



ASCOTT RESIDENCE TRUST FY2006 Financial Results

24 January 2007

Agenda

- 2006 Highlights
- 2006 in Review
 - Operating Performance
 - Acquisitions in 2006
 - Asset Enhancements in 2006
 - Strong Balance Sheet
- Prospects & Outlook
- New Acquisitions in 2007
- Q&A Session

Disclaimer

IMPORTANT NOTICE

The value of units in Ascott Residence Trust (“ART”) (the “Units”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager of ART (the “Manager”) or any of its affiliates. An investment in the Units 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. Prospective investors and Unitholders 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.

Unitholders of ART (the “Unitholders”) 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 through trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

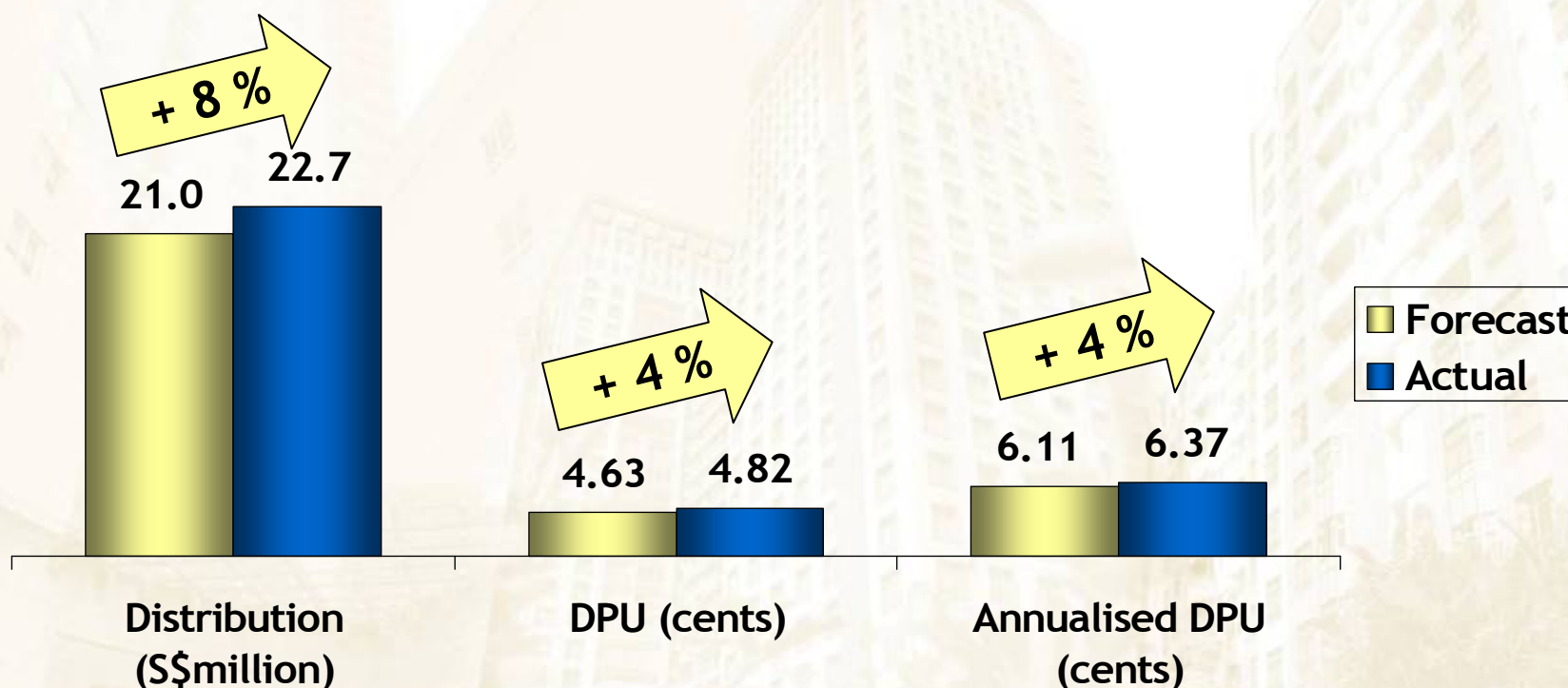


2006 Highlights

Net Distributable Income and DPU Higher Than Forecast

2006 Highlights

For the period 31 March 2006 to 31 December 2006 (Public Trust)



