



THE ART EDGE

Ascott Residence Trust

Disclaimer

IMPORTANT NOTICE

The value of units in ART and the income derived from them may fall as well as rise. Units in ART are not obligations of, deposits in, or guaranteed by the Manager or any of its affiliates. An investment in the units in ART is subject to investment risks, include the possible loss of the principal amount invested. The past performance of ART is not necessarily indicative of its future performance.

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, 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 ART while the units in ART are listed. It is intended that unitholders may only deal in their units in ART through trading on the SGX-ST. Listing of the units in ART on the SGX-ST does not guarantee a liquid market for the units in ART.

Agenda

- **Introduction**
- **Financial Highlights**
- **Management Strategies**
 - Growth by Acquisition
 - Active Asset Management
 - Capital and Risk Management
- **Conclusion**

World's First and Only Pan-Asian Serviced Residence REIT

Singapore

2 properties

- 1) Somerset Grand Cairnhill
- 2) Somerset Liang Court

Australia

1 property in 1 city

Melbourne

- 1) Somerset Gordon Heights

China

4 properties in 3 cities

Beijing

- 1) Ascott Beijing
- 2) Somerset Grand Fortune Garden

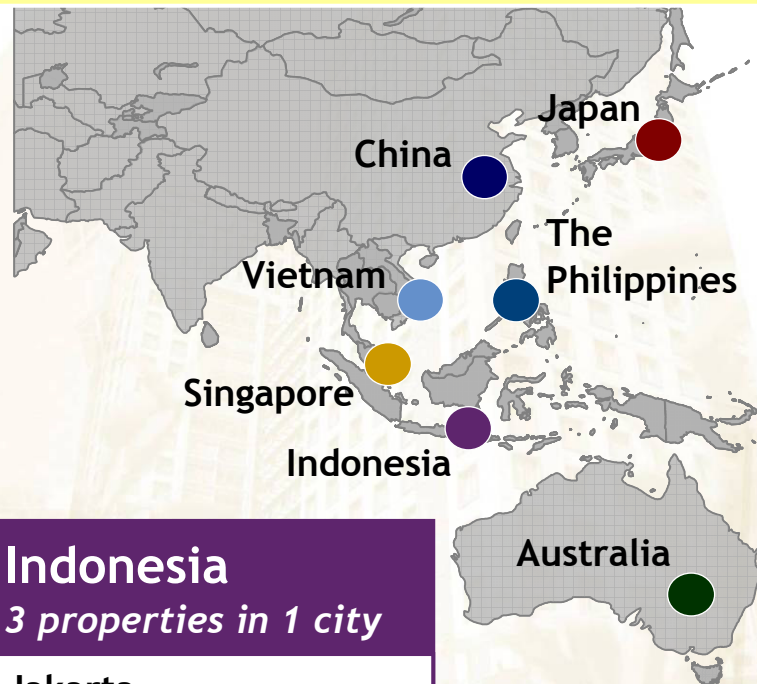
Shanghai

- 3) Somerset Xu Hui

Tianjin

- 4) Somerset Olympic Tower

S\$1.2 billion portfolio value*
2,954 apartment units in 18 properties
10 Pan-Asian cities in 7 countries



Indonesia

3 properties in 1 city

Jakarta

- 1) Ascott Jakarta
- 2) Somerset Grand Citra
- 3) Country Woods

Japan

2 properties in 1 city

Tokyo

- 1) Somerset Azabu East
- 2) Somerset Roppongi

The Philippines

3 properties in 1 city

Manila

- 1) Ascott Makati
- 2) Somerset Millennium
- 3) Somerset Salcedo

Vietnam

3 properties in 2 cities

Hanoi

- 1) Somerset Grand Hanoi

Ho Chi Minh City

- 2) Somerset Chancellor Court
- 3) Somerset Ho Chi Minh City

Note: As at 26 October 2007.

Serviced Residences – An Attractive Asset Class

	Apartments for Rent	Serviced Residences	Hotels
Lease Structure & Terms	Long-term leases	<ul style="list-style-type: none"> ▪ Hybrid between hotels and apartments/condominiums ▪ Variable lease terms from one week to one year or longer 	Short-term accommodation
Seasonality	Dependent on general property sector conditions	Some seasonality of hospitality industry, though longer lease terms provide certain level of rental support	<ul style="list-style-type: none"> ▪ Seasonal nature of hotel industry ▪ Highly correlated with the tourism industry
Range of Services	No service provided	Limited services provided <ul style="list-style-type: none"> ▪ Role and involvement of property manager less intensive compared to hotels 	Full range of hospitality service <ul style="list-style-type: none"> ▪ Role and involvement of property manager most intensive
Cost Structure	Minimal staff cost and low maintenance costs	<ul style="list-style-type: none"> ▪ Less intensive staffing requirements as only limited services are provided ▪ Lower maintenance costs as average length of stay is longer 	<ul style="list-style-type: none"> ▪ More intensive staffing requirements due to need to cater complete range of services ▪ High maintenance due to significant wear and tear

Tap Growth of Pan-Asian Economies

- Business environment in the Asia-Pacific region remains positive
 - Demand for serviced residence underpinned by economic growth and inflows of foreign direct investment (FDI)
 - Asia experiencing high economic growth and FDI inflows, and an increasing trend of inward business travel



Growing popularity and demand for serviced residences

Note: 2007 figures. FDI refers to inward foreign direct investment. Source: Economist Intelligence Unit.

