

NEWS RELEASE

ASCOTT RESIDENCE TRUST TO ACQUIRE S\$1.39 BILLION PORTFOLIO OF ASIA AND EUROPE PROPERTIES

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Singapore, 20 August 2010 – Ascott Residence Trust (Ascott Reit) has entered into conditional sale and purchase agreements with subsidiaries of The Ascott Limited (Ascott) to acquire two Asian and 26 European properties at an enterprise value of approximately S\$1.39 billion¹, and at the same time to divest Ascott Beijing, China for an agreed sale price of S\$301.8 million² with a gain of approximately S\$106.2 million (collectively the Transactions). With the Transactions, Ascott Reit’s portfolio asset size will almost double from S\$1.59 billion to S\$2.85 billion.

The annualised FY 2010 EBITDA³ yield of the target acquisitions at 5.7% is higher than the 5.5% for Ascott Reit’s existing portfolio. The yield-accretive acquisitions will be funded by a combination of equity, debt and sale proceeds from the divestment of Ascott Beijing. The divestment of Ascott Beijing will unlock the value of the property at 66% above the property’s valuation as at 30 June 2010 of S\$181.8 million.

To part finance the yield accretive acquisitions, Ascott Reit will be seeking unitholders’ approval at an extraordinary general meeting (EGM) to raise approximately S\$560.6 million⁴ through an equity fund raising (EFR) which will comprise a non-renounceable preferential offering to existing unitholders and a private placement. The proposed EFR is expected to increase Ascott Reit’s free float by approximately 73% from S\$385.3 million⁵ to S\$665.3 million⁶.

Upon completion, Ascott Reit’s forecast annualised distribution per unit (DPU) for FY2010 and projected DPU for FY2011 will be approximately

¹ Represents S\$107.0 million and Singapore Dollar equivalent of €467.3 million at the exchange rate of €1.00 to S\$1.75, £199.9 million at the exchange of £1.00 to S\$2.07 and US\$40.7 million at the exchange rate of US\$1.00 to S\$1.38. Total net purchase consideration amounts to S\$814.2 million after deducting assumed bank loans of S\$422.1 million, minority interests in total net assets of S\$3.0 million and set-off of an amount owing from vendor of S\$155.4 million.

² Represents Singapore Dollar equivalent of RMB 1,472 million at exchange rate of RMB1.00 to S\$0.205. The agreed sale price is higher than the average of two appraised values by Savills Valuation and Professional Services Limited (Savills), appointed by the Trustee of Ascott Reit, and HVS International (HVS), appointed by Ascott, which is S\$299.0 million.

³ Based on annualised 4Q 2010 forecast EBITDA.

⁴ Assuming 487.5 million new units are issued at an illustrative issue price of S\$1.15 per new unit.

⁵ As at 16 August 2010, based on closing price of S\$1.19 and 619.6 million units in issue.

⁶ Based on an illustrative issue price of S\$1.15 and total units of 1,107.1 million, including the 487.5 million of new units issued, and assuming that the CapitaLand Group subscribes for such number of new units to maintain its unitholdings of 47.74%.

7.35 cents and 7.74 cents respectively for the enlarged portfolio⁷. This represents a DPU accretion of approximately 1.9% and 4.8% over the forecast annualised DPU of the existing portfolio for the same periods.

Mr Lim Jit Poh, Ascott Residence Trust Management Limited's (ARTML) Chairman, said: "The acquisitions represent a rare and attractive opportunity to acquire a substantial portfolio of mainly freehold serviced residences. Furthermore, the completion of the Transactions and EFR will almost double Ascott Reit's asset size, and significantly increases its market capitalisation and free float. This could potentially raise the profile of Ascott Reit among global investors and enlarge its unitholder base. Ascott Reit's increased market capitalisation would also enhance its competitive positioning with respect to its acquisition growth strategy."