Net Distributable Income Exceeded Forecast by 8%
DPU Exceeded Forecast by 4%

Distribution Details

Distribution Period/ Rate

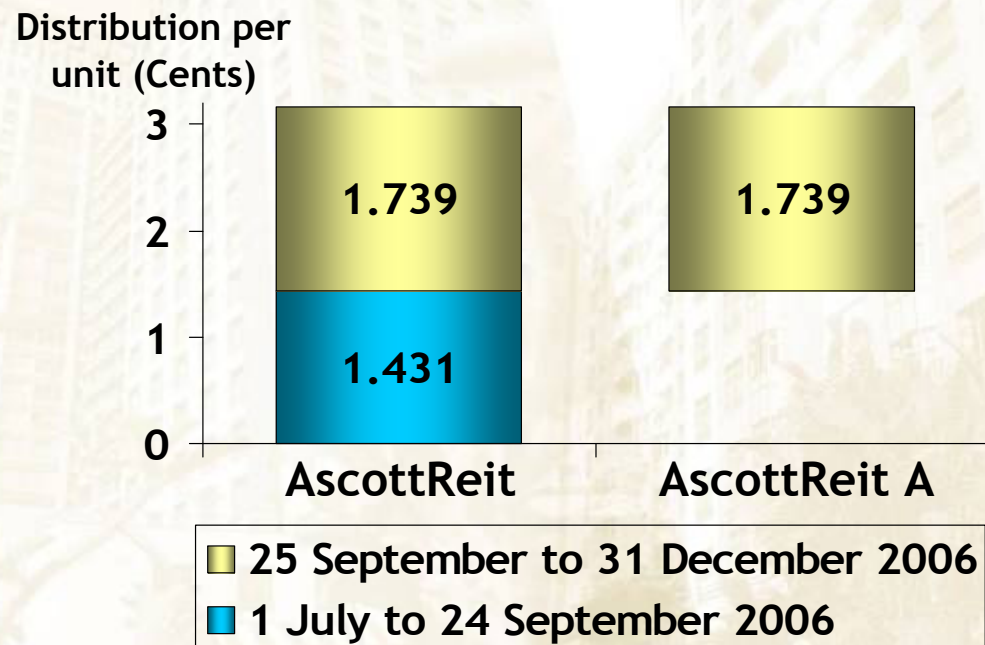
- 1) AscottReit units (1 July to 31 December 2006): 3.170 cents per unit
- 2) AscottReit A units (25 September to 31 December 2006): 1.739 cents per unit

Book Closure Date

1 February 2007

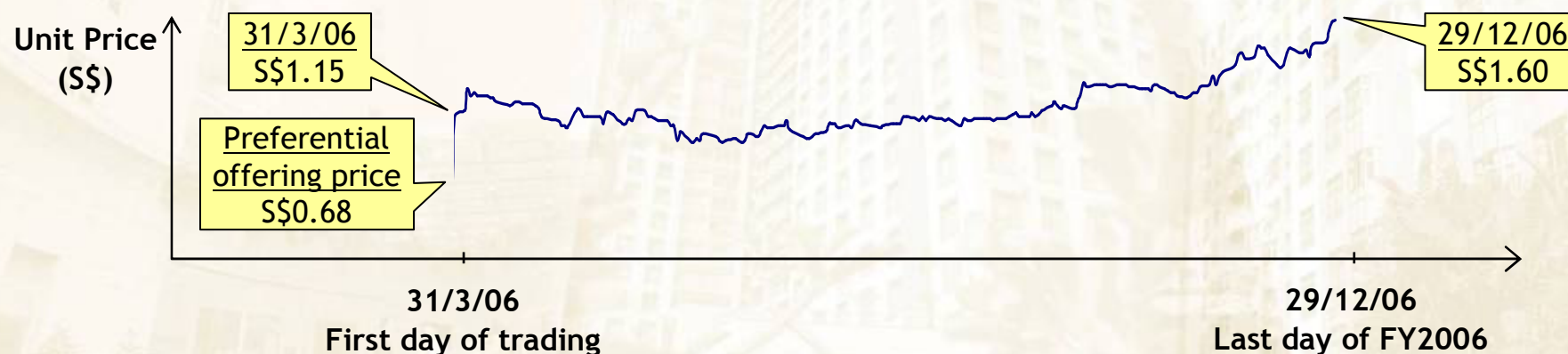
Distribution Payment Date

28 February 2007



Strong Unit Price Performance in 2006

- ✓ Unit price¹ appreciated by 135%
- ✓ Total return² of 139%
- ✓ Market capitalisation¹ increased 158% to reach S\$800 million



1. Based on the preferential offering sale price of S\$0.68 and the unit price of S\$1.60 as at 29 December 2006.
2. Based on unit price appreciation and annualised distribution yield of 4% (based on DPU for the period 31 March 2006 to 31 December 2006, and the preferential offering sale price of S\$0.68).