Highlights of the ART-TAG Model

Injection of yield accretive Pan-Asian assets

- ART granted right of first refusal by Ascott



Business focus

- Leading international serviced residence owner-operator with a presence in key cities of Asia Pacific, Europe and the Gulf region

Portfolio exposure

- Manages over 19,200 serviced residence units
 - 69% in Asia Pacific, 29% in Europe and 2% in the Gulf Region

- World's first and only serviced residence real estate investment trust
- Owner of Pan-Asian portfolio of quality serviced residence assets

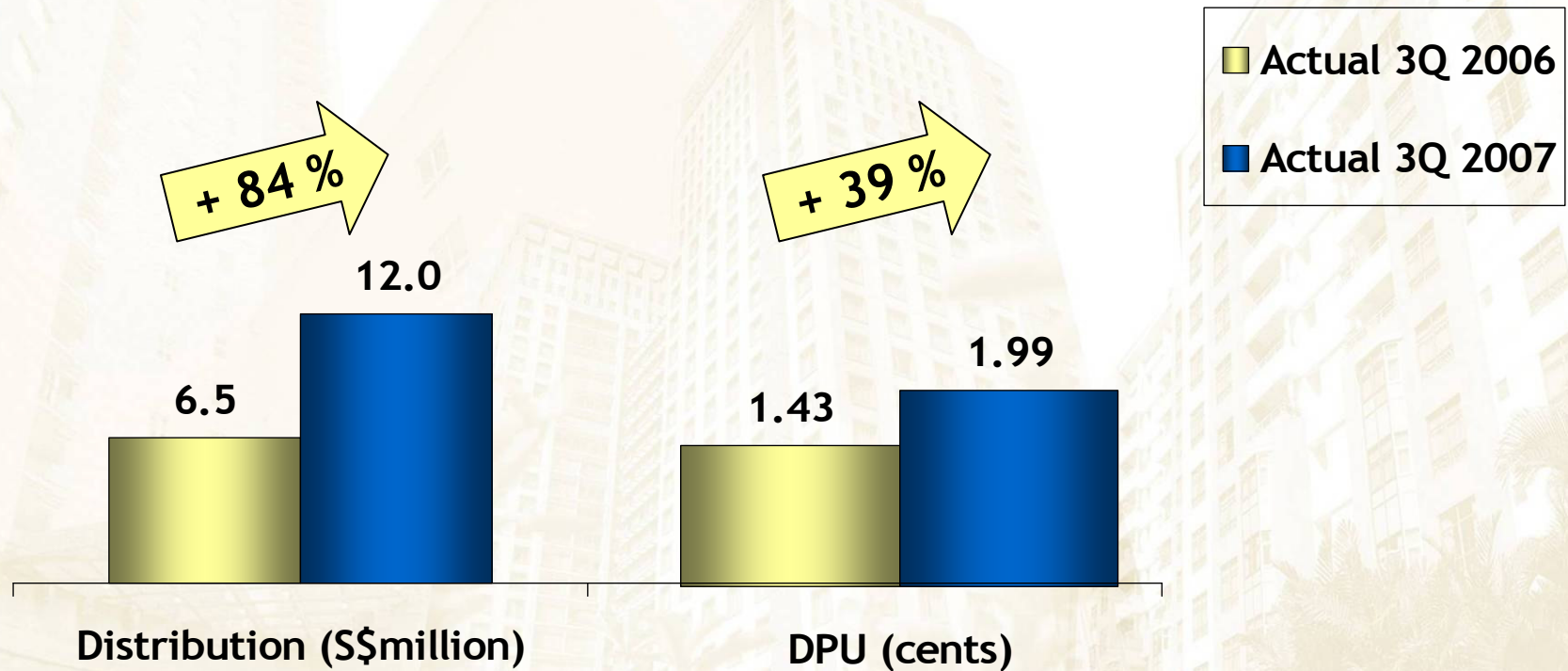
- Total portfolio value of S\$1.2 billion
- Owns 2,954 serviced residence units in 18 properties across 10 key Pan-Asian cities in 7 countries



