



NEWS RELEASE

ASCOTT REIT DIVESTS JAKARTA PROPERTY AT S\$33.9 MILLION, 60% ABOVE VALUATION

Singapore, 06 August 2010 – Ascott Residence Trust (Ascott Reit) has entered into a sale and purchase agreement for the sale of Country Woods, Jakarta in Indonesia. The agreed price of the property at S\$33.9¹ million - the highest price submitted in a competitive bidding process - is 60% above the property's valuation as at 30 June 2010 of S\$21.2 million.

Ascott Reit is expected to enjoy an estimated net gain of S\$5.7 million² from the divestment. The transaction is expected to be completed in the fourth quarter of 2010.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "The divestment of Country Woods, Jakarta provides Ascott Reit an opportunity to divest the asset at an attractive price of S\$33.9 million which is 60% above the last valuation. The sale proceeds from the divestment will provide Ascott Reit with greater financial flexibility to maximise returns to unitholders. Proceeds from the sale will be used to pare down the Group's debt or for funding future acquisitions."

Mr Chong Kee Hiong, ARTML's Chief Executive Officer, said, "The divestment is in line with Ascott Reit's strategy to unlock the underlying value of a property that has reached a stage that offers limited growth and re-deploy proceeds to optimise the yield of the portfolio. Moreover, Country Woods would require significant capital expenditure in order for it to compete with the increased competition in South Jakarta. The implied exit yield of Country Woods is 2.9%³ based on the agreed sale price of S\$33.9 million."

Mr. Chong added, "Following the divestment, Ascott Reit continues to have a presence in Indonesia with Ascott Jakarta and Somerset Grand Citra, Jakarta which are both located in the heart of the city's business and shopping district, the Golden Triangle. Ascott Reit will continue to

¹ Based on exchange rate of USD 1 = RP 9,052; USD 1 = SGD 1.4025

² Gain after tax and transaction related expenses

³ Based on annualised FY2010 EBITDA for the six months ended 30 June 2010

seek yield accretive acquisitions to further expand the portfolio and look for opportunities to divest properties which have reached optimal yield. ”

Country Woods, Jakarta

Located in the heart of South Jakarta, Country Woods operates as a rental housing property. It comprises 36 townhouses, 78 bungalows and 137 apartment units occupying a net lettable area of 48,490 square metres and has a tenure of 20 years expiring on 22 October 2025.

Country Woods, Jakarta contributed about S\$0.4 million or 1% to Ascott Reit’s 1H 2010 gross profit⁴.

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. As at 30 June 2010, Ascott Reit’s portfolio comprised 38 properties with 3,644 units in 11 cities across seven countries with a total asset value of S\$1.59 billion. Upon completion of the divestment of Country Woods, Jakarta, Ascott Reit’s portfolio will comprise 37 properties with 3,393 units in 11 cities across seven countries with a total asset value of S\$1.57 billion.

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>.

⁴ Based on Ascott Reit’s share of gross profit for 1H 2010

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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