Expansion of Asset Portfolio

- ✓ Five yield-accretive acquisitions announced in 2006
 - Two completed in October 2006¹
 - Remaining acquisitions to be completed by April 2007²
- ✓ Expanded geographical reach to Japan and Australia
- ✓ Increase in total portfolio value to S\$927 million³ (as at 31 December 2006)
- ✓ Larger free float to improve liquidity

1. These were Somerset Olympic Tower Property, Tianjin and an effective 40% stake in Somerset Roppongi, Tokyo.
2. The acquisition of an effective 26.8% stake in Somerset Chancellor Court, Ho Chi Minh City was completed on 17 January 2007.
3. Based on valuation of the Properties as at 30 November 2006. Includes the initial portfolio of 12 properties and the completed acquisitions of Somerset Olympic Tower Property, Tianjin and Somerset Roppongi, Tokyo.






2006 in Review



Operating Performance

Statement of Total Return vs Pro Forma 2005

<u>S\$m</u>	<u>Actual¹</u> 19/1/06 to 31/12/06	<u>Pro Forma</u> 1/3/05 to 31/12/05	<u>Growth (%)</u>
Revenue	89.8	84.3	+7% 
Gross Profit	42.6	39.0	+9% 
Unitholders' Distribution	24.6	22.4	+10% 

Net Distributable Income Exceeded Pro Forma 2005 by S\$2.2 million

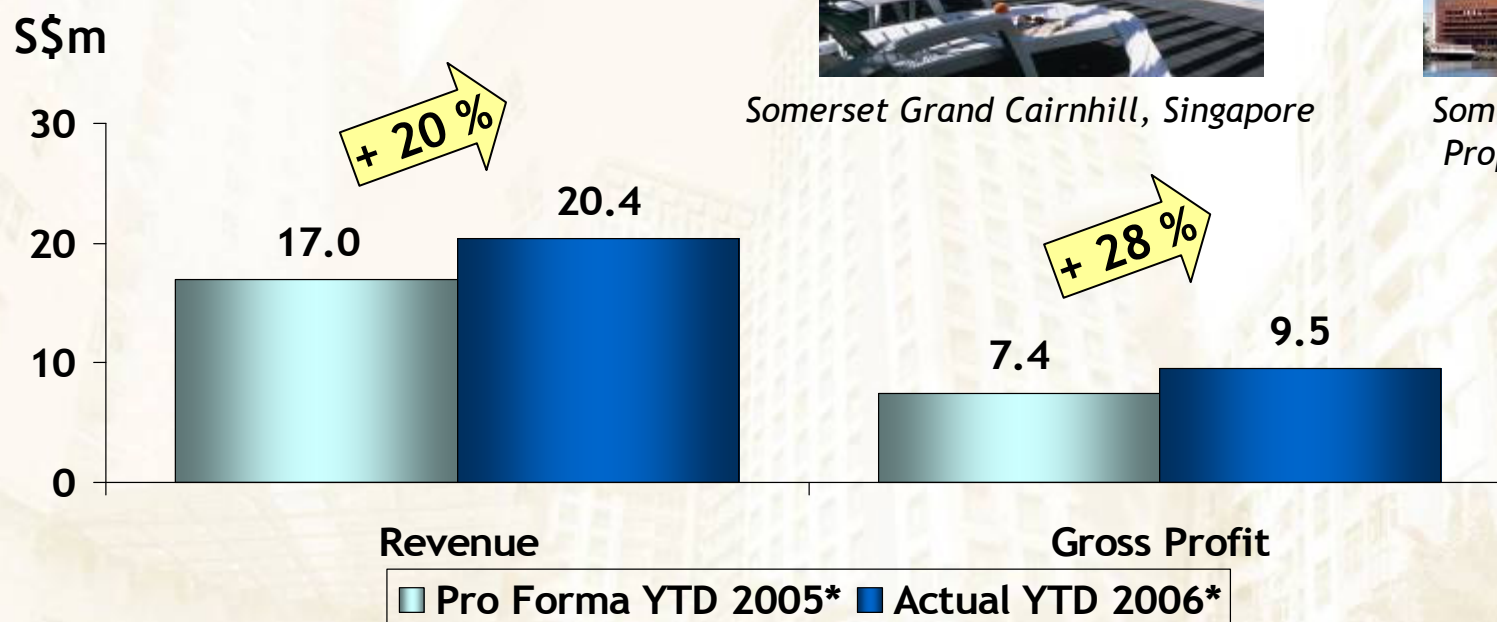
1. ART was established on 19 January 2006 but the acquisition of the real properties was completed on 1 March 2006. Hence the income recorded relates only to the 10-month period from 1 March 2006 to 31 December 2006. ART had no income from 19 January 2006 to 28 February 2006.