Financial Highlights

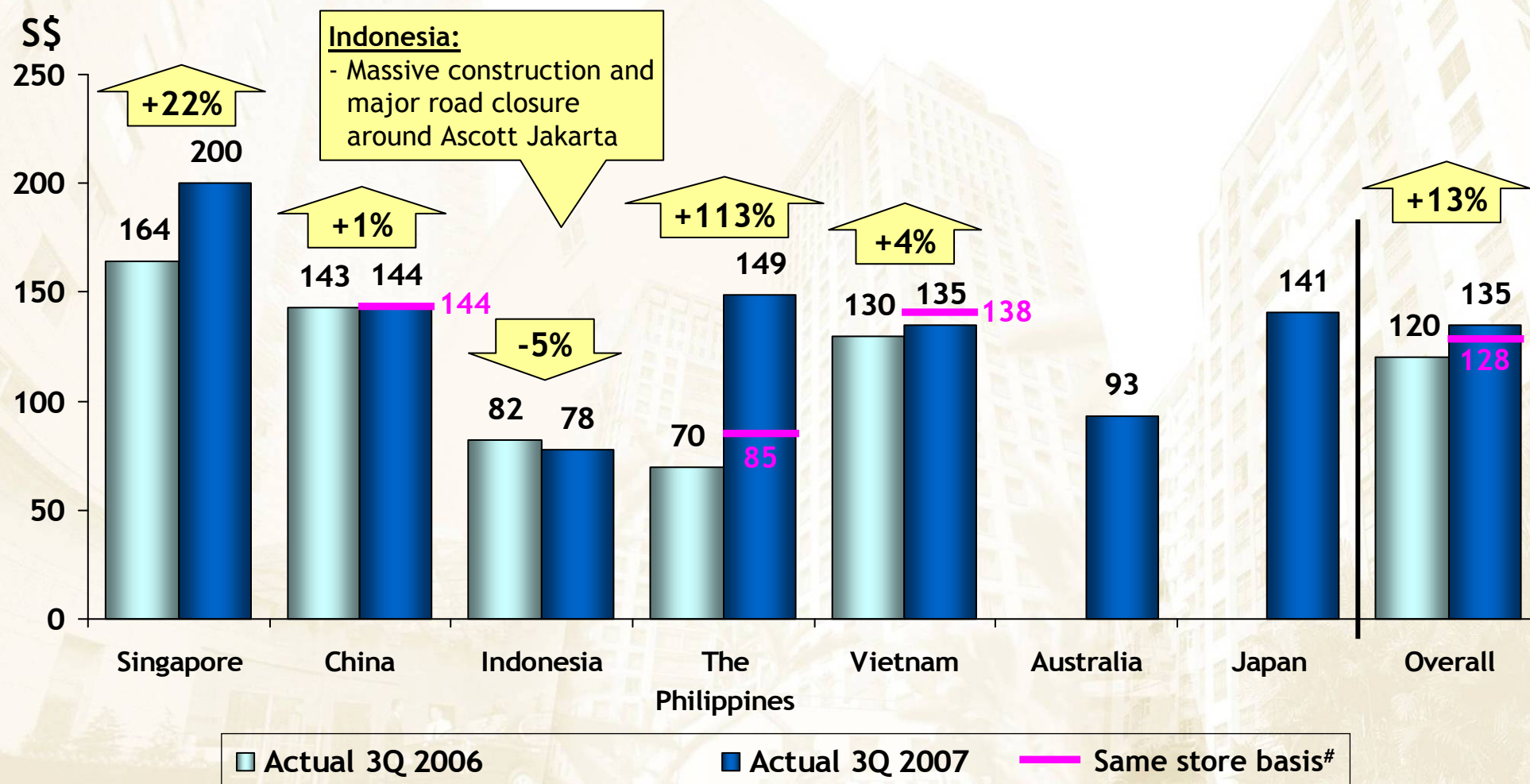
Unitholders' Distribution Increased 84%

DPU Increased 39%



Good operating performance and accretive acquisitions

Strong 13% Portfolio RevPAU Growth



Excludes the acquisition of Somerset Olympic Tower Property, Tianjin in China, Ascott Makati in the Philippines, Somerset Chancellor Court, Ho Chi Minh City in Vietnam, Somerset Gordon Heights, Melbourne in Australia, and Somerset Roppongi, Tokyo and Somerset Azabu East, Tokyo in Japan.

Key Financial Ratios

	3Q 2007	3Q 2006	Remarks
Unitholders' Distribution (S\$million)	12.0	6.5	↑ by 84%
DPU (cents)	1.99	1.43	↑ by 39%
Last Done Unit Price (S\$)	1.90 ¹	1.18 ²	↑ by 61%
Trading Yield	3.8%	5.2%	Based on forecast distribution per unit of 7.27 cents for 2007 ³ and forecast distribution per unit of 6.11 cents for 2006 ⁴ .
Gearing	28.6%	26.6%	Borrowing capacity of 60% with Moody's Baa2 investment grade rating.
Interest Cover Ratio (ICR)	4.9x	4.0x	ICR = EBITDA* / Net interest expenses

1. As at 28 September 2007.

2. As at 29 September 2006.

3. As disclosed in the Offer Information Statement dated 12 March 2007.

4. As disclosed in the Prospectus.

* Excludes foreign exchange differences and change in FV of financial instruments



Management Strategies

Strategy 1 – Growth Through Acquisitions

Acquisition Growth Strategies

- 1 Focus on Pan-Asian Region
- 2 ART granted right of first refusal by Ascott
- 3 Acquire properties from third party owners
- 4 Strategic relationship with CapitaLand Group

Acquisitions Since Listing



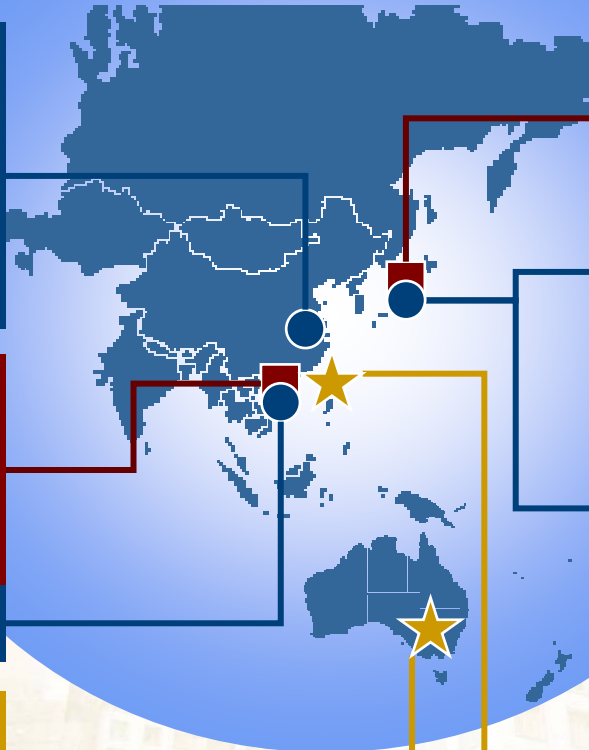
Somerset Olympic Tower, Tianjin (China)
100% effective interest



Somerset Chancellor Court, Ho Chi Minh City (Vietnam)
40.2% effective interest
26.8% effective interest



Somerset Gordon Heights, Melbourne (Australia)
100% effective interest

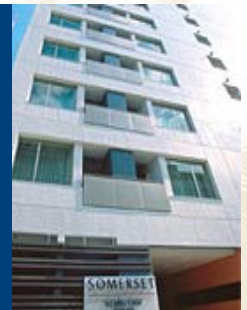


Somerset Roppongi, Tokyo (Japan)
40% effective interest

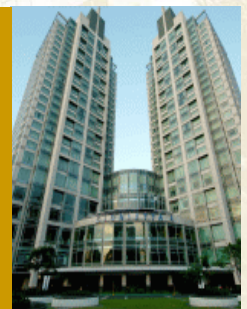
Remaining 60% effective interest



Somerset Azabu East, Tokyo (Japan)
100% effective interest



Ascott Makati (Manila, The Philippines)
100% effective interest



- Owned and managed by The Ascott Group prior to acquisition
- Owned by third parties and managed by The Ascott Group prior to acquisition
- ★ Owned and managed by third parties prior to acquisition

Details of Acquisitions Since Listing

Property	No. of Units	Appraised Value (S\$m)	Property Yield (%)	Effective Interest (%)	Completion Date
Shoan Heights Serviced Apartment, Australia (to be re-branded Somerset Gordon Heights, Melbourne)	43	13.9	6.9 ^[2]	100.0	28 May 2007
Somerset Olympic Tower, Tianjin, China	172	76.2	7% ^[1]	90.0 10.0	3 Oct 2006 1 Feb 2007
Somerset Roppongi, Tokyo, Japan	64	60.2	5% ^[1]	40.0	3 Oct 2006
			4.3% ^[2,3]	60.0	24 Jan 2007
Somerset Azabu East, Tokyo, Japan	79	79.8	4.3% ^[2,3]	100.0	24 Jan 2007
Oakwood Premier Ayala Center, The Philippines (re-branded Ascott Makati)	306	87.9	Around 11% ^[2]	100.0	22 Mar 2007
Somerset Chancellor Court, Ho Chi Minh City, Vietnam	172	72.0	> 8% ^[2]	26.8	24 Jan 2007
			8.1% ^[2]	40.2	30 Mar 2007

