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NEWS RELEASE

ASCOTT REIT'S 3Q 2008 UNITHOLDERS' DISTRIBUTION INCREASES 32%

Higher contributions from organic growth and newly acquired properties

Singapore, 22 October 2008 – Ascott Residence Trust (Ascott Reit) achieved a unitholders' distribution¹ of S\$15.86 million for the quarter ended 30 September 2008, a 32 percent increase compared to the same period last year. Distribution per unit (DPU) for the quarter ended 30 September 2008 is 2.61 cents, a 31 percent increase over the same period last year.

Highlights of Results for the Period 1 July 2008 to 30 September 2008

	Actual 3Q 2008	Actual 3Q 2007	Better/ (Worse) +/-
Revenue (S\$ million)	53.05	42.35	+ 25%
Gross Profit (S\$ million)	27.85	18.69	+ 49%
Unitholders' Distribution (S\$ million)	15.86	12.03	+ 32%
DPU (S cents)	2.61	1.99	+ 31%

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "Ascott Reit has again posted strong operating performance for 3Q 2008. Revenue increased S\$10.7 million, of which 66 percent is attributable to organic growth across the portfolio and the remaining 34 percent was contribution from newly acquired properties subsequent to 3Q 2007."

Mr Lim added: "We will continue to focus on active management of our properties to maximise asset yields to deliver stable returns to unitholders, despite the difficult economic conditions. We have been prudent in managing our balance sheet and will continue to apply an active but conservative approach to capital management whilst keeping a look out for yield accretive acquisitions."

Mr Chong Kee Hiong, ARTML's Chief Executive Officer, said: "Ascott Reit has continued to benefit from geographical diversification and the extended stay business model. Our serviced residences posted strong Revenue per Available Unit (RevPAU) growth of 21 percent, achieving an

¹ There is no distribution declared for the period 1 July to 30 September 2008. Ascott Reit makes 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.



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average RevPAU of S\$163 in 3Q 2008. Our properties in Beijing enjoyed strong growth in average daily rates during the Olympics period, contributing to a 55 percent spike in China's RevPAU in 3Q 2008. Our Australia and Singapore properties also enjoyed double digit increases in RevPAU of 63 percent and 31 percent respectively."

Capital Management

As at 30 September 2008, Ascott Reit 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 our debt is on fixed rate as we have consistently taken a conservative approach to capital management.

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

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

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 in March 2006. Ascott Reit's portfolio has since expanded to S\$1.53 billion, comprising 37 properties with 3,552 units in 11 cities across seven countries as at 30 September 2008.

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.

Properties in Ascott Reit's portfolio which have recently won awards include Somerset Gordon Heights in Melbourne, Australia which was named the winner in the New Tourism Development Accommodation category at the Hotel, Motel & Accommodation Association (HMAA) of Victoria Awards for Excellence. In Vietnam, Somerset Grand Hanoi, Somerset Ho Chi Minh City and Somerset Chancellor Court, Ho Chi Minh City received the Guide Award for excellent performance in hospitality for 2007-2008. In March 2008, Ascott Beijing won the 2007 China Hotel Starlight Awards in 'The Best International Apartment Type Hotel of China'.

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.

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