Double Digit RevPAU Growth in Singapore and the Philippines

2006 In Review



* Pro Forma YTD 2005 figures are extracted from the pro forma financial information which was disclosed in the Prospectus and pro-rated equally for 10 months to correspond to the period from 1 March 2005 to 31 December 2005. Actual YTD 2006 figures relates only to the 10 month period from 1 March 2006 to 31 December 2006.



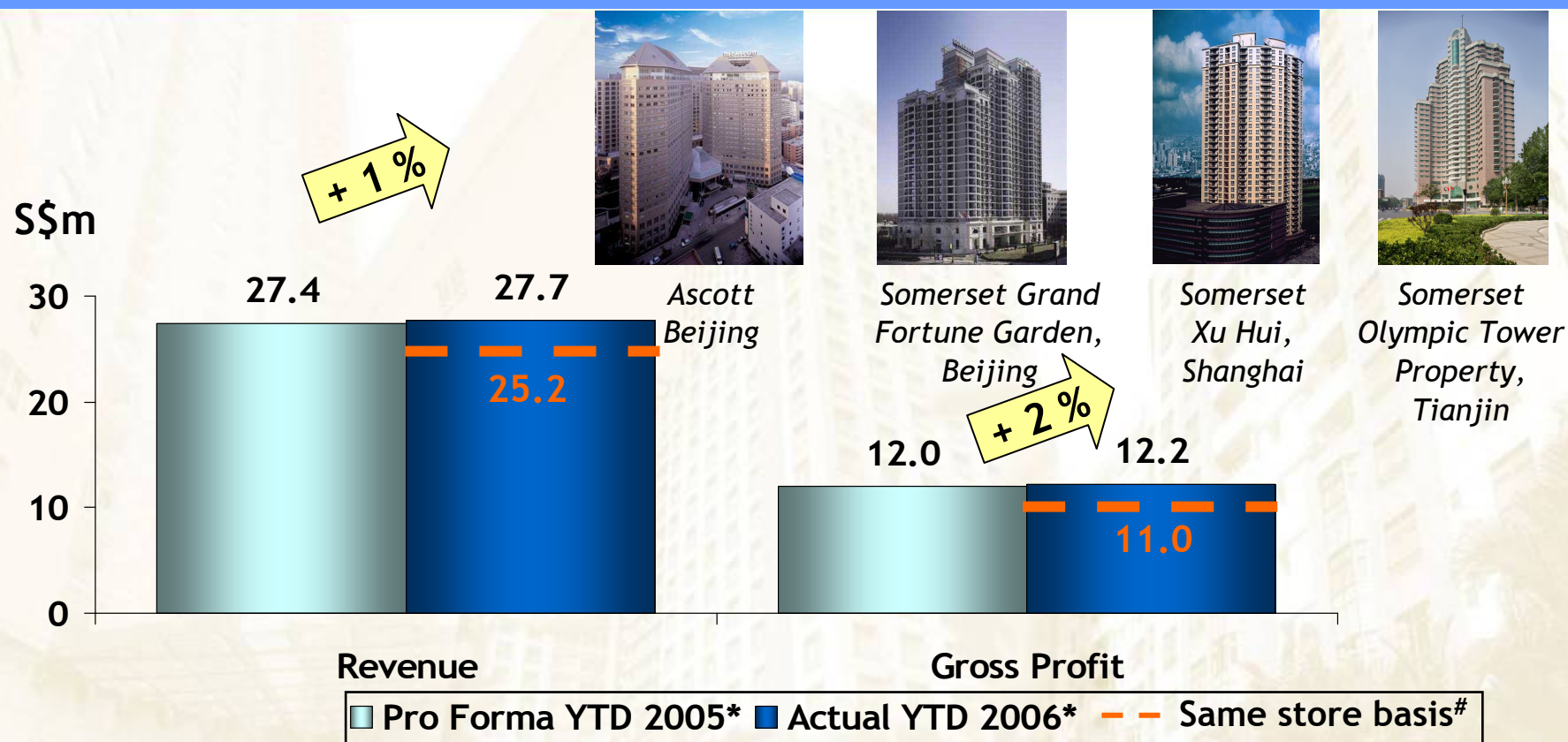
Somerset Grand Cairnhill, Singapore



Somerset Liang Court Property, Singapore

Revenue increase driven by higher rates and strong occupancies