1. Annualised property yield for year 2006.
2. Annualised property yield for year 2007.
3. Blended property yield.

Equity Fund Raisings

- Positive response for ART's equity fund raising exercises

September 2006

Private Placement

- Overnight placement of 44 million New Units
- Raised S\$48.4 million (US\$31million)
- Increased free float from 23% to 30%

March 2007

Private Placement

- 65.8 million New Units
- More than 15 times subscribed
- Placed to about 80 institutional and other investors from Asia, Australia, Europe and the Gulf region

ATM Offering

- 8 million New Units fully subscribed
- First-come, first-served basis to retail investors

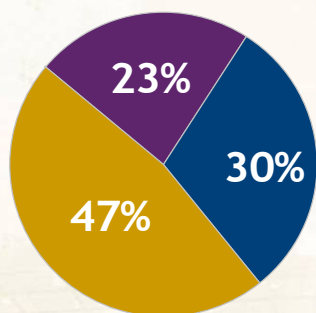
Preferential Offering

- 31.5 million New Units allocated
- Non-renounceable offering of 1 New Unit for every 10 Existing Units held

Acquisitions Mainly Funded Through Equity

At Listing

454.0 million
units in issue



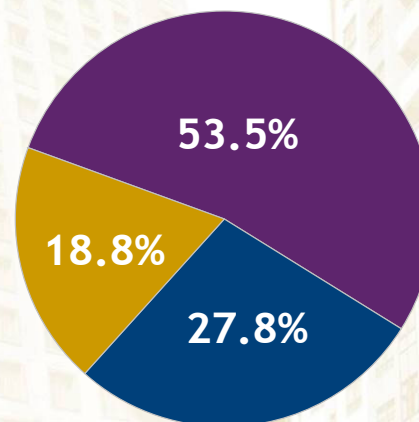
■ Free Float

■ Ascott

■ CapitaLand

Current

605.7 million
units in issue



**Free Float More Than Doubled
After Two Equity Fund Raising Exercises Since Listing**

Note: As at 26 October 2007.

Pan-Asian Assets Targeted for Injection by end-2008

Currently Owned* By The Ascott Group

Vietnam

- 1) Somerset Hoa Binh, Hanoi
- 2) Somerset West Lake, Hanoi

Thailand

- 1) Citadines Bangkok Sukhumvit 8
- 2) Citadines Bangkok Sukhumvit 16

Singapore

- 1) Ascott Singapore Raffles Place

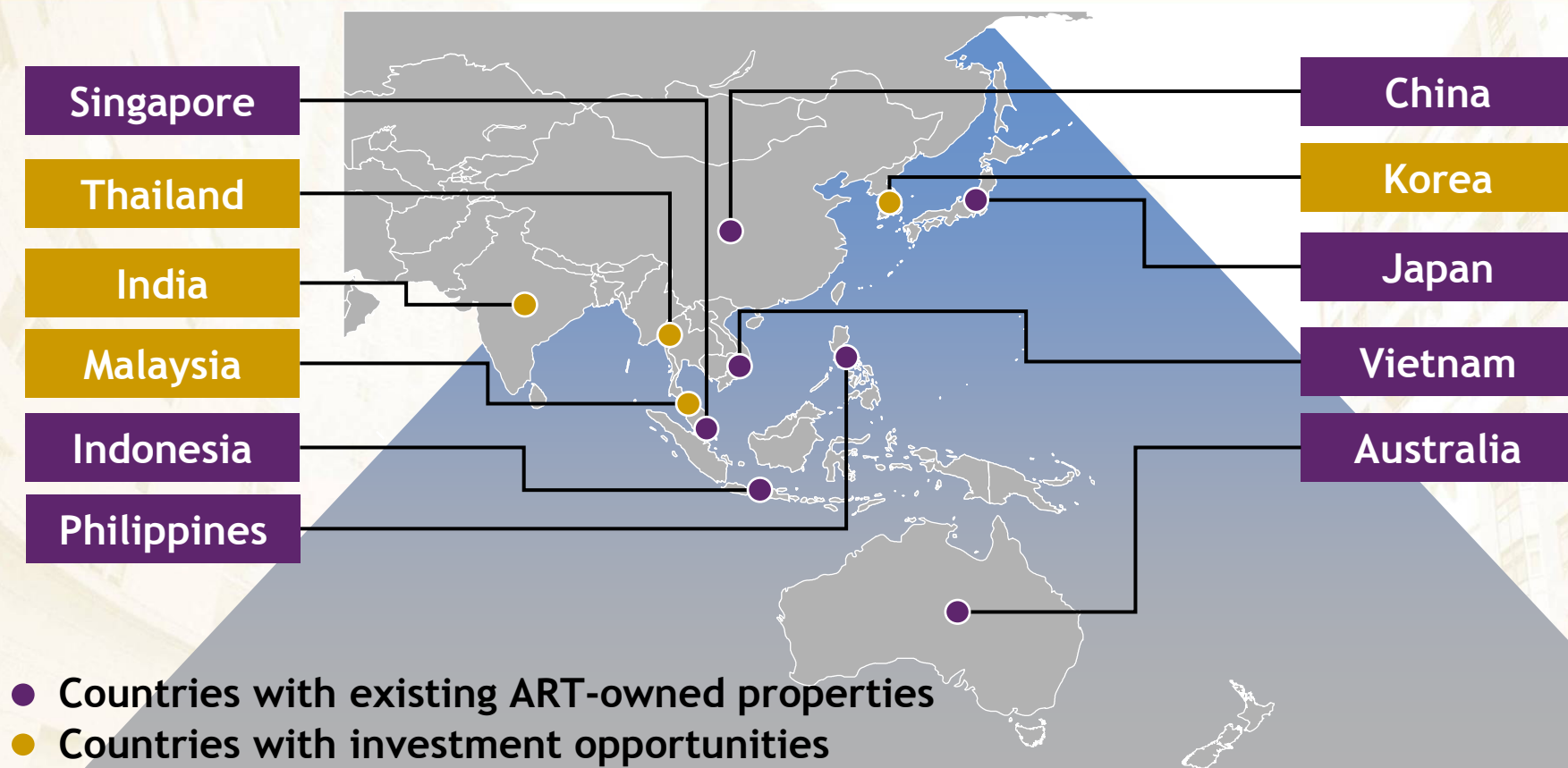
China

- 1) Ascott Guangzhou
- 2) Somerset Zhong Guan Cun, Beijing
- 3) Citadines Hong Kong Ashley
- 4) Citadines Shanghai Biyun
- 5) Citadines Shenzhen Garden City
- 6) Citadines Suzhou Xinghai
- 7) Citadines Xi'an Central

**1,800 units with
estimated value# of over
S\$500 million targeted**

* Properties either wholly owned, majority or minority stake.
Based on The Ascott Group's ownership stake in the properties.

