign exchange loss		**19,288**	**12,451**	**55**	**51,804**	**34,385**	**51**
Net change in fair value of financial derivative	A.4	2,816	(2,814)	n.m.	(1,300)	(5,843)	78
Foreign exchange gain / (loss) - unrealised	A.5	2,829	2,750	3	(1,617)	5,384	n.m.
Total return for the period before tax		**24,933**	**12,387**	**101**	**48,887**	**33,926**	**44**
Income tax expense	A.6	(4,428)	(2,395)	-85	(10,183)	(6,514)	-56
Total return for the period after tax		**20,505**	**9,992**	**105**	**38,704**	**27,412**	**41**
Minority interests		(1,400)	(1,346)	-4	(4,365)	(3,597)	-21
Total return for the period attributable to unitholders before distribution		**19,105**	**8,646**	**121**	**34,339**	**23,815**	**44**
Distribution to Unitholders from operations							
- Period from 1/7/06 to 31/12/06		-	-		-	(8,950)	
- Period from 1/1/07 to 25/3/07		-	-		-	(2,203)	
- Period from 26/3/07 to 30/6/07		-	(1,775)		-	(1,775)	
- Period from 1/7/07 to 31/12/07		-	-		(24,855)	-	
- Period from 1/1/08 to 30/6/08		(6,521)	-		(6,521)	-	
Total return for the period attributable to Unitholders after distribution		**12,584**	**6,871**	**83**	**2,963**	**10,887**	**-73**

RECONCILIATION OF TOTAL RETURN FOR THE PERIOD ATTRIBUTABLE TO UNITHOLDERS TO TOTAL UNITHOLDERS' DISTRIBUTION

	Note	GROUP 3Q 2008 S$'000	GROUP 3Q 2007 S$'000	Better / (Worse) % +/-	GROUP YTD Sep 2008 S$'000	GROUP YTD Sep 2007 S$'000	Better / (Worse) % +/-
Total return for the period attributable to unitholders before distribution		19,105	8,646	121	34,339	23,815	44
Net effect of non-tax deductible / chargeable items and other adjustments	A.7	(3,247)	3,387	n.m.	9,005	8,408	7
Total amount distributable to Unitholders for the period		**15,858**	**12,033**	**32**	**43,344**	**32,223**	**35**
Comprises :							
- from operations		10,968	12,033		17,489	16,011	
- from unitholders' contributions		4,890	-		25,855	16,212	
		15,858	**12,033**	**32**	**43,344**	**32,223**	**35**

1(a)(ii) Explanatory Notes to Consolidated Statement of Total Return

A.1 Revenue and Gross profit

Revenue in 3Q 2008 increased by S$10.7 million (25%) to S$53.0 million. Gross profit in 3Q 2008 increased by S$9.2 million (49%) to S$27.9 million. The strong operating performance was due to both organic growth across the portfolio, particularly in Singapore and China, and contribution from the newly-acquired properties subsequent to 3Q 2007. On a same store basis, Ascott Reit's portfolio grew strongly with revenue increasing by S$7.1 million (17%) to S$49.4 million and gross profit increasing by S$7.4 million (40%) to S$26.1 million. The new acquisitions after 3Q 2007 contributed S$3.6 million revenue and S$1.8 million gross profit in 3Q 2008.

Refer to Para 8(i)(a) for more detailed analysis.

A.2 Direct expenses include the following items:

	GROUP 3Q 2008 S$'000	GROUP 3Q 2007 S$'000	Better / (Worse) % +/-	GROUP YTD Sep 2008 S$'000	GROUP YTD Sep 2007 S$'000	Better / (worse) % +/-
Depreciation and amortisation	(1,372)	(2,779)	51	(3,955)	(6,263)	37
Staff costs	(4,440)	(4,084)	-9	(12,653)	(11,020)	-15

A.3 Finance costs

Finance costs for 3Q 2008 increased by S$1.5 million as compared to 3Q 2007. This was mainly due to additional bank loans taken up for acquisition of new properties subsequent to 3Q 2007.

A.4 Net change in fair value of financial derivative

The 3Q 2008 gain of $2.8 million relates to unrealised changes in the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US$ bank loan to S$ bank loan at the Group level. The corresponding translation effect to the Group arising on the underlying US$ bank loan was an unrealised foreign exchange gain of S$1.3 million taken to the Statement of Total Return (refer to Para A.5). Hence, the net impact on the Group's net asset value was an increase of S$4.1 million.

