

FOR IMMEDIATE RELEASE

NEWS RELEASE

**ASCOTT REIT'S FY2008 UNITHOLDERS'
DISTRIBUTION INCREASES 19%**

- *Distribution Per Unit (DPU) increases 14%*
- *Gross Profit increases 37%*

Singapore, 23 January 2009 – Ascott Residence Trust (Ascott Reit) achieved a unitholders' distribution of S\$53.7 million for the year ended 31 December 2008, a 19 percent increase over last year. DPU for the year ended 31 December 2008 is 8.78 cents, 14 percent higher than last year. Ascott Reit's distribution yield is 17.4 percent based on the closing price of S\$0.505 per unit on 22 January 2009.

Ascott Reit's net asset value (NAV) per unit as at 31 December 2008, based on latest valuation of its property portfolio, is S\$1.47. The current trading price is at a 66 percent discount to NAV.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit has posted better operating performance for 2008 as a result of organic growth as well as contribution from properties acquired subsequent to 4Q 2007. Looking ahead, the 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."

Mr Chong Kee Hiong, ARTML's Chief Executive Officer, said, "We are pleased that our serviced residences posted a 10 percent Revenue Per Available Unit (RevPAU) growth, from \$132 in 2007 to \$145 in 2008. However, in 4Q 2008 the RevPAU dropped 4 percent compared to 4Q 2007 as the slowing economy began to impact the demand for serviced residences in China and the Philippines in particular."

Mr Chong added: "The Group's operating performance in 2009 is expected to remain profitable but lower than 2008 due to the economic downturn. 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 a conservative approach in managing our balance sheet."

Capital Management

As at 31 December 2008, Ascott Reit Group's gearing was 38.3 percent, well within the 60 percent gearing limit allowable under MAS property fund



ASCOTT RESIDENCE
TRUST MANAGEMENT
LIMITED
(Regn. No: 200516209Z)

N°8 Shenton Way #13-01
Singapore 068811

Telephone
(65) 6389 9388

Facsimile
(65) 6389 9399

Website
www.ascottreit.com

A Member of The Ascott Group



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 our debt is on fixed rate as we have consistently taken a conservative approach to capital management.

More than 80 percent of Ascott Reit's loans are only due for refinancing in 2011 and beyond.

Upon completion of the latest acquisition of Somerset West Lake in Vietnam, which is expected to be in 1Q 2009, gearing will only increase by 0.8 percentage point to 39.1 percent. Ascott Reit's portfolio will grow to S\$1.53 billion, comprising 38 properties with 3,642 units in 11 cities across seven countries.

Highlights of Results for the Period 1 January 2008 to 31 December 2008

FY 2008 vs FY 2007

	FY 2008	FY 2007	Better/ (Worse) +/-
Revenue (S\$ million)	192.4	154.8	+ 24%
Gross Profit (S\$ million)	95.5	69.7	+ 37%
Unitholders' Distribution (S\$ million)	53.7	45.1	+ 19%
DPU (S cents)	8.78	7.70	+ 14%

- Unitholders' Distribution for FY2008 increased 19 percent to S\$53.7 million 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.

4Q 2008 vs 4Q 2007

	4Q 2008	4Q 2007	Better/ (Worse) +/-
Revenue (S\$ million)	47.7	42.9	+11%
Gross Profit (S\$ million)	20.9	19.2	+9%
Unitholders' Distribution (S\$ million)	10.3	12.8	-20%
DPU (S cents)	1.69	2.12	-20%

- Unitholders' distribution for 4Q 2008 is lower than that for 4Q 2007 mainly due to one-off expenses made in 4Q 2008. 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.
- 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.

About Ascott Residence Trust

Ascott Residence Trust (Ascott Reit) is the first Pan-Asian serviced residence real estate investment trust 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 or rental housing properties in the Pan-Asian region.

Comprising an initial asset portfolio of 12 strategically located properties in seven Pan-Asian cities, Ascott Reit was listed with an asset size of about S\$856 million. Upon completion of the latest acquisition in Hanoi, Ascott Reit's portfolio will expand to S\$1.53 billion, comprising 38 properties with 3,642 units in 11 cities across seven countries.

Ascott Reit is managed by Ascott Residence Trust Management Limited, an indirect wholly-owned subsidiary of CapitaLand, one of Asia's largest real estate companies.

For more information about Ascott Reit, please visit <http://www.ascottreit.com>.

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 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.

Investors have no right to request the Manager to redeem their units in Ascott Reit while the units in Ascott Reit are listed. It is intended that unitholders may only deal in their units in Ascott Reit through trading on the SGX-ST. Listing of the units in Ascott Reit on the SGX-ST does not guarantee a liquid market for the units in Ascott Reit.

Issued by:

Ascott Residence Trust Management Limited

8 Shenton Way, #13-01, Singapore 068811

Tel : (65) 6389 9388 Fax : (65) 6389 9399

Website: <http://www.ascottreit.com>

For more information, please contact:

Lilian Goh

Director, Investor Relations and Communications

Tel: (65) 6586 7231 Hp: (65) 9795 5225 Email: lilian.goh@the-ascott.com

Daphne Lim

Manager, Investor Relations

Tel: (65) 6389 9310 Hp: (65) 9873 2472 Email: daphne.lim@the-ascott.com