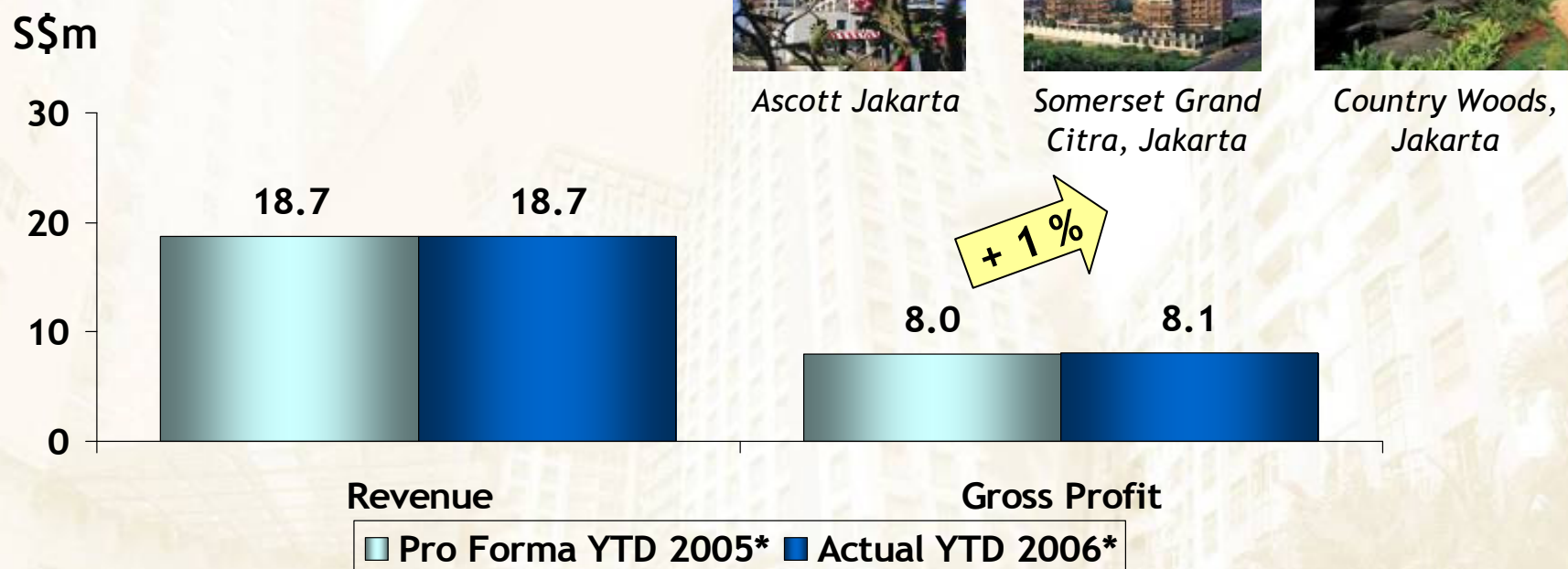
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Higher gross profit due to improved cost management

* Proforma YTD 2005 figures are extracted from the pro forma financial information which was disclosed in the Prospectus and pro-rated equally for 10 months to correspond to the period from 1 March 2005 to 31 December 2005. Actual YTD 2006 figures relates only to the 10 month period from 1 March 2006 to 31 December 2006.

Excludes the acquisition of Somerset Olympic Tower, Tianjin which was completed on 3 October 2006.

