



ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE YEAR
ENDED 31 DECEMBER 2008
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**ASCOTT RESIDENCE TRUST
2008 FOURTH QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT**

Summary of Group Results

	4Q 2008 S\$'000	4Q 2007 S\$'000	Better/ (Worse) %	YTD Dec 2008 S\$'000	YTD Dec 2007 S\$'000	Better/ (Worse) %
Revenue	47,722	42,891	11	192,381	154,837	24
Gross Profit	20,934	19,151	9	95,493	69,698	37
Unitholders' Distribution	10,315 ¹	12,846	-20	53,659	45,069	19
Distribution Per Unit (cents)	1.69	2.12	-20	8.78	7.70	14

(1) Unitholders' distribution for 4Q 2008 is lower than that for 4Q 2007 mainly due to one-off expenses made in 4Q 2008. The one-off expenses amount to about S\$1.7 million and relate mainly to a contribution made by Somerset Liang Court ("SLC") to the MCST of Liang Court property for SLC's share of the refurbishment cost in relation to common areas. Excluding these one-off expenses, the variance in unitholders' distribution for 4Q 2008 compared to 4Q 2007 is S\$0.8 million or 6% lower, attributed mainly to higher finance costs.

DISTRIBUTION AND BOOK CLOSURE DATE

Distribution period	For 1 July 2008 to 31 December 2008	For 1 July 2007 to 31 December 2007
Distribution rate	4.28 cents	4.10 cents
Book Closure Date	4 February 2009	1 February 2008
Payment Date	27 February 2009	28 February 2008

ASCOTT RESIDENCE TRUST

2008 FOURTH QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

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 Ascott Reit) (the “Manager”) and DBS Trustee Limited (as trustee of Ascott Reit) (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 31 December 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		Better / (Worse) % +/-	GROUP		Better / (Worse)% +/-
		4Q 2008 S\$'000	4Q 2007 S\$'000		YTD Dec 2008 S\$'000	YTD Dec 2007 S\$'000	
Revenue	A.1	47,722	42,891	11	192,381	154,837	24
Direct expenses	A.2	(26,788)	(23,740)	-13	(96,888)	(85,139)	-14
Gross Profit	A.1	20,934	19,151	9	95,493	69,698	37
Finance income		303	143	112	1,056	776	36
Other operating income		(503)	511	n.m	96	927	-90
Finance costs	A.3	(5,802)	(3,556)	-63	(20,827)	(15,289)	-36
Manager's management fees		(2,104)	(1,603)	-31	(8,123)	(5,944)	-37
Trustee's fee		(52)	(44)	-18	(203)	(168)	-21
Professional fees		(160)	(269)	41	(1,143)	(928)	-23
Audit fees		(154)	(230)	33	(804)	(619)	-30
Foreign exchange gain / (loss) - realised		103	214	-52	(427)	333	n.m.
Other operating expenses		(103)	(63)	-63	(809)	(261)	-210
Share of profit of associates (net of tax)		49	36	36	6	150	-96
Net income before change in fair value of financial derivative and unrealized foreign exchange loss		12,511	14,290	-12	64,315	48,675	32
Net change in fair value of financial derivative	A.4	2,657	(1,745)	n.m.	1,357	(7,588)	n.m.
Renovation cost written off	A.5	(1,742)	(3,323)	48	(1,742)	(3,323)	48
Change in value of serviced residence properties	A.6	(93,951)	147,412	n.m.	(93,951)	147,412	n.m.
Foreign exchange (loss) / gain - unrealised	A.7	(3,820)	(1,921)	-99	(5,437)	3,463	n.m.
Total return for the period before tax		(84,345)	154,713	n.m.	(35,458)	188,639	n.m.
Income tax expense	A.8	7,722	(15,491)	n.m.	(2,461)	(22,005)	n.m.
Total return for the period after tax		(76,623)	139,222	n.m.	(37,919)	166,634	n.m.
Minority interests		104	(2,500)	n.m.	(4,261)	(6,097)	29
Total return for the period attributable to unitholders before distribution		(76,519)	136,722	n.m.	(42,180)	160,537	n.m.
Distribution to Unitholders from operations							
- Period from 1/7/06 to 31/12/06		-	-		-	(8,950)	
- Period from 1/1/07 to 30/6/07		-	-		-	(3,978)	
- Period from 1/7/07 to 31/12/07		-	-		(24,855)	-	
- Period from 1/1/08 to 30/6/08		-	-		(6,521)	-	
Total return for the period attributable to Unitholders after distribution		(76,519)	136,722	n.m.	(73,556)	147,609	n.m.

