

NEWS RELEASES - 2006

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Ascott Residence Trust Enters Australian Market With Yield Accretive Acquisition In Melbourne

Increases multi-country presence to seven countries with its fourth acquisition since listing

Purchase Of Shoan Heights Serviced Apartment, Melbourne, Australia

Presentation slides: Acquisition of Somerset Gordon Heights, Melbourne

Singapore, 12 December 2006 – Ascott Residence Trust (ART) is acquiring Shoan Heights in Melbourne, Australia for A\$11.6 million (approximately S\$13.9 million). The five-storey freehold property, to be re-branded as Somerset Gordon Heights, Melbourne upon completion of the acquisition, will be managed by Ascott International Management (Australia) (AIM), an indirectly wholly owned subsidiary of The Ascott Group Limited. Somerset Gordon Heights, Melbourne is located in Melbourne's Central Business District.

The acquisition is yield-accretive to ART at an annualised property yield¹ of 6.9 percent when compared to ART's annualised portfolio property yield² of 4.9 percent and its current trading yield of 4.4 percent³. With this acquisition, ART's portfolio expands to 16 properties in seven countries with its asset size increasing to the present S\$1.05 billion up from about S\$856 million at the time of listing. The transaction will be funded by equity and/ or debt.

Mr Lim Jit Poh, chairman of Ascott Residence Trust Management Limited (ARTML), said, "Somerset Gordon Heights, Melbourne is ART's first property in Australia. With serviced residences spanning 10 Pan-Asian cities in seven countries, ART's portfolio enjoys revenue diversification across economic cycles with its presence in both mature and emerging markets. The acquisition is in line with ART's strategy to invest in quality yield-accretive assets with growth potential in the Pan-Asian region."

Mr Lim added, "Melbourne has a steady influx of business travellers as the city is popular with the Meetings, Incentive Travel, Conventions and Exhibitions (M.I.C.E.) market, which contributes around A\$1.2 billion annually into Victoria's economy⁴. This will increase further when the A\$370 million, 5000-delegate Melbourne Convention Centre – Australia's largest exhibition and convention centre – is operational by 2009."

Mr Chong Kee Hiong, ARTML's CEO, said, "Serviced residences enjoy high occupancies throughout the year in Melbourne and especially during major annual sporting events like the Australian Open Tennis Championships and Australian F1 Grand Prix. Melbourne is widely regarded as Australia's sporting capital. In fact, the Commonwealth Games and the Grand Prix early this year boosted Melbourne's city-wide hotel RevPAR⁵ significantly, with growth of almost 10% in the first quarter of 2006 and 12% in the second⁶."

Mr Chong added, "The appointment of AIM to manage Somerset Gordon Heights, Melbourne will enable ART to benefit from the operating, sales and marketing synergies with the two other serviced residences run by AIM. Guests will also be able to use the swimming pool and gymnasium facilities at Somerset Gordon Place, Melbourne. In addition, there is potential for asset enhancement with this property as the larger apartment units can be reconfigured into higher-yielding smaller units in the future."

Somerset Gordon Heights, Melbourne

Somerset Gordon Heights, Melbourne, a five-storey freehold serviced residence property in Melbourne's Central Business District, is a short 5-minute walk away from the Bourke Street tram stop. The property is surrounded by theatres such as the Princess Theatre, numerous restaurants, cafés, sporting venues, galleries, department stores, parks and government buildings such as the State Parliament.

Comprising 43 fully-furnished studios, one and two-bedroom apartments and two-bedroom penthouses, the property enjoys an average occupancy level of above 80 per cent and boasts facilities such as a restaurant, advanced security system, roof-top barbeque area with a gymnasium, sauna, spa and steam room, daily housekeeping service, free laundry facilities and valet dry cleaning. The property has been in operation since 1998.

Located at 19-25 Little Bourke Street, Somerset Gordon Heights, Melbourne is directly opposite Somerset Gordon Place, Melbourne, a property also managed by AIM. The swimming pool and gymnasium at Somerset Gordon Place, Melbourne will be accessible to guests staying at Somerset Gordon Heights, Melbourne.

¹For the forecast year 2007.

²Based on initial portfolio of 12 properties for the forecast year 2006.

³As at 11 December 2006. Based on an annualised distribution of S\$0.0611 for the forecast year 2006 and based on the assumptions as set out in the Prospectus.

⁴Source: Deloitte HotelBenchmark™ Survey.

⁵Revenue Per Available Room.

⁶Sources: Jones Lang LaSalle Hotels and Jones Lang LaSalle.

About Ascott Residence Trust

Ascott Residence Trust is the first Pan-Asian serviced residence real estate investment trust (REIT) 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 over 2,000 units in 12 strategically located serviced residences and rental housing property in Singapore, China, Indonesia, the Philippines and Vietnam, ART was listed with an asset size of about S\$856 million.

Launched in March 2006, ART is managed by the Ascott Residence Trust Management Limited, a wholly-owned subsidiary of The Ascott Group Limited. Listed on the mainboard of the Singapore Exchange, The Ascott Group is the largest international serviced residence owner-operator outside the United States with over 17,000 serviced residence units in key cities of Asia Pacific, Europe and the Gulf region. Ascott boasts a 22-year industry track record and serviced residence brands that enjoy recognition worldwide.

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

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In relation to the preferential offering by The Ascott Group Limited of units in Ascott Residence Trust, J.P. Morgan (S.E.A.) Limited acted as the Joint Financial Adviser, Sole Global Coordinator and Sole Lead Underwriter.