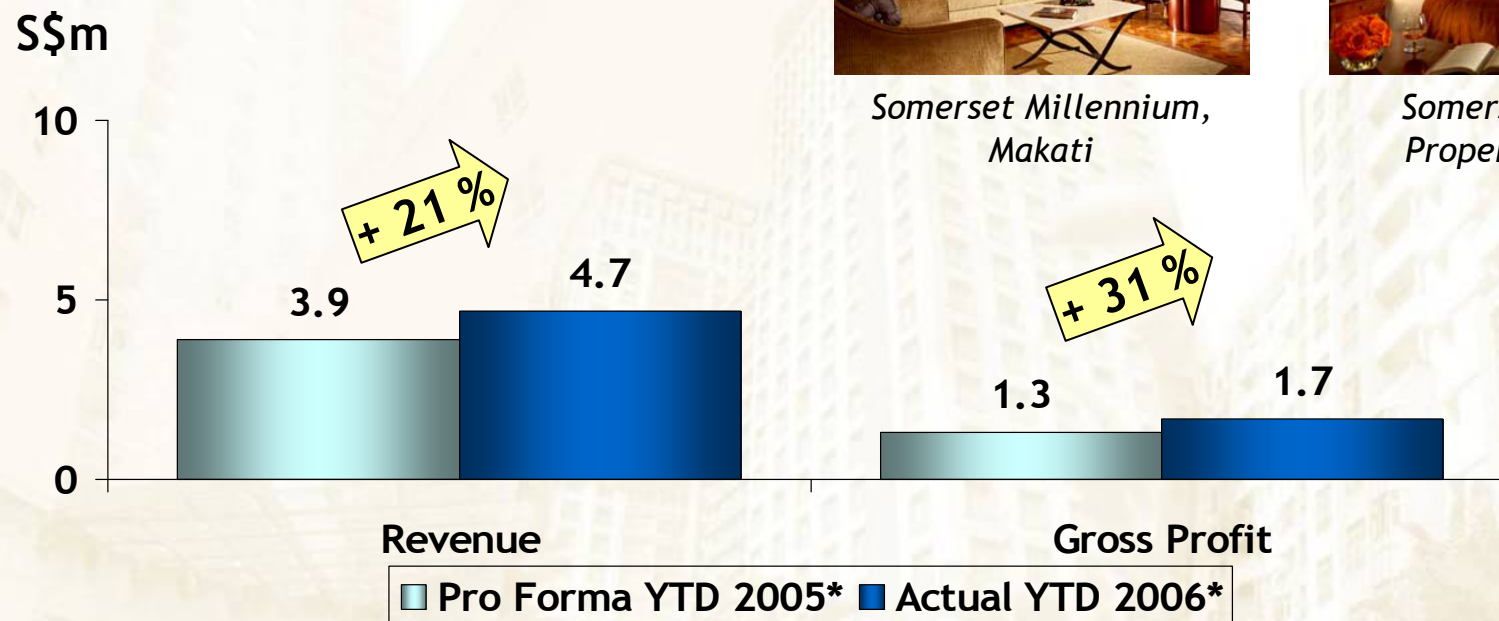


Improved cost management

* Pro Forma YTD 2005 figures are extracted from the pro forma financial information which was disclosed in the Prospectus and pro-rated equally for 10 months to correspond to the period from 1 March 2005 to 31 December 2005. Actual YTD 2006 figures relates only to the 10 month period from 1 March 2006 to 31 December 2006.