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

	Note	GROUP		Better / (Worse) % +/-	GROUP		Better / (Worse) % +/-
		4Q 2008 S\$'000	4Q 2007 S\$'000		YTD Dec 2008 S\$'000	YTD Dec 2007 S\$'000	
Total return for the period attributable to unitholders before distribution		(76,519)	136,722	n.m.	(42,180)	160,537	n.m.
Net effect of non-tax deductible / (chargeable) items and other adjustments	A.9	86,834	(123,876)	n.m.	95,839	(115,468)	n.m.
Total amount distributable to Unitholders for the period		10,315	12,846	-20	53,659	45,069	19
Comprises :							
- from operations		7,117	12,846		24,606	29,289	
- from unitholders' contributions		3,198	-		29,053	15,780	
		10,315	12,846	-20	53,659	45,069	19

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

A.1 Revenue and Gross profit

Revenue in 4Q 2008 increased by S\$4.8 million (11%) to S\$47.7 million. Gross profit in 4Q 2008 increased by S\$1.7 million (9%) to S\$20.9 million. The increase in operating performance was due to contribution from the properties acquired subsequent to 4Q 2007 and organic growth, particularly in Vietnam.

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

A.2 Direct expenses include the following items:

	GROUP		Better / (Worse) % +/-	GROUP		Better / (worse) % +/-
	4Q 2008 S\$'000	4Q 2007 S\$'000		YTD Dec 2008 S\$'000	YTD Dec 2007 S\$'000	
Depreciation and amortisation	(1,315)	(2,808)	53	(5,270)	(9,071)	42
Staff costs	(5,065)	(4,077)	-24	(17,718)	(15,096)	-17

A.3 Finance costs

Finance costs for 4Q 2008 increased by S\$2.2 million as compared to 4Q 2007. S\$0.5 million of the increase was due to higher interest rates while S\$1.7 million was due to additional bank loans taken up for acquisition of properties subsequent to 4Q 2007.

A.4 Net change in fair value of financial derivative

The 4Q 2008 gain of \$2.7 million relates to unrealised changes in the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US Dollar ("US\$") bank loan to Singapore Dollar ("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 loss of S\$0.1 million taken to the Statement of Total Return (refer to Para A.7). Hence, the net impact on the Group's net asset value was an increase of S\$2.6 million.

A.5 Renovation cost written off

This was due to the disposal of assets arising from the reconfiguration and refurbishment of Somerset Olympic Tower.

A.6 Change in value of serviced residence properties

This relates to the deficit on revaluation of serviced residence properties, mainly from the properties in China and Japan. The valuation of the serviced residence properties was conducted on 15 December 2008 by HVS International Pte Ltd. Refer to Para 8(i)(c).

A.7 Foreign exchange (loss) / gain - unrealized

The foreign exchange loss recognised in 4Q 2008 was mainly due to (1) unrealized revaluation loss on S\$ bank loan in Australia subsidiary's books, as a result of the appreciation of S\$ against Australian Dollar, (2) unrealized revaluation loss on US\$ shareholder's loan in Philippines subsidiary's books, as a result of the appreciation of US\$ against Peso and partly offset by (3) unrealized revaluation gain on foreign currency shareholder's loans, mainly denominated in US\$, extended to the Group's subsidiaries, as a result of the appreciation of the US\$ against S\$.

A.8 Income tax expense

Taxation for 4Q 2008 was a tax credit of S\$7.7 million as compared to a tax charge of S\$15.5 million in the corresponding period last year. This was mainly due to a reversal of deferred tax liability arising from the change in value of serviced residence properties, deferred tax benefit provided on unrealized exchange loss on US\$ shareholder's loans in Philippines subsidiary's books and partly offset by current tax provided on higher operating profit achieved. In 4Q 2007, deferred tax liability was provided on the change in value of serviced residence properties and unrealized exchange gain on US\$ shareholder's loans.