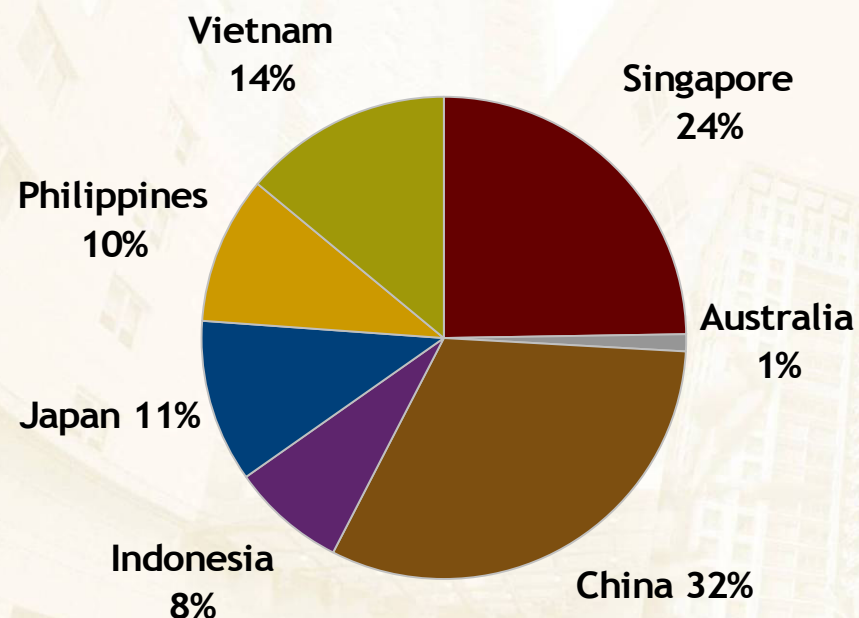
Balance of Assets in Stable and Emerging Markets



Target S\$2 billion portfolio value by end-2008

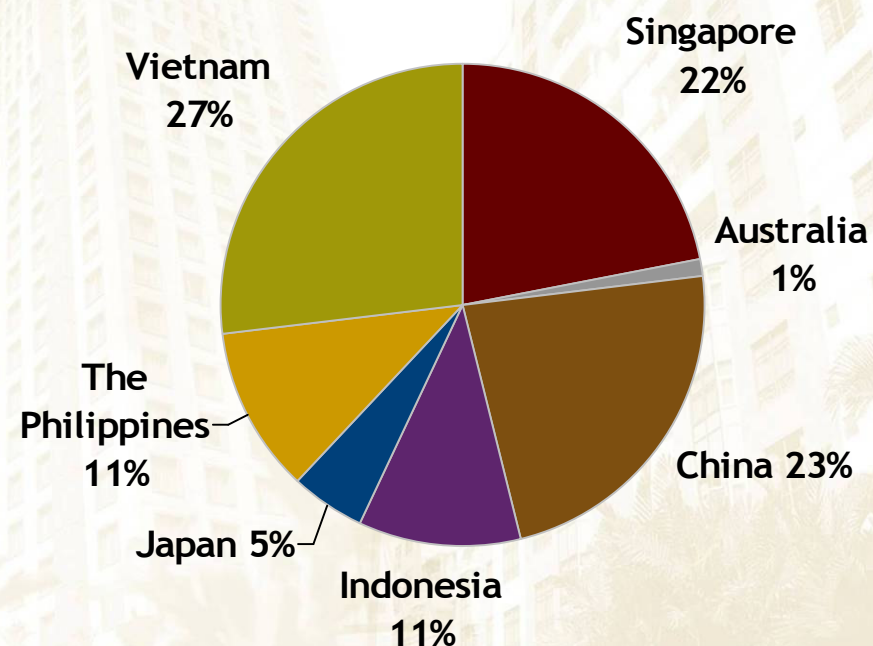
Portfolio Diversification

ART's Share of Property Values As at 30 September 2007



Total = S\$1.2 billion

ART's Share of Gross Profit 3Q 2007



Total = S\$18.7 million

Strategy #2 – Active Asset Management

Key Strategies

- ✓ Responsive asset management to maximise RevPAU
- ✓ Leverage on the branding and marketing expertise of serviced residence management company to attract quality clientele
- ✓ Ensure effective cost management by improving operating efficiencies and economies of scale
- ✓ Implement asset enhancement plans to enhance property yields and maintain quality of portfolio

Asset Enhancements For Better Yield

■ Ascott Beijing

- 73 new one-bedroom units created from 35 larger apartment units
 - All new units released for rental by 3Q 2007
 - RevPAU has improved 25% to date for the converted units
- Total inventory increased by 38 units to 310 units



Ascott Beijing, China

■ Somerset Xu Hui, Shanghai

- Renovation and reconfiguration of 15,000 sqf clubhouse
 - Created 9,600 sqf NLA commercial space for lease
 - Completed in September 2006