The Philippines

2006 In Review



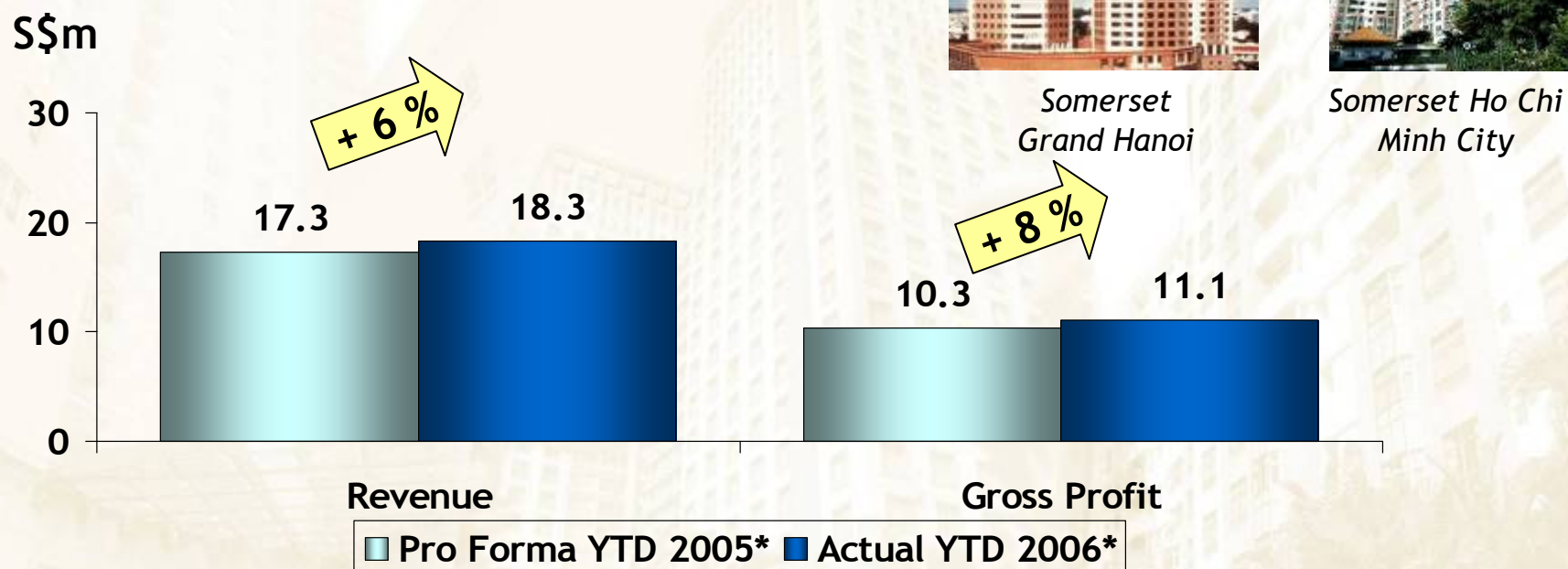
*Somerset Millennium,
Makati*



*Somerset Salcedo
Property, Makati*

Revenue increase driven by higher rates and occupancies

* Pro Forma YTD 2005 figures are extracted from the pro forma financial information which was disclosed in the Prospectus and pro-rated equally for 10 months to correspond to the period from 1 March 2005 to 31 December 2005. Actual YTD 2006 figures relates only to the 10 month period from 1 March 2006 to 31 December 2006.



Revenue and gross profit increase driven by higher rates

* Pro Forma YTD 2005 figures are extracted from the pro forma financial information which was disclosed in the Prospectus and pro-rated equally for 10 months to correspond to the period from 1 March 2005 to 31 December 2005. Actual YTD 2006 figures relates only to the 10 month period from 1 March 2006 to 31 December 2006.



Acquisitions in 2006

Yield-Accretive Acquisitions - Completed

- Two acquisitions completed in 2006:

Completed
in October 2006



**Somerset Olympic Tower
Property, Tianjin, China**

Property Yield ¹	7%
Property Value	S\$ 75.9 m
No. of Units	172

Completed
in October 2006



**Somerset Roppongi, Tokyo,
Japan**

Property Yield ¹	5%
Property Value	S\$ 20.7 m (40% effective stake)
No. of Units	64

1. Annualised property yield for year 2006.

Successful Equity Fund Raising

- **First Equity Fund Raising**

- Placement on 19 September 2006 of 44 million new units @ S\$1.10
 - Raised S\$48.4 m (US\$31m)
 - Allocated to more than 15 institutional investors from Asia, Australia and Europe
 - Proceeds used to fund acquisitions of Somerset Olympic Tower Property, Tianjin and Somerset Roppongi, Tokyo



Free float increased from 23% to 30%

Yield-Accretive Acquisitions - Announced

- Three other acquisitions announced in 2006:



**Oakwood Premier
Ayala Center, Manila,
The Philippines**

*(to be re-branded Ascott Makati
upon completion)*

Property Yield ¹	Around 11%
Property Value	S\$ 87.9 m
No. of Units	306
Completion Date	End March 2007



**Shoan Heights
Serviced Apartment,
Melbourne, Australia**

*(to be re-branded Somerset Gordon
Heights, Melbourne upon completion)*

Property Yield ¹	6.9%
Property Value	S\$ 13.9 m
No. of Units	43
Completion Date	Mid April 2007