A.9 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following items:

	GROUP		Better / (Worse) % +/-	GROUP		Better / (Worse) % +/-
	4Q 2008	4Q 2007		YTD Dec 2008	YTD Dec 2007	
	S\$'000	S\$'000		S\$'000	S\$'000	
Trustee's fees*	14	9	-56	51	45	-13
Depreciation (net of MI)	1,206	2,665	55	4,846	8,541	43
Net change in fair value of financial derivative (Note A.4)	(2,657)	1,745	n.m.	(1,357)	7,588	n.m.
Renovation cost written off (Note A.5)	1,742	3,323	48	1,742	3,323	48
Change in value of serviced residence properties (net of tax and MI) (Note A.6)	88,884	(136,949)	n.m.	88,884	(136,949)	n.m.
Unrealised exchange loss / (gain) (net of tax) (Note A.7)	(3,154)	4,051	n.m.	(1,537)	(1,333)	-15
Deferred tax – unutilized loss	-	691	100	-	691	100
Manager's management fee payable partially in units	1,052	802	-31	4,061	2,972	-37

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

1(b)(i) BALANCE SHEET

	Note	GROUP		REIT	
		31/12/08 S\$'000	31/12/07 S\$'000	31/12/08 S\$'000	31/12/07 S\$'000
Non-Current Assets					
Plant and equipment		27,637	21,271	3,478	3,427
Serviced residence properties	1(b)(ii)	1,565,309	1,559,202	400,022	399,973
Interest in subsidiaries		-	-	105,827	106,121
Interest in associate		3,568	3,591	4,028	4,057
Deferred tax assets		2,838	2,436	-	-
		1,599,352	1,586,500	513,355	513,578
Current Assets					
Inventories		491	438	-	-
Trade receivables		5,701	10,545	1,295	1,411
Other receivables and deposits	1(b)(iii)	25,950	27,097	652,527	610,154
Cash and bank balances	1(b)(iv)	56,110	64,515	11,895	12,636
		88,252	102,595	665,717	624,201
Total Assets		1,687,604	1,689,095	1,179,072	1,137,779
Non-Current Liabilities					
Interest bearing liabilities	1(b)(v)	(506,918)	(365,461)	(141,240)	(121,446)
Financial derivatives	1(b)(vi)	(15,521)	(13,966)	(11,638)	(12,996)
Deferred tax liabilities		(3,665)	(13,932)	-	-
Minority interests		(65,934)	(65,672)	-	-
Net assets attributable to unitholders	1(d)(i)	(899,030)	(972,941)	(893,241)	(916,040)
		(1,491,068)	(1,431,972)	(1,046,119)	(1,050,482)
Current Liabilities					
Trade payables		(2,983)	(3,606)	(56)	(75)
Other payables		(72,034)	(74,659)	(39,459)	(28,365)
Interest bearing liabilities	1(b)(v)	(117,515)	(176,256)	(92,868)	(58,380)
Provision for taxation		(4,004)	(2,602)	(570)	(477)
		(196,536)	(257,123)	(132,953)	(87,297)
Total Liabilities		(1,687,604)	(1,689,095)	(1,179,072)	(1,137,779)

1(b)(ii) Serviced residence properties

The increase in the Group's serviced residence properties as at 31 December 2008 was mainly due to the acquisition of Somerset St Georges Terrace in Perth and 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 higher exchange rates as a result of the strengthening of these foreign currencies, particularly Japanese Yen and Renminbi, against Singapore dollar. The increase was partially offset by a decrease in the valuation of the properties.