A.5 Foreign exchange gain / (loss) - unrealized

The foreign exchange gain recognised in 3Q 2008 was mainly due to (1) unrealized revaluation gain on foreign currency shareholder's loans, mainly denominated in US Dollar ("US$"), extended to the Group's subsidiaries, as a result of the appreciation of the US$ against S$, (2) unrealized revaluation gain on US$ bank loans in subsidiaries' books, as a result of the depreciation of US$ against RMB and partly offset by (3) unrealized revaluation loss on US$ shareholder's loan in Philippines subsidiary's books, as a result of the appreciation of US$ against Peso.

A.6 Income tax expense

Taxation for 3Q 2008 was higher by S$2.0 million as compared to the corresponding period last year. This was mainly due to higher operating profit achieved and the unrealized revaluation gain on US$ bank loan recorded in a China subsidiary's books (refer to Para A.5), which is taxable in China.

A.7 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following items:

	GROUP			GROUP		
	3Q 2008 S$'000	3Q 2007 S$'000	Better / (Worse) % +/-	YTD Sep 2008 S$'000	YTD Sep 2007 S$'000	Better / (Worse) % +/-
Trustee's fees*	12	14	14	37	36	-3
Depreciation (net of MI)	1,264	2,636	52	3,640	5,876	38
Net change in fair value of financial derivative (Note A.4)	(2,816)	2,814	n.m.	1,300	5,843	78
Unrealised exchange (gain) / loss (Note A.5)	(2,829)	(2,750)	3	1,617	(5,384)	n.m.
Manager's management fee payable partially in units	1,069	794	-35	3,009	2,170	-39

* This relates to the Singapore properties only and is not tax deductible.

1(b)(i) BALANCE SHEET

	Note	GROUP		REIT	
		30/9/08 S$'000	31/12/07 S$'000	30/9/08 S$'000	31/12//07 S$'000
Non-Current Assets					
Plant and equipment		25,526	21,271	3,456	3,427
Serviced residence properties	1(b)(ii)	1,594,698	1,559,202	400,123	399,973
Interest in subsidiaries		-	-	105,827	106,121
Interest in associate		3,454	3,591	3,963	4,057
Deferred tax assets		2,546	2,436	-	-
		1,626,224	**1,586,500**	**513,369**	**513,578**
Current Assets					
Inventories		533	438	-	-
Trade receivables		5,876	10,545	1,401	1,411
Other receivables and deposits	1(b)(iii)	24,650	27,097	623,559	610,154
Cash and bank balances	1(b)(iv)	49,547	64,515	3,930	12,636
		80,606	**102,595**	**628,890**	**624,201**
Total Assets		**1,706,830**	**1,689,095**	**1,142,259**	**1,137,779**
Non-Current Liabilities					
Interest bearing liabilities	1(b)(v)	(468,813)	(365,461)	(135,346)	(121,446)
Financial derivatives	1(b)(vi)	(15,499)	(13,966)	(14,295)	(12,996)
Deferred tax liabilities		(13,395)	(13,932)	-	-
Minority interests		(66,018)	(65,672)	-	-
Net assets attributable to unitholders	1(d)(i)	(961,463)	(972,941)	(870,899)	(916,040)
		(1,525,188)	**(1,431,972)**	**(1,020,540)**	**(1,050,482)**
Current Liabilities					
Trade payables		(2,948)	(3,606)	(57)	(75)
Other payables	1(b)(vii)	(64,724)	(74,659)	(36,557)	(28,365)
Interest bearing liabilities	1(b)(v)	(108,805)	(176,256)	(84,553)	(58,380)
Provision for taxation		(5,165)	(2,602)	(552)	(477)
		(181,642)	**(257,123)**	**(121,719)**	**(87,297)**
Total Liabilities		**(1,706,830)**	**(1,689,095)**	**(1,142,259)**	**(1,137,779)**

1(b)(ii) Serviced residence properties

The increase in the Group's serviced residence properties as at 30 September 2008 was mainly due to the acquisition of Somerset St Georges Terrace in Perth. The increase was partially offset by the foreign currency differences arising from translating the Group's overseas serviced residence properties, held by subsidiaries with non-Singapore dollar functional currencies, to Singapore dollar at lower exchange rates as a result of the weakening of these foreign currencies, particularly US Dollar, against Singapore dollar.

