



**ASCOTT**

RESIDENCE  
TRUST

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**NEWS RELEASE**

## **ASCOTT RESIDENCE TRUST EXPANDS BEYOND MELBOURNE WITH FIRST SERVICED RESIDENCE IN PERTH**

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A Member of The Ascott Group

*Singapore, 21 January 2008* – Ascott Residence Trust (ART) is acquiring an 84-unit serviced residence in Perth, Australia for a total purchase price of A\$28.5 million (S\$36.1 million<sup>1</sup>). The freehold property, currently known as Chifley On The Terrace, is located along the prime St Georges Terrace in the heart of Perth's central business district. The property is a short five-minute walk from the Perth Convention and Exhibition Centre and the well-known Hay Street and Murray Street pedestrian shopping malls.

The acquisition is yield-accretive to ART at an estimated annualised property yield of 6.1 percent in the forecast year 2008. The transaction will be funded by borrowings, which will bring ART's gearing to 34.5 percent. This is well within the 60 percent gearing limit allowable under the Monetary Authority of Singapore's property fund guidelines.

Upon legal completion<sup>2</sup>, the property will be re-branded Somerset St Georges Terrace, Perth and will be managed by Ascott International Management (Australia), an indirectly wholly owned subsidiary of The Ascott Group Limited.

Mr Lim Jit Poh, Chairman of Ascott Residence Trust Management Limited (ARTML), said, "Western Australia's economy grew 6.3 percent<sup>3</sup> for the 12 months ended 30 June 2007, much higher than the country's economic growth rate of 3.2 percent over the same period. This is driven mainly by the tremendous growth in the mining industry, which now accounts for more than a quarter of the state's economy, as well as an increase in private and public sector infrastructure projects. Mining giants like BHP Billiton, Woodside and Chevron Texaco have announced plans to invest in more oil and gas projects in Western Australia. In addition, the Western Australian government will be investing A\$22 billion over the next four years on various utilities, transport and other infrastructure projects. The expected increase in manpower needed for these massive long-term investments will drive demand for quality short and long-term accommodation in the city for the next few years."

<sup>1</sup> Based on an exchange rate of A\$1 = S\$1.2654.

<sup>2</sup> Legal completion is conditional on, amongst others, all strata title owners of the property completing the transaction.

<sup>3</sup> Source: Australian Bureau of Statistics.

Mr Chong Kee Hiong, ARTML's Chief Executive Officer, said, "Perth is an attractive market as there is high potential for organic growth. Somerset St Georges Terrace's excellent location makes it attractive to corporate travellers visiting the city on a project basis or on business trips. According to Deloitte's HotelBenchmark Survey, Perth was the best performing Australian city in 2007, with average room rates growing at 15 percent in the first nine months of 2007 to reach A\$159 and occupancy averaging 84 percent. In view of the limited supply of good-quality accommodation in Perth currently and in the next few years, we anticipate that room rates in the city will continue to grow."

He added, "Upon completion of this acquisition, ART's total portfolio value will stand at S\$1.37 billion, comprising 3,550 units in 37 properties in 11 cities across seven countries. ART's assets in Australia will make up 4 percent of the total portfolio value, an increase from 1 percent before this acquisition."

In 2006, Australia received 786,000 business and conference visitors, an increase of seven percent over the previous year. With the launch of Tourism Australia's 'Re-energise in Australia' campaign in 2007 targeted at attracting business events into the country, visitor numbers are expected to accelerate in the next two years.

ART's other property in Australia is Somerset Gordon Heights in Melbourne's central business district.

The transaction is not expected to have any material impact on the net asset value and earnings per unit of ART for the financial year ending 31 December 2008.

### **Somerset St Georges Terrace, Perth**

Somerset St Georges Terrace, Perth is a nine-storey freehold building with one basement level. Located at 185 St Georges Terrace, the property is surrounded by numerous office and government buildings, restaurants, cafés, parks and consulates, and is near Subiaco Oval, the largest stadium in the state of Western Australia. The Perth Railway Station is a 15-minute walk away while the Perth domestic and international airports are a 20-minute drive away.

Comprising 84 studios and one-bedroom apartments, the property enjoys an average occupancy level of about 90 percent and provides facilities such as daily housekeeping services, a bar and restaurant, function rooms and car parking. Guests will also have access to swimming pool and fitness centre facilities. The property has been in operation since 1999.

### **About Ascott Residence Trust**

Ascott Residence Trust (ART) 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, ART was listed with an asset size of about S\$856 million. Upon completion of the latest acquisition in Perth, ART's portfolio will expand to S\$1.37 billion, comprising 37 properties with 3,550 units in 11 cities across seven countries.

Launched in March 2006, ART is managed by Ascott Residence Trust Management Limited, a wholly-owned subsidiary of The Ascott Group Limited (Ascott). Listed on the mainboard of the Singapore Exchange, Ascott is the largest international serviced residence owner-operator, with over 20,000 serviced residence units in key cities of Asia Pacific, Europe and the Gulf region. Ascott boasts a 24-year industry track record and serviced residence brands that enjoy recognition worldwide.

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

#### 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 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 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.

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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.