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 31 December 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	
	31/12/08	31/12/07	31/12/08	31/12/07
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less or on demand				
- Secured	23,927	8,319	-	-
- Unsecured	93,613	169,056	92,893	58,380
Less: Unamortised fees and expenses incurred for debt raising exercises	(25)	(1,119)	(25)	-
	117,515	176,256	92,868	58,380
Amount repayable after one year				
- Secured	510,375	366,693	141,526	121,864
Less: Unamortised fees and expenses incurred for debt raising exercises	(3,457)	(1,232)	(286)	(418)
	506,918	365,461	141,240	121,446
Total	624,433	541,717	234,108	179,826

- (1) The increase in the Group's borrowings as at 31 December 2008 was mainly due to additional bank loan drawn down for the acquisition of Somerset St Georges Terrace, Perth and higher balances arising from translating the Group's borrowings denominated in foreign currencies to Singapore dollar at higher exchange rates as a result of the strengthening of these foreign currencies, particularly Japanese Yen, against Singapore dollar.

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 31 December 2008, the Group's gearing was 38.3 percent, well within the 60 percent gearing limit allowable under MAS property fund guidelines, with an average cost of debt of 3.5 percent and a healthy interest cover of 4.5 times. More than 70 percent of the Group's debts are on fixed rate as the Group has consistently taken a conservative approach to capital management.

More than 80 percent of the Group's debts 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(c) **CONSOLIDATED CASH FLOW STATEMENT**

		GROUP			
Note	4Q 2008 S\$'000	4Q 2007 S\$'000	YTD Dec 2008 S\$'000	YTD Dec 2007 S\$'000	
Operating Activities					
	(84,345)	154,713	(35,458)	188,639	
<u>Adjustments for:</u>					
A.2	1,315	2,808	5,270	9,071	
	16	25	30	133	
	5,802	3,556	20,827	15,289	
	(303)	(143)	(1,056)	(776)	
	1,052	802	4,061	2,972	
	3,820	1,921	5,437	(3,463)	
	(2,657)	1,745	(1,357)	7,588	
	1,742	3,323	1,742	3,323	
	93,951	(147,412)	93,951	(147,412)	
	(49)	(36)	(6)	(150)	
	20,344	21,302	93,441	75,214	
1	958	3,464	(11,028)	3,866	
	21,302	24,766	82,413	79,080	
	(2,498)	(1,747)	(11,964)	(9,727)	
	18,804	23,019	70,449	69,353	
Investing Activities					
	(2,996)	(1,266)	(11,194)	(7,256)	
	-	-	-	(123,078)	
	-	(168,721)	(30,654)	(257,725)	
	-	-	-	(4,375)	
	(262)	(3,002)	(1,719)	(10,116)	
	303	143	1,056	776	
	-	(22)	2	1,111	
	(2,955)	(172,868)	(42,509)	(400,663)	
Financing Activities					
	-	-	(52,355)	(35,088)	
	(1,057)	(969)	(3,639)	(3,235)	
	(4,261)	(2,344)	(19,570)	(14,466)	
	-	(434)	-	(4,157)	
	119,779	168,674	329,716	222,696	
	1,080	795	3,801	202,790	
	(127,348)	(1,666)	(297,565)	(8,320)	
	(11,806)	(164,056)	(39,613)	360,220	
	4,043	14,207	(11,673)	28,910	
	49,547	50,768	64,515	36,267	
	2,520	(460)	3,268	(662)	
	56,110	64,515	56,110	64,515	

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		GROUP	
		4Q 2008 S\$'000	4Q 2007 S\$'000	YTD Dec 2008 S\$'000	YTD Dec 2007 S\$'000
<u>Unitholders' Contribution</u>					
Balance as at beginning of period		791,812	809,709	810,070	633,597
Issue of new units		1,080	795	3,801	202,790
Issue expenses		133	(434)	133	(4,157)
Distribution to Unitholders		-	-	(20,979)	(22,160)
Balance as at end of period		793,025	810,070	793,025	810,070
<u>Operations</u>					
Balance as at beginning of period		176,243	36,972	173,280	26,151
Change in net assets attributable to unitholders resulting from operations after distribution		(76,519)	136,722	(73,556)	147,609
Transfer to capital reserve		(944)	(414)	(944)	(480)
Balance as at end of period		98,780	173,280	98,780	173,280
<u>Foreign Currency Translation Reserve</u>					
Balance as at beginning of period		(5,884)	(3,529)	(9,919)	2,064
Translation differences relating to financial statements of foreign subsidiaries		15,543	(6,390)	19,578	(11,983)
Balance as at end of period		9,659	(9,919)	9,659	(9,919)
<u>Capital Reserve</u>					
Balance as at beginning of period		495	66	480	-
Transfer from Operations		944	414	944	480
Translation adjustment		10	-	25	-
Balance as at end of period		1,449	480	1,449	480
<u>Hedging Reserve</u>					
Balance as at beginning of period		(1,203)	(273)	(970)	-
Change in fair value of financial derivative		(2,680)	(697)	(2,913)	(970)
Balance as at end of period		(3,883)	(970)	(3,883)	(970)
Net Assets Attributable to Unitholders	1(b)(i)	899,030	972,941	899,030	972,941