1(b)(iii) Other receivables and deposits

The REIT's other receivables and deposits relate mainly to shareholder's loans to its subsidiaries.

1(b)(iv) Cash and bank balances

The decrease in the Group's cash and bank balances as at 30 September 2008 was mainly due to distribution to unitholders on 28 February 2008 and 28 August 2008 for the period 1 July 2007 to 31 December 2007 and 1 January 2008 to 30 June 2008 respectively.

1(b)(v) Interest bearing liabilities

		GROUP		REIT	
		30/9/08	31/12/07	30/9/08	31/12/07
		S$'000	S$'000	S$'000	S$'000
Amount repayable in one year or less or on demand					
- Secured		24,252	8,319	-	-
- Unsecured		84,603	169,056	84,603	58,380
Less: Unamortised fees and expenses incurred for debt raising exercises		(50)	(1,119)	(50)	-
		108,805	176,256	84,553	58,380
Amount repayable after one year					
- Secured		471,914	366,693	135,665	121,864
Less: Unamortised fees and expenses incurred for debt raising exercises		(3,101)	(1,232)	(319)	(418)
		468,813	365,461	135,346	121,446
Total	(1)	**577,618**	**541,717**	**219,899**	**179,826**

(1) The increase in the Group's borrowings as at 30 September 2008 was mainly due to additional bank loan drawn down mainly for the acquisition of Somerset St Georges Terrace, Perth.

Details of collateral

The borrowings of the Group are generally secured by:

- Mortgage on subsidiaries' serviced residence properties and the assignment of the rights, titles and interests with respect to the properties
- Assignment of rental proceeds of the properties and insurance policies relating to the properties
- Pledge of shares of some subsidiaries
- Corporate guarantee from the Reit

Capital Management

As at 30 September 2008, the Group's gearing was 34.9 percent, well within the 60 percent gearing limit allowable under MAS property fund guidelines, with an average cost of debt of 3.3 percent and a healthy interest cover of 5.1 times. More than 70 percent of the Group's debt is on fixed rate as the Group has consistently taken a conservative approach to capital management.

The Group has approximately S$84.6 million or approximately 15 percent of its total debt due for refinancing in the fourth quarter of 2008. It has sufficient cash and bank facilities to meet these refinancing needs.

More than 80 percent of the Group's total debt are only due for refinancing in 2011 and beyond,

1(b)(vi) Financial derivative

The financial derivative of S$15.5 million provision relates to the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US$ bank loan to S$ bank loan at the Group level, and the fair value of interest rate swaps, entered into by three subsidiaries to hedge floating rate loans.

1(b)(vii) Other payables

The decrease in the Group's other payables was mainly due to the payment made in the first nine months of 2008 for the costs accrued as at 31 December 2007 for the acquisition of 18 rental housing properties.