■ Somerset Olympic Tower Property, Tianjin

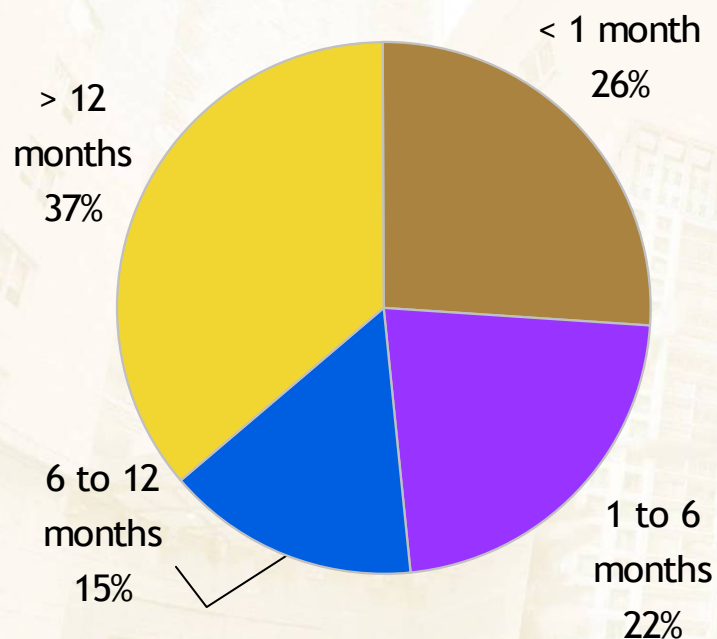
- 20 new two-bedroom units created from 10 penthouse duplex units
 - All new two-bedroom units released for rental by Oct 2007
- Ongoing reconfiguration of 12 two-bedroom units into 18 new one-bedroom units to be completed by mid 2008
- Total inventory will be increased by 16 units to 188 units



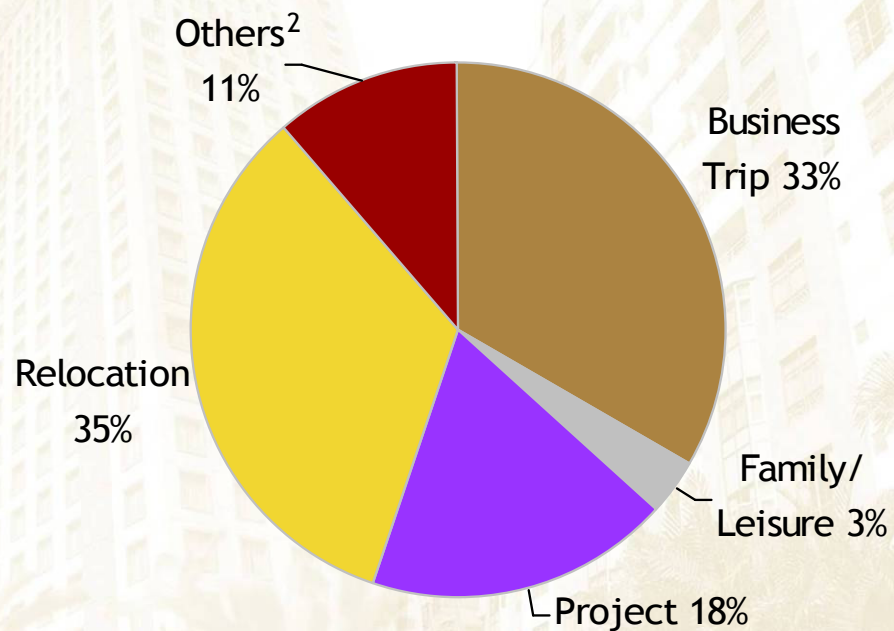
Somerset Olympic Tower Property, Tianjin, China