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

	Note	REIT		REIT	
		4Q 2008 S\$'000	4Q 2007 S\$'000	YTD Dec 2008 S\$'000	YTD Dec 2007 S\$'000
Unitholders' Contribution					
Balance as at beginning of period		791,812	809,709	810,070	633,597
Issue of new units		1,080	795	3,801	202,790
Issue expenses		133	(434)	133	(4,157)
Distribution to Unitholders		-	-	(20,979)	(22,160)
Balance as at end of period		793,025	810,070	793,025	810,070
Operations					
Balance as at beginning of period		79,087	775	105,970	9,077
Change in net assets attributable to unitholders resulting from operations after distribution		21,185	105,195	(5,754)	96,893
Balance as at end of period		100,272	105,970	100,216	105,970
Net Assets Attributable to Unitholders	1(b)(i)	893,297	916,040	893,241	916,040

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

	REIT			
	4Q 2008 '000	4Q 2007 '000	YTD Dec 2008 '000	YTD Dec 2007 '000
Balance as at beginning of period	608,411	605,661	606,227	498,639
Issue of new units :				
- payment of Manager's management fees (partial)	2,403	566	4,587	2,007
- payment of Manager's acquisition fee	-	-	-	247
- equity fund raising on 26 March 2007	-	-	-	105,334
Balance as at end of period	610,814	606,227	610,814	606,227

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)	4Q 2008	4Q 2007	YTD Dec 2008	YTD Dec 2007
Number of units on issue at end of period	610,814,472	606,226,741	610,814,472	606,226,741
Weighted average number of units for the period	610,004,628	605,851,543	607,972,711	580,817,648
EPU (cents) – Basic and Diluted	(12.54)	22.57	(6.94)	27.64

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)	4Q 2008	4Q 2007	YTD Dec 2008	YTD Dec 2007
Number of units on issue at end of period	610,814,472	606,226,741	610,814,472	606,226,741
DPU (cents) – Basic and diluted	1.69	2.12	8.78	7.70

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	
	31/12/08	31/12/07	31/12/08	31/12/07
NAV per unit (\$)	1.47	1.60	1.46	1.51

8(i) **GROUP PERFORMANCE REVIEW**

8(i)(a) **Revenue and Gross Profit Analysis – 4Q 2008 vs. 4Q 2007**

	Ref	Revenue				Ref	Gross Profit				REVPAU Analysis			
		4Q 2008	4Q 2007	Better/ (Worse)			4Q 2008	4Q 2007	Better/ (Worse)		4Q 2008	4Q 2007	Better / (worse)	
		S\$'M	S\$'M	S\$'M	%		S\$'M	S\$'M	S\$'M	%	S\$/day	S\$/day	+/- %	
Singapore		8.6	8.2	0.4	5		3.0	4.5	(1.5)	-33		230	214	7
Australia		2.4	0.6	1.8	300		0.9	0.2	0.7	350		172	147	17
China		10.0	10.7	(0.7)	-7		3.9	4.7	(0.8)	-17		127	149	-15
Indonesia		5.1	5.0	0.1	2		1.9	1.8	0.1	6		72	73	-1
Japan		4.7	2.1	2.6	124		2.2	0.9	1.3	144		155*	146*	6
Philippines		6.8	7.8	(1.0)	-13		2.9	1.6	1.3	81		136	141	-4
Vietnam		10.1	8.5	1.6	19		6.1	5.5	0.6	11		143	140	2
	A.1	47.7	42.9	4.8	11	A.1	20.9	19.2	1.7	9		133	138	-4