1(c) CONSOLIDATED CASH FLOW STATEMENT

	Note	GROUP			
		3Q 2008 S$'000	3Q 2007 S$'000	YTD Sep 2008 S$'000	YTD Sep 2007 S$'000
Operating Activities					
Total return for the period before tax		24,933	12,387	48,887	33,926
Adjustments for:					
Depreciation and amortization	A.2	1,372	2,779	3,955	6,263
(Gain) / Loss on disposal of plant and equipment		(5)	105	5	108
Finance costs		5,605	4,145	15,025	11,733
Finance income		(259)	(209)	(753)	(633)
Manager's management fees payable / paid partially in units		1,069	794	3,009	2,170
Foreign exchange (gain) / loss - unrealised		(2,829)	(2,750)	1,617	(5,384)
Net change in fair value of financial derivative		(2,816)	2,814	1,300	5,843
Share of loss / (profit) of associate		-	(19)	43	(114)
Operating profit before working capital changes		**27,070**	**20,046**	**73,088**	**53,912**
Changes in working capital	1	(2,603)	(655)	(8,678)	(9,350)
Cash generated from operations		**24,467**	**19,391**	**64,410**	**44,562**
Income tax paid		(3,588)	(2,289)	(9,873)	(7,898)
Cash flows from operating activities		**20,879**	**17,102**	**54,537**	**36,664**
Investing Activities					
Acquisition of plant and equipment		(3,465)	(3,243)	(8,199)	(5,982)
Acquisition of subsidiaries, net of cash acquired		-	-	-	(123,078)
Acquisition of serviced residence properties		-	-	(37,939)	(86,571)
Acquisition of associate		-	-	-	-
Capital expenditure on serviced residence properties		(880)	(3,121)	(1,326)	(7,075)
Interest received		1,418	2,970	2,118	6,383
Proceeds from sale of plant and equipment		10	1,096	12	1,133
Cash flows from investing activities		**(2,917)**	**(2,298)**	**(45,334)**	**(215,190)**
Financing Activities					
Distribution to unitholders		(27,500)	(12,702)	(52,355)	(35,088)
Dividend paid to minority shareholders		(2,451)	(1,658)	(2,582)	(2,267)
Interest paid		(7,050)	(8,115)	(16,674)	(17,844)
Proceeds from bank borrowings		124,003	2,866	189,644	50,897
Proceeds from issue of new units		974	1,653	2,721	201,995
Repayment of bank borrowings		(117,070)	(2,665)	(144,194)	(4,480)
Cash flows from financing activities		**(29,094)**	**(20,621)**	**(23,440)**	**193,213**
(Decrease) / Increase in cash & cash equivalents		**(11,132)**	**(5,817)**	**(14,237)**	**14,687**
Cash and cash equivalents at beginning of the period		**59,798**	**56,208**	**64,515**	**36,267**
Effect of exchange rate changes on balances held in foreign currencies		881	377	(731)	(186)
Cash and cash equivalents at end of the period		**49,547**	**50,768**	**49,547**	**50,768**

Footnotes

(1) *The negative changes in working capital were mainly due to repayment of amounts owing to related parties, payment of acquisition costs and partial payment of manager's management fees.*

1(d)(i) **NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

	Note	GROUP 3Q 2008 S$'000	GROUP 3Q 2007 S$'000	GROUP YTD Sep 2008 S$'000	GROUP YTD Sep 2007 S$'000
Unitholders' Contribution					
Balance as at beginning of period		811,817	818,983	810,070	633,597
Issue of new units		974	1,653	2,721	201,995
Issue expenses		-	-	-	(3,723)
Distribution to Unitholders		(20,979)	(10,927)	(20,979)	(22,160)
Balance as at end of period		**791,812**	**809,709**	**791,812**	**809,709**
Operations					
Balance as at beginning of period		163,659	30,167	173,280	26,151
Change in net assets attributable to unitholders resulting from operations after distribution		12,584	6,871	2,963	10,887
Transfer to capital reserve		-	(66)	-	(66)
Balance as at end of period		**176,243**	**36,972**	**176,243**	**36,972**
Foreign Currency Translation Reserve					
Balance as at beginning of period		(20,272)	(4,880)	(9,919)	2,064
Translation differences relating to financial statements of foreign subsidiaries		14,388	1,351	4,035	(5,593)
Balance as at end of period		**(5,884)**	**(3,529)**	**(5,884)**	**(3,529)**
Capital Reserve					
Balance as at beginning of period		468	-	480	-
Transfer from Operations		-	66	-	66
Translation adjustment		27	-	15	-
Balance as at end of period		**495**	**66**	**495**	**66**
Hedging Reserve					
Balance as at beginning of period		(354)	538	(970)	-
Change in fair value of financial derivative		(849)	(811)	(233)	(273)
Balance as at end of period		**(1,203)**	**(273)**	**(1,203)**	**(273)**
Net Assets Attributable to Unitholders	1(b)(i)	**961,463**	**842,945**	**961,463**	**842,945**

1(d)(i) **NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

	Note	REIT 3Q 2008 S$'000	REIT 3Q 2007 S$'000	REIT YTD Sep 2008 S$'000	REIT YTD Sep 2007 S$'000
Unitholders' Contribution					
Balance as at beginning of period		811,817	818,983	810,070	633,597
Issue of new units		974	1,653	2,721	201,995
Issue expenses		-	-	-	(3,723)
Distribution to Unitholders		(20,979)	(10,927)	(20,979)	(22,160)
Balance as at end of period		**791,812**	**809,709**	**791,812**	**809,709**
Operations					
Balance as at beginning of period		65,931	(9,780)	105,970	9,077
Change in net assets attributable to unitholders resulting from operations after distribution		13,156	10,555	(26,883)	(8,302)
Balance as at end of period		**79,087**	**775**	**79,087**	**775**
Net Assets Attributable to Unitholders	**1(b)(i)**	**870,899**	**810,484**	**870,899**	**810,484**