Mr Chong Kee Hiong, ARTML's Chief Executive Officer, said, "The acquisitions will further increase Ascott Reit's presence in Singapore and Vietnam. The Europe properties are largely located in London and Paris, which are global cities and are stable and established markets for serviced residences. Overall, about 75% of the acquired properties by value are in Singapore, London and Paris. Ascott Reit will continue to enjoy significant exposure to the economic growth in key Pan-Asian cities while benefiting from the added diversification to Europe's stable economies. Going forward, the Pan-Asian region will continue to constitute a significant portion of the portfolio."

Mr Chong added, "Following the completion of the Transactions, Ascott Reit will enjoy increased income stability as its master lease and guaranteed income⁸ as a percentage of the annualised FY2010 EBITDA⁹, will increase from 3.9% for the existing portfolio to 47.2% for the enlarged portfolio."

Mr Chong elaborated, "In conjunction with the acquisitions, we are divesting Ascott Beijing to unlock the value of the property at the optimal stage of its life cycle at an exit EBITDA yield of 1.6%. The divestment is 66% above the property's valuation as at 30 June 2010 of S\$181.8 million, and will realise a gain of approximately S\$106.2 million."

Following the completion of the Transactions, Ascott Reit's portfolio will expand from 3,644 apartment units in 38 properties to 6,681 apartment units in 65 properties. Its geographical footprint will also grow from 11 cities across seven countries in the Pan-Asian region to become an international REIT¹⁰ with a presence in 23 cities across 12 countries.

Of the 28 properties Ascott Reit is acquiring, 27 are currently under the Citadines brand¹¹ which would be a new addition to the current portfolio of Ascott and Somerset branded properties. The Citadines brand has established its presence in Europe since 1984 and has been further developed by Ascott since it acquired the brand in 2004. The addition of the

⁷ Based on the assumption that 487.5 million new units are issued at an illustrative issue price of S\$1.15 per new unit under the EFR as well as other assumptions set out in the Circular and using the distribution income of the three-month period ending 31 December 2010 and the distribution income for full year 2011 respectively.

⁸ Refers to existing Master Lease income from Somerset Salcedo, Makati, EBITDA guarantee for Somerset West Lake, Hanoi, Master Lease income from 19 Europe Target Properties and minimum guaranteed net operating profit from 7 Europe Target Properties.

⁹ Based on annualised 4Q 2010 forecast EBITDA.

¹⁰ Real Estate Investment Trust.

¹¹ Ascott has on 2 August 2010 announced that there are plans to convert Citadines Paris Louvre to an Ascott branded residence.

Citadines brand will further add to Ascott Reit's ability to cater to a wide range of customer needs as it complements the market positioning of the Ascott and Somerset brands in the existing portfolio.

Conditions for the Transactions

As the acquisitions and divestment each constitutes an interested person transaction under the listing manual of the SGX-ST and an interested party transaction under the Property Funds Appendix, they are subject to the approval of unitholders of Ascott Reit at an EGM.

Both the acquisitions and the divestment are inter-conditional upon the other being completed such that if any of the acquisitions, or the divestment, as the case may be, is not consummated, none of the Transactions will take place.

Credit Suisse (Singapore) Limited has been appointed as sole financial adviser to Ascott Reit and sole global coordinator for the EFR. Credit Suisse (Singapore) Limited and DBS Bank Ltd have been appointed as the joint lead managers, bookrunners and underwriters for the EFR.

Information on the Properties to be Acquired

Ascott Reit is acquiring a total of 3,347 apartment units in 28 properties across France, UK, Germany, Belgium, Spain, Singapore and Vietnam.

In France, Ascott Reit is acquiring 17 properties including 10 which are in Paris, one of the most visited cities in world. They are all located in prime areas of the city near famous landmarks such as the Louvre, the Eiffel Tower, Notre Dame and the Seine River. Of the seven properties located outside of Paris, two of them are in Marseille, the second largest city in France after Paris, and another is in the popular holiday city of Cannes. The rest are located among the most populated cities in France, including Lyon, Montpellier, Lille and Grenoble.

The four UK properties are in London, a global financial centre and one of the world's leading cities for international tourism. They are either near business districts or tourist destinations such as Trafalgar Square and the Victorian district of South Kensington.