* refers to serviced residences in Japan, excludes rental housing

Revenue in 4Q 2008 increased by S\$4.8 million (11%) to S\$47.7 million. Gross profit in 4Q 2008 increased by S\$1.7 million (9%) to S\$20.9 million. The increase in operating performance was due to contributions from the properties acquired subsequent to 4Q 2007 and organic growth, particularly in Vietnam.

We achieved an overall REVPAU of S\$133 in 4Q 2008, a decrease of 4% as compared to 4Q 2007. The reduction in REVPAU was mainly due to a drop in occupancy of the Group's China serviced residences post Beijing Olympics.

For the Group's serviced residences in Singapore, revenue increased by S\$0.4 million or 5% as compared to 4Q 2007. Overall REVPAU increased by 7% from S\$214 in 4Q 2007 to S\$230 in 4Q 2008. This increase was due to higher average daily rates achieved while maintaining occupancy above 80%. Gross profit of Singapore operations in 4Q 2008 is lower than that of 4Q 2007 by 33%. This was mainly due to one-off contribution of S\$1.3 million made by Somerset Liang Court ("SLC") to the MCST of Liang Court property for SLC's share of the refurbishment costs in relation to common areas.

For Australia, revenue and gross profit in 4Q 2008 increased by S\$1.8 million and S\$0.7 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 17% from S\$147 in 4Q 2007 to S\$172 in 4Q 2008.

For the Group's serviced residences in China, revenue decreased by S\$0.7 million or 7% in 4Q 2008 as compared to 4Q 2007. Overall REVPAU decreased from S\$149 in 4Q 2007 to S\$127 in 4Q 2008. This was mainly due to softening of demand from corporate business segment and increased competition from new supply in Beijing and Shanghai post Beijing Olympics.

In Indonesia, revenue in 4Q 2008 increased by S\$0.1 million or 2% as compared to 4Q 2007. This was mainly due to higher occupancy and average daily rates achieved in 4Q 2008. Overall REVPAU increased from US\$48 in 4Q 2007 to US\$51 in 4Q 2008. Due to the effect of foreign currency translation, overall REVPAU in S\$ has decreased from S\$73 in 4Q 2007 to S\$72 in 4Q 2008.

For Japan, revenue and gross profit in 4Q 2008 increased by S\$2.6 million and S\$1.3 million respectively. These increases were mainly due to the inclusion of 18 rental housing properties in the portfolio. REVPAU achieved for the serviced residences increased from S\$146 in 4Q 2007 to S\$155 in 4Q 2008. The rental housing properties continued to achieve high occupancy at around 90%.

In Philippines, revenue in 4Q 2008 decreased by S\$1.0 million or 13% and overall REVPAU decreased by 4% from S\$141 in 4Q 2007 to S\$136 in 4Q 2008 due mainly to softening of demand from project based business arising from global economic slowdown. Gross profit in 4Q 2008 increased by S\$1.3 million or 81% due mainly to a higher depreciation charge in 4Q 2007 as a result of re-alignment of Ascott Makati's depreciation rates to the Group's policy.

In Vietnam, the Group's serviced residences continued to put in a strong performance. Revenue increased by S\$1.6 million or 19% as compared to 4Q 2007. Overall REVP AU increased from S\$140 in 4Q 2007 to S\$143 in 4Q 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 4Q 2007 by S\$0.6 million or 11%.