1(d)(ii) **Details of any change in the units**

	REIT 3Q 2008 '000	REIT 3Q 2007 '000	REIT YTD Sep 2008 '000	REIT YTD Sep 2007 '000
Balance as at beginning of period	607,530	604,735	606,227	498,639
Issue of new units :				
- payment of Manager's management fees	881	790	2,184	1,441
- payment of Manager's acquisition fee	-	136	-	247
- equity fund raising on 26 March 2007	-	-	-	105,334
Balance as at end of period	**608,411**	**605,661**	**608,411**	**605,661**

2. Whether the figures have been audited, or reviewed and in accordance with the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements)

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the period ended 31 December 2007.

5. If there are any changes in the accounting policies and methods of computation required by an accounting standard, what has changed, as well as the reasons for the change

Nil

6. Earnings per unit ("EPU") and distribution per unit ("DPU") for the financial period

In computing the EPU, the weighted average number of units for the period is used for the computation.

In computing the DPU, the number of units as at the end of each period is used for the computation.

Earnings per unit (EPU)(cents)	**3Q 2008**	**3Q 2007**		**YTD Sep 2008**	**YTD Sep 2007**
Number of units on issue at end of period	608,411,063	605,660,868		608,411,063	605,660,868
Weighted average number of units for the period	608,114,288	605,224,836		607,290,461	572,381,317
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	3.14	1.43		5.65	4.16

The diluted EPU is the same as the basic EPU as there were no dilutive instruments in issue during the period.

Distribution per unit (DPU)(cents)	**3Q 2008**	**3Q 2007**		**YTD Sep 2008**	**YTD Sep 2007**
Number of units on issue at end of period	608,411,063	605,660,868		608,411,063	605,660,868
DPU (cents) – Basic and diluted	2.61	1.99		7.12	5.58

The diluted DPU is the same as the basic DPU as there were no dilutive instruments in issue during the period.

7. Net asset value ("NAV") backing per unit based on issued units at the end of the period

	Group		**REIT**	
	30/9/08	**31/12/07**	**30/9/08**	**31/12/07**
NAV per unit ($)	1.58	1.60	1.43	1.51

8(i) GROUP PERFORMANCE REVIEW

8(i)(a) Revenue and Gross Profit Analysis – 3Q 2008 vs. 3Q 2007

	Ref	Revenue				Ref	Gross Profit				REVPAU Analysis		
		3Q 2008	3Q 2007	Better/ (Worse)			3Q 2008	3Q 2007	Better/ (Worse)		3Q 2008	3Q 2007	Better / (worse) +/-
		S$'M		S$'M	%		S$'M		S$'M	%	S$/day	S$/day	%
Singapore		9.6	7.8	1.8	*23*		5.7	4.2	1.5	*36*	262	200	*31*
Australia		2.3	0.4	1.9	*475*		0.5	0.1	0.4	*400*	152	93	*63*
China		16.7	10.2	6.5	*64*		9.4	4.3	5.1	*119*	223	144	*55*
Indonesia		5.0	5.4	(0.4)	*-7*		1.6	2.1	(0.5)	*-24*	73	78	*-6*
Japan		4.1	2.0	2.1	*105*		2.6	0.9	1.7	*189*	148*	141*	*5*
Philippines		6.5	8.1	(1.6)	*-20*		2.6	2.0	0.6	*30*	132	149	*-11*
Vietnam		8.8	8.4	0.4	*5*		5.5	5.1	0.4	*8*	140	135	*4*
	A.1	**53.0**	**42.3**	**10.7**	***25***	**A.1**	**27.9**	**18.7**	**9.2**	***49***	**163**	**135**	***21***

** refers to serviced residences in Japan, excludes rental housing*

Revenue in 3Q 2008 increased by S$10.7 million (25%) to S$53.0 million. Gross profit in 3Q 2008 increased by S$9.2 million (49%) to S$27.9 million. The strong operating performance was due to both organic growth across the portfolio, particularly in Singapore and China, and contribution from the newly-acquired properties subsequent to 3Q 2007. On a same store basis, Ascott Reit's portfolio grew strongly with revenue increasing by S$7.1 million (17%) to S$49.4 million and gross profit increasing by S$7.4 million (40%) to S$26.1 million. The new acquisitions after 3Q 2007 contributed S$3.6 million revenue and S$1.8 million gross profit in 3Q 2008.