The rest of the Europe properties are situated in leading business, convention or leisure cities including Berlin, Munich, Brussels and Barcelona in Germany, Belgium and Spain.

The two Asian properties are located in Singapore, one of Asia's key financial centres, and Vietnam's capital city of Hanoi. Both properties are strategically located close to the business and commercial districts of the respective cities.

More information on the properties to be acquired can be found in the attached Appendix 1.

Information on Ascott Beijing

Centrally located in Beijing's prime business and retail area in Chaoyang district, Ascott Beijing is a 21-storey building with 310 apartment units of serviced apartments ranging from one bedroom units to penthouses. It occupies a gross floor area of 66,417 square metres and has a tenure of 70 years expiring on 7 February 2066.

Information on the Master Leases and Serviced Residence Management Agreements

The 28 properties that are to be acquired have existing master leases and serviced residence management agreements that will continue following the completion of the acquisitions.

The master leases of the 17 properties in France and two properties in Germany have remaining terms of between six and 19 years. The master lessees, which are subsidiaries of Ascott, will pay fixed net rental per annum to Ascott Reit. In addition, Ascott Reit will enjoy annual rental revisions pegged to indices representing construction cost, inflation or commercial rental prices according to market practice. The master leases are expected to contribute approximately 27.8% of the forecast EBITDA¹² of the enlarged portfolio for the three months ending 31 December 2010.

The remaining nine properties are on serviced residence management agreements, of which seven are properties across UK, Belgium and Spain which are on serviced residence management contracts and have remaining terms of between five and 10 years that offer a minimum guaranteed net operating profit, enhancing income stability of Ascott Reit. They are expected to contribute about 17.2% of the forecast EBITDA¹² of the enlarged portfolio for the same period.

¹² Excluding a one-time gain from the divestment of Ascott Beijing and any change in fair value of serviced residence properties.

APPENDIX 1

The following table shows certain key information relating to the Target Properties:

Property Name	Address	Number of Apartment Units	Net Lettable Area (sq m)	Appraised Value ⁽¹⁾ (S\$ million)	Title
Singapore					
1. Citadines Singapore Mount Sophia Property	8 Wilkie Road #01-26 Wilkie Edge Singapore 228095	154	7,015	107.0	Leasehold estate of 96 years 3 months and 3 days ending on 19 February 2105
Vietnam					
2. Somerset Hoa Binh, Hanoi	106 Hoang Quoc Viet Street, Hanoi, Vietnam	206	14,330	54.9	Leasehold estate of 36 years expiring on 24 April 2042

Property Name	Address	Number of Apartment Units	Net Floor Area (sq m)	Appraised Value ⁽¹⁾ (S\$ million)	Title
France (Paris)					
3. Citadines Paris Louvre ⁽²⁾	8 rue de Richelieu, 75001 Paris France	51	3,373	40.3	Freehold estate
4. Citadines Paris Trocadéro	29 bis, rue Saint-Didier, 75116 Paris France	97	4,511	51.3	Freehold estate

Property Name	Address	Number of Apartment Units	Net Floor Area (sq m)	Appraised Value ⁽¹⁾ (S\$ million)	Title
5. Citadines Paris Place d'Italie	18 place d'Italie, 75013 Paris France	169	7,090	56.3	Freehold estate
6. Citadines Paris Montmartre	16 avenue Rachel, 75018 Paris France	111	4,079	40.4	Freehold estate
7. Citadines Paris Tour Eiffel	132 boulevard de Grenelle, 75015 Paris France	104	5,380	59.2	Freehold estate
8. Citadines Paris Austerlitz	27 rue Esquirol, 75013 Paris France	49	1,827	9.6	Lessee under a finance lease arrangement
9. Citadines Paris Voltaire République	75 bis, avenue Parmentier, 75011 Paris France	76	3,217	21.2	Lessee under a finance lease arrangement
10. Citadines Paris Maine-Montparnasse	67 avenue du Maine, 75014 Paris France	67	2,123	20.6	Lessee under a finance lease arrangement
11. Citadines Paris Les Halles	4 rue des Innocents 75001 Paris France	189	9,207	88.2	Freehold estate
12. Citadines Paris Didot Alésia	94 rue Didot, 75014 Paris France	80	3,518	25.7	Lessee under a finance lease arrangement