Diversified by Length of Stay and Market Segment

**Apartment Rental Income
By Length of Stay¹**



**Apartment Rental Income
by Market Segment¹**

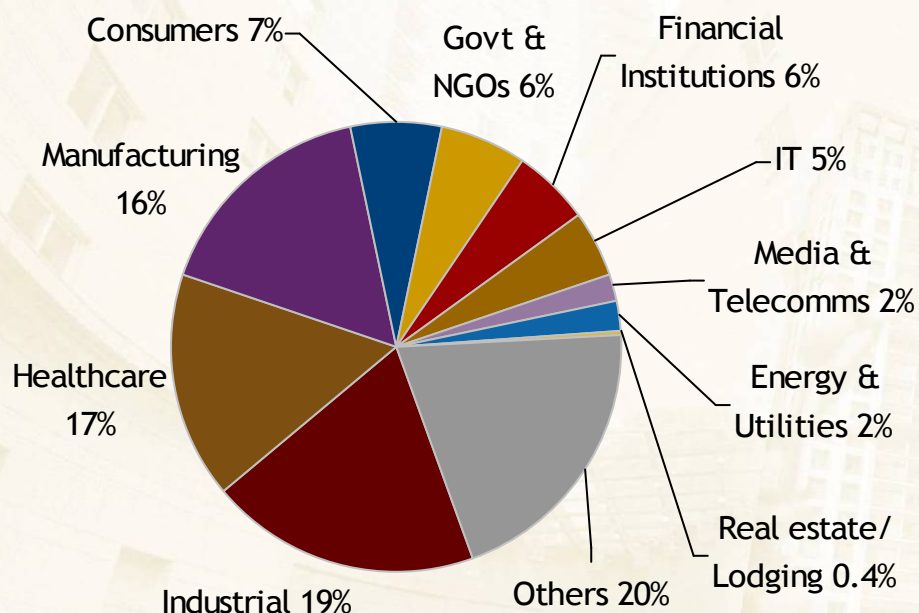


Stability in Earnings

1. For YTD September 2007.
2. Includes training, medical, etc.

Diverse Tenant Mix and Quality Clientele

Apartment Rental Income by Industry¹



Top 10 Corporate Clients by Apartment Rental Income²

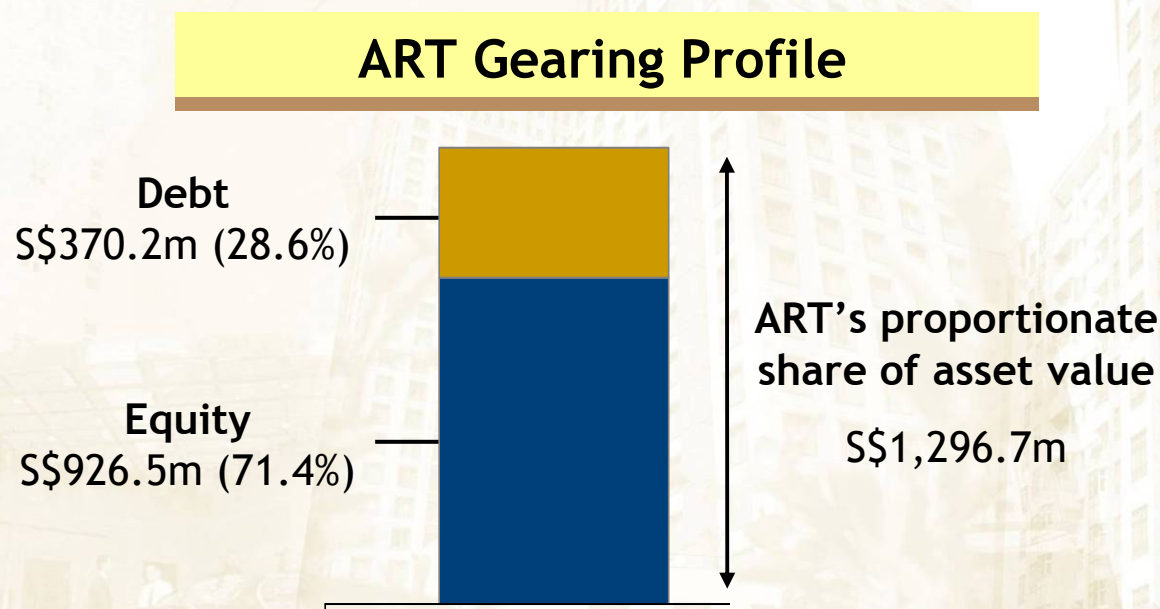
Corporate Client	Industry	% of Total Apartment Rental Income
1 Embassy of an OECD country	Govt & NGOs	3.9 %
2 Toyota Motor Corporation	Consumers	3.6 %
3 Samsung Group	Consumers	2.9 %
4 Bayer Group	Healthcare	1.5 %
5 Zachry Caddell JV	Industrial	1.4 %
6 Standard Chartered Bank	Financial	1.3 %
7 British International School	Govt & NGOs	0.9 %
8 Petroliam Nasional Berhad	Energy & Utilities	0.9 %
9 Japan Gas Corporation & PT Brown and Root Indonesia	Energy & Utilities	0.7 %
10 SK Corporation	Energy & Utilities	0.7 %
TOTAL		17.8%

Earnings diversified by industry

1. For YTD September 2007.
2. For the year ended 31 December 2006.

Strategy #3 – Capital and Risk Management

- **Maintain strong balance sheet and optimise gearing**
 - Gearing of 28.6%
 - Borrowing capacity of 60% with Moody's Baa2 investment grade rating

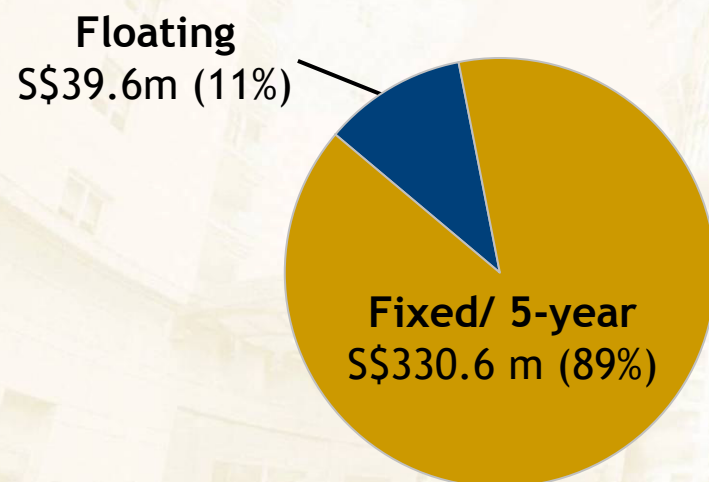


1. Based on ART's proportionate share of asset value of S\$1,296.7m as at 30 September 2007.

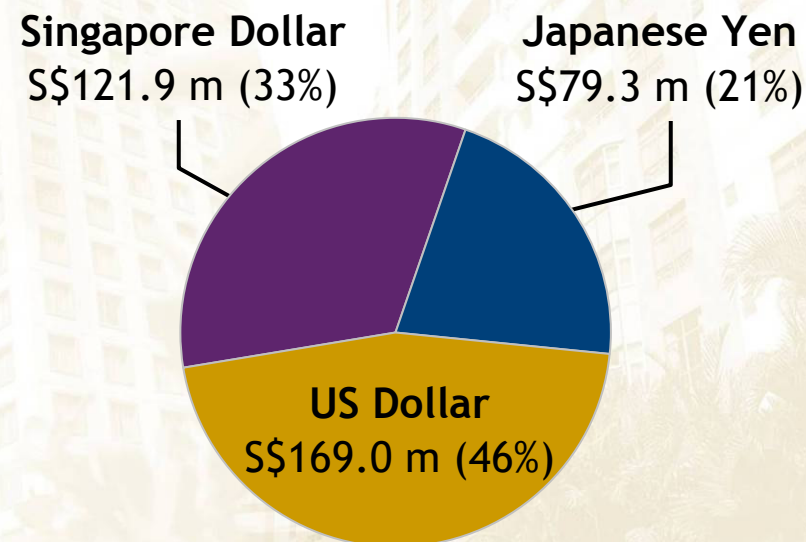
Loan Profile

- Adopt conservative interest rate management strategy
 - Effective borrowing rate of 4.4%

Bank Loans



ART's Share of Debt



ART's Share of Bank Loans = S\$370.2 million

Managing Foreign Exchange Exposure

- **Capital Values**

- Adopt natural hedge strategy, as far as possible
 - Borrowing in the same currency as underlying asset

- **Cashflows**

- Manage volatility of foreign currency cash flow from overseas assets
 - Australia and Japan - Revenue and operating expenses are in A\$ and Yen respectively
 - China - Majority of revenue and operating expenses are in RMB
 - Indonesia, Philippines & Vietnam - Majority of revenue in US\$ while operating expenses are in local currencies
- Monitor foreign exchange risks associated with remitting RMB, US\$, A\$ and Yen to Singapore for distribution, to the extent feasible, hedge these currency risks



Conclusion

ART's Compelling Growth Story

Exposure to high-growth serviced residence/ hospitality asset class

- Demand for serviced residences underpinned by FDI inflows and GDP growth
- Strong international brand name
- Positive rates reversion with upside momentum

Exposure to Asia's growth

- Asia-focused investment mandate
- FDI/ GDP growth relatively high in Asia compared to other countries