We achieved an overall REVPAU of S$163 in 3Q 2008, an increase of 21% as compared to 3Q 2007. With overall portfolio occupancy remaining high at 81%, the growth in REVPAU was mainly driven by an increase in average daily rates in most markets. Serviced residence operations in Singapore, Australia and China achieved double-digit REVPAU growth in 3Q 2008 as compared to the corresponding period.

In Singapore, the Group's serviced residences continued to put in a strong performance. Revenue increased by S$1.8 million or 23% as compared to 3Q 2007. Overall REVPAU increased by 31% from S$200 in 3Q 2007 to S$262 in 3Q 2008. With the continuation of strong demand for accommodation as a result of increased business activities in Singapore, the Group increased its average daily rates while maintaining occupancy above 90%. As a result, the gross profit of Singapore operations in 3Q 2008 exceeded that of 3Q 2007 by 36%.

For Australia, revenue and gross profit in 3Q 2008 increased by S$1.9 million and S$0.4 million respectively. These increases were due to the inclusion of Somerset St Georges Terrace in the portfolio and higher average daily rates achieved. Overall REVPAU increased by 63% from S$93 in 3Q 2007 to S$152 in 3Q 2008.

For the Group's serviced residences in China, revenue increased by 64% in 3Q 2008 as compared to 3Q 2007. Overall REVPAU increased from S$144 in 3Q 2007 to S$223 in 3Q 2008. This was mainly due to Beijing Olympics held in August 2008. In line with the increased revenue, gross profit in 3Q 2008 was higher than 3Q 2007 by S$5.1 million or 119%.

In Indonesia, revenue in 3Q 2008 decreased by S$0.4 million as compared to 3Q 2007. This was mainly due to a decrease in REVPAU in 3Q 2008 from S$78 in 3Q 2007 to S$73 in 3Q 2008. Keen competition caused by an increased supply of serviced residences and displacement of business as a result of construction works near Somerset Grand Citra contributed to the drop in average daily rate for 3Q 2008. In line with the decreased revenue, gross profit in 3Q 2008 decreased by S$0.5 million to S$1.6 million in 3Q 2008.

For Japan, revenue and gross profit in 3Q 2008 increased by S$2.1 million and S$1.7 million respectively. These increases were due to the inclusion of 18 rental housing properties in the portfolio. REVPAU achieved for the serviced residences increased from S$141 in 3Q 2007 to S$148 in 3Q 2008. The rental housing properties continued to achieve high occupancy of 90%.

In Philippines, revenue in 3Q 2008 decreased by S$1.6 million or 20% and overall REVPAU decreased by 11% from S$149 in 3Q 2007 to S$132 in 3Q 2008 due mainly to softening of demand from project based business and reduction in accommodation budget of corporate clients. Gross profit in 3Q 2008 increased by S$0.6 million or 30% due mainly to a higher depreciation charge in 3Q 2007 as a result of re-alignment of Ascott Makati's depreciation rates to the Group's policy.

In Vietnam, revenue increased by S$0.4 million or 5% as compared to 3Q 2007. Overall REVPAU increased from S$135 in 3Q 2007 to S$140 in 3Q 2008. This increase was due to higher average daily rates achieved while maintaining occupancy at around 90%. The rate increases were driven by strong demand for quality serviced residences and limited supply. In line with the increased revenue, gross profit was higher than 3Q 2007 by S$0.4 million or 8%.