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

	Ref	Revenue				Ref	Gross Profit				REVP AU Analysis		
		YTD Dec 2008	YTD Dec 2007	Better/ (Worse)	%		YTD Dec 2008	YTD Dec 2007	Better/ (Worse)	%	YTD Dec 2008	YTD Dec 2007	Better / (worse) +/-
		S\$'M	S\$'M			S\$'M	S\$'M			S\$/day	S\$/day	%	
Singapore		36.7	30.6	6.1	20	19.7	16.6	3.1	19	249	201	24	
Australia		6.5	1.2	5.3	442	1.9	0.4	1.5	375	153	116	32	
China		47.4	40.4	7.0	17	21.9	17.0	4.9	29	161	145	11	
Indonesia		20.1	19.9	0.2	1	7.1	7.3	(0.2)	-3	74	72	3	
Japan		17.1	6.4	10.7	167	10.3	3.2	7.1	222	150*	151*	-1	
Philippines		28.3	25.6	2.7	11	11.8	6.1	5.7	93	134	129	4	
Vietnam		36.3	30.7	5.6	18	22.8	19.1	3.7	19	144	135	7	
	A.1	192.4	154.8	37.6	24	A.1	95.5	69.7	25.8	37	145	132	10

* refers to serviced residences in Japan, excludes rental housing

Revenue for the year ended 31 Dec 2008 ("YTD Dec 2008") increased by S\$37.6 million (24%) to S\$192.4 million as compared to the year ended 31 Dec 2007 ("YTD Dec 2007"). The increase in revenue was due to strong operating performance from the Group's serviced residences in Singapore, Vietnam, China and Philippines as well as additional properties acquired subsequent to 4Q 2007.

Overall REVP AU increased by 10% from S\$132 for YTD Dec 2007 to S\$145 for YTD Dec 2008, mainly driven by higher average daily rates. Serviced residence operations in Singapore, China (due to Beijing Olympics) and Vietnam achieved a strong REVP AU growth for YTD Dec 2008 as compared to the corresponding period.

In line with the increased revenue, gross profit for YTD Dec 2008 of S\$95.5 million was higher by S\$25.8 million or 37% as compared to YTD Dec 2007. This was mainly attributable to the improved performances from the Group's serviced residences, in particular China, Singapore and Vietnam, and the inclusion of the results of the additional properties acquired subsequent to 4Q 2007.

8(i)(c) Change in value of serviced residence properties

The change in value of serviced residence properties has no impact on the unitholder's distribution.

In accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, valuations of serviced residence properties are to be conducted once every year. Any increase or decrease in value is credited or charged to the Statement of Total Return as net appreciation or depreciation on revaluation of serviced residence properties.

As at 15 December 2008, independent valuations were conducted by HVS International Pte Ltd for the Group's serviced residence properties, adopting the income approach using the Discounted Cash Flow analysis as the main method of valuation.

The Group's portfolio was revalued at S\$1,565.3 million, resulting in a reduction in the value of serviced residence properties of S\$94.0 million which was deducted from the Consolidated Statement of Total Return in 4Q 2008. The reduction resulted mainly from lower valuation of the Group's serviced residences in China and Japan. The net impact on the Consolidated Statement of Total Return was S\$88.9 million (net of tax and minority interest).

9. PROSPECTS

The current challenges facing the hospitality industry are unprecedented. Although the Group's extended stay business model, geographical diversification and strong brand recognition will help to mitigate the impact, it will not fully insulate the Group from the fast deteriorating market conditions.

We will continue to apply cost containment measures as well as control our discretionary capital expenditure to maximise asset yield.

We will also continue to be prudent and apply an active but conservative approach to managing our balance sheet.

The Group's operating performance in 2009 is expected to remain profitable but lower than 2008.

10. DISTRIBUTIONS

10(a) **Current financial period**

Any distributions declared for the current financial period? Yes

Period of distribution : Distribution for 1 July 2008 to 31 December 2008

Distribution Type	Distribution Rate (cents)
Taxable Income	1.24
Tax Exempt Income	0.43
Capital	2.61
Total	4.28

Tax rate : **Taxable Income Distribution**

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 18%.

Tax-Exempt Income Distribution

Tax-exempt income distribution is exempt from tax in the hands of all unitholders

Capital Distribution

Capital distribution represents a return of capital to unitholders for tax purposes and is therefore not subject to income tax. For unitholders who are liable to tax on profits from sale of Ascott Reit Units, the amount of capital distribution will be applied to reduce the cost base of their Ascott Reit Units for tax purposes.