Property Name	Address	Number of Apartment Units	Net Floor Area (sq m)	Appraised Value ⁽¹⁾ (S\$ million)	Title
France (Outside Paris)					
13. Citadines Cannes Carnot	1 rue le Poussin, 06400 Cannes France	58	2,139	8.4	Lessee under a finance lease arrangement
14. Citadines Marseille Prado Chanot	9-11 boulevard de Louvain, 13008 Marseille France	77	3,310	9.4	Freehold estate
15. Citadines Marseille Castellane	60 rue du Rouet 13006 Marseille, France	97	3,974	10.7	Lessee under a finance lease arrangement
16. Citadines Montpellier Antigone	588 boulevard d'Antigone, 34000 Montpellier France	122	5,575	13.8	Lessee under a finance lease arrangement
17. Citadines Lyon Presqu'île	2 rue Thomassin, 69002 Lyon France	116	5,973	21.4	Freehold estate
18. Citadines Lille Centre	Avenue Willy Brandt – Euralille, 59777 Lille France	101	3,863	16.2	Freehold estate
19. Citadines Grenoble	9-11 rue de Strasbourg, 38000 Grenoble, France	106	4,657	16.7	Freehold estate

Property Name	Address	Number of Apartment Units	Net Floor Area (sq m)	Appraised Value ⁽¹⁾ (S\$ million)	Title
United Kingdom					
20. Citadines London Barbican	7-21 Goswell Road, London EC 1M 7AH, United Kingdom	129	6,158	75.0	Freehold estate
21. Citadines London South Kensington	35A Gloucester Road, London SW7 4PL, United Kingdom	92	5,430	71.1	Freehold estate
22. Citadines London Trafalgar Square	18-21 Northumberland Avenue, London WC2N 5EA, United Kingdom	187	8,977	130.9	Freehold estate
23. Citadines London Holborn-Covent Garden	94-99 High Holborn, London WC 1V 6LF, United Kingdom	192	8,403	127.5	Freehold estate
Belgium					
24. Citadines Bruxelles Sainte-Catherine	51 Quai au Bois à Brûler 1000 Bruxelles Belgium	169	7,536	26.7	Freehold estate
25. Citadines Bruxelles Toison d'Or	61-63 Avenue de la Toison d'Or, 1060 Bruxelles Belgium	153	8,662	23.5	Freehold estate

Property Name	Address	Number of Apartment Units	Net Floor Area (sq m)	Appraised Value ⁽¹⁾ (\$ million)	Title
Germany					
26. Citadines Berlin Kurfürstendamm	Olivaer Platz 1, 10707 Berlin-Wilmersdorf Germany	118	5,480	21.1	Freehold estate
27. Citadines Munich Arnulfpark	Arnulfstrasse 51, 80636 München Germany	146	6,502	34.0	Freehold estate
Spain					
28. Citadines Barcelona Ramblas	Ramblas 122, 08002 Barcelona Spain	131	6,440	56.7	Freehold estate
Total		3,347		1,237.8	

Notes:

- (1) Based on (a) the average of the two independent valuations by Savills UK and HVS undertaken as of 1 July 2010 and (b) a direct interest of 100.0% in the Target Properties held by the relevant Property Holding Companies.
- (2) Ascott has on 2 August 2010 announced that there are plans to convert Citadines Paris Louvre to an Ascott branded residence.

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.

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. With the completion of the acquisition and divestment, Ascott Reit's portfolio will expand to S\$2.85 billion, comprising 65 properties with 6,681 units in 23 cities across 12 countries across Asia Pacific and Europe.

Ascott Reit is managed by Ascott Residence Trust Management Limited, a wholly-owned subsidiary of The Ascott Limited and an indirect wholly-owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies.

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.

These materials are not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Manager and will contain detailed information about Ascott Reit and management, as well as financial statements.

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