Sustainability of cashflow

- Consistently high occupancy rates
- Diversified income across 7 Pan-Asian countries

Growth

- Organic - Strong portfolio RevPAU Growth
- Ability to acquire assets from The Ascott Group and third party owners
- Target S\$2 billion portfolio value by end-2008

Strong sponsorship

- TAG/ART model + right of first refusal
- Ability to leverage on strategic relationship with CapitaLand Group



Appendices

Ascott Residence Trust's Portfolio (1/3)

Singapore

Somerset Liang Court Property, Singapore



- Located on the fringe of Singapore's CBD, along River Valley Road
- 193 apartment units

Somerset Grand Cairnhill, Singapore



- Located along Orchard Road, Singapore's main shopping area
- 144 apartment units

Australia

Somerset Gordon Heights, Melbourne



- Located in Melbourne's Central Business District
- 43 apartment units

China

Ascott Beijing



- Located along Jian Guo Road, in the Chaoyang District
- 310 apartment units

Somerset Grand Fortune Garden Property, Beijing



- Located along Liangmaqiao Road, in the Chaoyang District
- 81 apartment units

Somerset Xu Hui, Shanghai



- Located in Shanghai's prime residential district
- 167 apartment units

Somerset Olympic Tower Property, Tianjin



- Located in the Heping District, in Tianjin's business district
- 184 apartment units

Ascott Residence Trust's Portfolio (2/3)

Indonesia

Ascott Jakarta



- Located in the Golden Triangle, Jakarta's business and shopping district
- 198 apartment units

Somerset Grand Citra, Jakarta



- Located in the Golden Triangle, Jakarta's business and shopping district
- 203 apartment units

Country Woods, Jakarta



- Located in South Jakarta
- 251 apartment units

Japan

Somerset Azabu East, Tokyo



- Located in the heart of Minato-Ku in Tokyo's Central Business District
- 79 apartment units

Somerset Roppongi, Tokyo



- Located in the heart of Minato-Ku in Tokyo's Central Business District
- 64 apartment units

Ascott Residence Trust's Portfolio (3/3)

The Philippines

Ascott Makati



- Located in Makati City's shopping and business district
- 306 apartment units

Somerset Millennium, Makati



- Located in Makati City's shopping and business district
- 138 apartment units

Somerset Salcedo Property, Makati



- Located in Makati City's shopping and business district
- 71 apartment units

Vietnam

Somerset Grand Hanoi



- Located within Hanoi's CBD
- 185 apartment units

Somerset Chancellor Court, Ho Chi Minh City



- Located within Ho Chi Minh City's CBD
- 172 apartment units

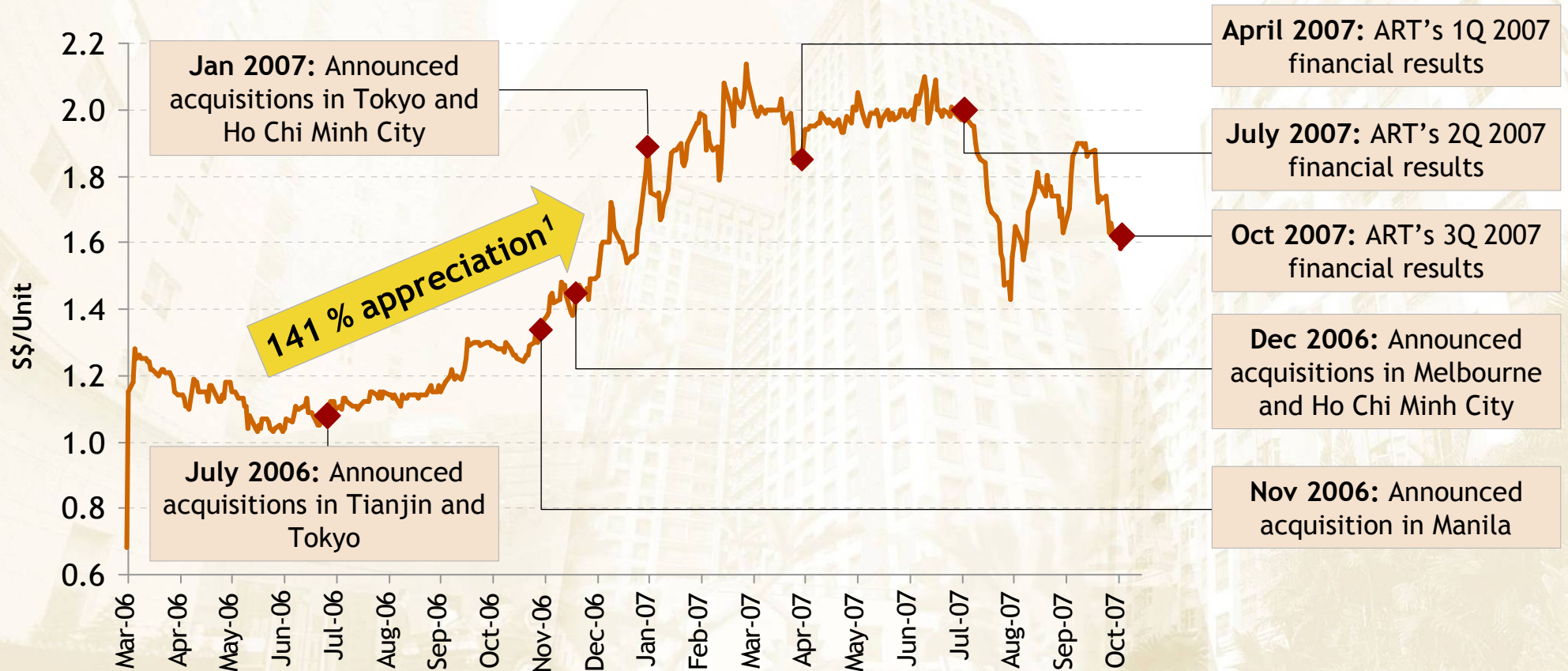
Somerset Ho Chi Minh City



- Located within Ho Chi Minh City's CBD
- 165 apartment units

ART's Capital Growth

Strong Trading Performance



1. Based on ART's preferential offering price at listing of S\$0.68/Unit and closing price of S\$1.64/Unit on 26 October 2007.