10(b) **Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Distribution Type	Distribution Rate (cents)
Taxable Income	1.29
Tax Exempt Income	1.21
Capital	1.60
Total	4.10

Tax rate : **Taxable Income Distribution**

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 18%.

Tax-Exempt Income Distribution

Tax-exempt income distribution is exempt from tax in the hands of all unitholders

Capital Distribution

Capital distribution represents a return of capital to unitholders for tax purposes and is therefore not subject to income tax. For unitholders who are liable to tax on profits from sale of Ascott Reit Units, the amount of capital distribution will be applied to reduce the cost base of their Ascott Reit Units for tax purposes.

10(c) Book closure date : 4 February 2009

10(d) Date payable : 27 February 2009

11. INTERESTED PERSON TRANSACTIONS

Name of Interested Person	Aggregate value[*] of all interested person transactions during the financial year under review (excluding transactions less than \$100,000)
	S\$'000
The Ascott Group Limited & its associates	42,975

* The aggregate value is for the contract period.

12. SEGMENT REVENUE AND RESULTS

YTD Dec 2008	Singapore S\$'000	China S\$'000	Vietnam S\$'000	Indonesia S\$'000	Philippines S\$'000	Japan S\$'000	Australia S\$'000	Total S\$'000
Revenue	36,698	47,377	36,359	20,108	28,251	17,130	6,458	192,381
Direct expenses	(16,947)	(25,502)	(13,572)	(13,059)	(16,434)	(6,818)	(4,556)	(96,888)
Gross Profit	19,751	21,875	22,787	7,049	11,817	10,312	1,902	95,493
Share of after-tax profit of Associate								6
Finance income								1,056
Finance costs								(20,827)
Unallocated net expenses								(11,413)
Net income before changes in fair value of financial derivative and serviced residence properties, and unrealized foreign exchange gain								64,315
Change in fair value of financial derivative								1,357
Renovation cost written off								(1,742)
Change in value of serviced residence properties								(93,951)
Foreign exchange loss – Unrealized								(5,437)
Total return for the period before tax								(35,458)
Income tax expense								(2,461)
Total return for the period after tax								(37,919)
Minority interests								(4,261)
Total return for the period attributable to unitholders								(42,180)

YTD Dec 2007	Singapore S\$'000	China S\$'000	Vietnam S\$'000	Indonesia S\$'000	Philippines S\$'000	Japan S\$'000	Australia S\$'000	Total S\$'000
Revenue	30,620	40,384	30,731	19,916	25,602	6,415	1,169	154,837
Direct expenses	(13,998)	(23,382)	(11,626)	(12,640)	(19,497)	(3,232)	(764)	(85,139)
Gross Profit	16,622	17,002	19,105	7,276	6,105	3,183	405	69,698
Share of after-tax profit of Associate								150
Finance income								776
Finance costs								(15,289)
Unallocated net expenses								(6,660)
Net income before changes in fair value of financial derivative and serviced residence properties, and unrealized foreign exchange gain								48,675
Change in fair value of financial derivative								(7,588)
Renovation cost written off								(3,323)
Change in value of serviced residence properties								147,412
Foreign exchange gain – Unrealized								3,463
Total return for the period before tax								188,639
Income tax expense								(22,005)
Total return for the period after tax								166,634
Minority interests								(6,097)
Total return for the period attributable to unitholders								160,537

13. BREAKDOWN OF SALES

	YTD Dec 2008 S\$'000	YTD Dec 2007 S\$'000	Better/ (Worse) +/- %
(a) Revenue reported for first half year	91,614	69,599	32
(b) Total return after taxation before minority interests reported for first half year	18,199	17,420	4
(c) Revenue reported for second half year	100,767	85,238	18
(d) Total return after taxation before minority interests reported for second half year	(56,118)	149,214	n.m.

14. BREAKDOWN OF TOTAL DISTRIBUTIONS

	YTD Dec 2008 S\$'000	YTD Dec 2007 S\$'000
1 January 2007 to 31 December 2007 – paid	-	45,069
1 January 2008 to 30 June 2008 – paid	27,486	-
1 July 2008 to 31 December 2008 – to be paid	26,173	-

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
 23 January 2009