8(i)(b) Revenue and Gross Profit Analysis - YTD Sep 2008 vs. YTD Sep 2007

	Ref	Revenue YTD Sep 2008 S$'M	Revenue YTD Sep 2007 S$'M	Revenue Better/(Worse) S$'M	Revenue Better/(Worse) %	Ref	Gross Profit YTD Sep 2008 S$'M	Gross Profit YTD Sep 2007 S$'M	Gross Profit Better/(Worse) S$'M	Gross Profit Better/(Worse) %	REVPAU YTD Sep 2008 S$/day	REVPAU YTD Sep 2007 S$/day	REVPAU Better / (worse) +/- %
Singapore		28.1	22.4	5.7	*25*		16.8	12.1	4.7	*39*	255	196	*30*
Australia		4.0	0.5	3.5	*700*		1.0	0.1	0.9	*900*	153	92	*66*
China		37.3	29.7	7.6	*26*		18.0	12.4	5.6	*45*	170	144	*18*
Indonesia		15.0	15.0	-	-		5.2	5.5	(0.3)	*-5*	73	72	*1*
Japan		12.5	4.3	8.2	*191*		8.1	2.3	5.8	*252*	144*	153*	*-6*
Philippines		21.5	17.8	3.7	*21*		8.9	4.5	4.4	*98*	135	137	*-1*
Vietnam		26.3	22.2	4.1	*18*		16.6	13.6	3.0	*22*	142	135	*5*
	A.1	**144.7**	**111.9**	**32.8**	***29***	**A.1**	**74.6**	**50.5**	**24.1**	***48***	**149**	**132**	***13***

** refers to serviced residences in Japan, excludes rental housing*

For the 9-month period ended 30 Sep 2008 ("YTD Sep 2008"), including new properties which were acquired subsequent to Sep 2007, revenue, gross profit and REVPAU increased by 29%, 48% and 13% respectively as compared to the 9-month period ended 30 Sep 2007 ("YTD Sep 2007"). Overall REVPAU improved by S$17 from S$132 in YTD Sep 2007 to S$149 in YTD Sep 2008, mainly driven by an increase in the average daily rates.

8(i)(c) Total Return

Total Return	3Q 2008 S$'000	3Q 2007 S$'000	Better / (Worse) +/- %
Operating net profit	13,849	8,758	58
Net change in fair value of financial derivative	2,816	(2,814)	200
Net foreign exchange gain	2,440	2,702	-10
Total return attributable to unitholders	**19,105**	**8,646**	**121**

In 3Q 2008, the Group achieved a higher operating net profit of S$13.8 million vs S$8.8 million in 3Q 2007, or 58% increase due to higher gross profit achieved as explained in Para 8(i)(a) above. Including foreign exchange differences and net change in fair value of financial derivative, the total return to unitholders in 3Q 2008 increased by S$10.5 million to S$19.1 million as compared to 3Q 2007.

Total Return	YTD Sep 2008 S$'000	YTD Sep 2007 S$'000	Better / (Worse) +/- %
Operating net profit	37,786	24,155	56
Net change in fair value of financial derivative	(1,300)	(5,843)	78
Net foreign exchange (loss) / gain	(2,147)	5,503	-139
Total return attributable to unitholders	**34,339**	**23,815**	**44**

Similarly, the Group's operating performance in YTD Sep 2008 exceeded that of the period YTD Sep 2007. The operating net profit for YTD Sep 2008 was S$37.8 million vs. S$24.2 million in YTD Sep 2007, an improvement of S$13.6 million or 56%. Including foreign exchange differences and net change in fair value of financial derivative, the total return to unitholders in YTD Sep 2008 increased by S$10.5 million to S$34.3 million as compared to YTD Sep 2007.

9. PROSPECTS

The current financial turmoil is expected to lead to a global economic slowdown. This is likely to have an impact on the Asian hospitality industry and the business travel patterns to the markets we operate in, although the Group's geographical diversity and extended stay business model help to mitigate the impact.

The Group's operating performance in the fourth quarter of 2008 will continue to be profitable.

10. DISTRIBUTIONS

10(a) **Current financial period**
Any distributions declared for the current financial period? No

10(b) **Corresponding period of the preceding financial period**
Any distributions declared for the corresponding period of the immediate preceding financial period? No

10(c) Book closure date : Not applicable

10(d) Date payable : Not applicable

11. Confirmation pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and REIT (comprising the balance sheets as 30 September 2008 and the results of the business, consolidated statement of total return, consolidated cash flow statement and changes in net assets attributable to unitholders for the nine months ended 30 September 2008, together with their accompanying notes), to be false or misleading in any material respect.

On behalf of the Board
Ascott Residence Trust Management Limited

Lim Jit Poh
Director

Jennie Chua
Director

This release 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 other companies, 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.

BY ORDER OF THE BOARD
Ascott Residence Trust Management Limited
(Company registration no. 200516209Z)
As Manager of Ascott Residence Trust

Lam Chee Kin / Kang Siew Fong
Joint Company Secretaries

Singapore
22 October 2008