**Somerset Chancellor Court,
Ho Chi Minh City, Vietnam**

Property Yield ¹	More than 8%
Property Value	S\$ 19.3 m (26.8% effective stake)
No. of Units	172
Completion Date	17 January 2007

1. Annualised property yield for the forecast year 2007.

Acquisitions in 2006



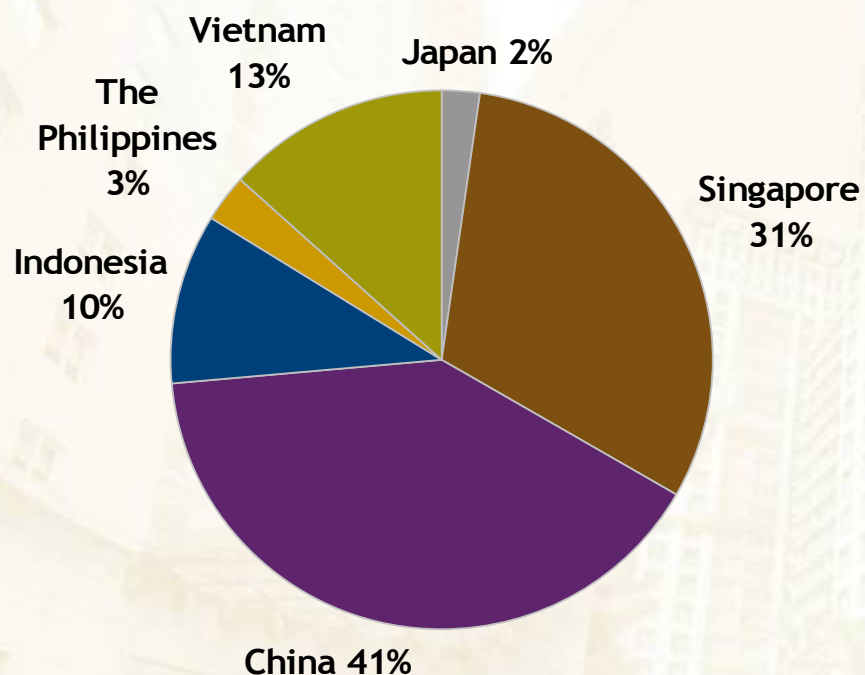
- Owned and managed by The Ascott Group prior to acquisition
- Owned by third parties and managed by The Ascott Group prior to acquisition
- ★ Owned and managed by third parties prior to acquisition

S\$97m in acquisitions completed in 2006
S\$121m in acquisitions to complete in 2007

Diversification Across Geographic and Economic Cycles

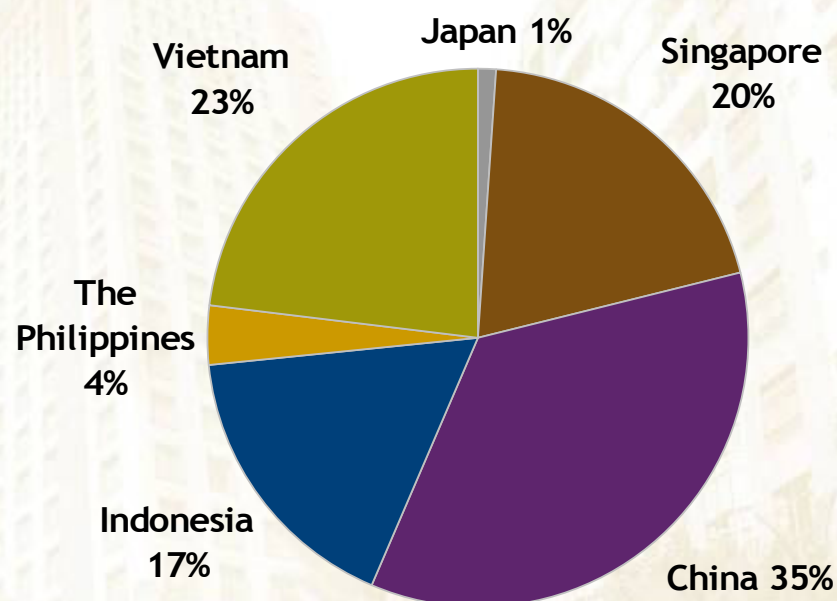
2006 In Review

By ART's Share of Property Values (As at 31 December 2006)



Total Property Value¹ = S\$927m

By ART's Share of Gross Profit (For the Year 2006)



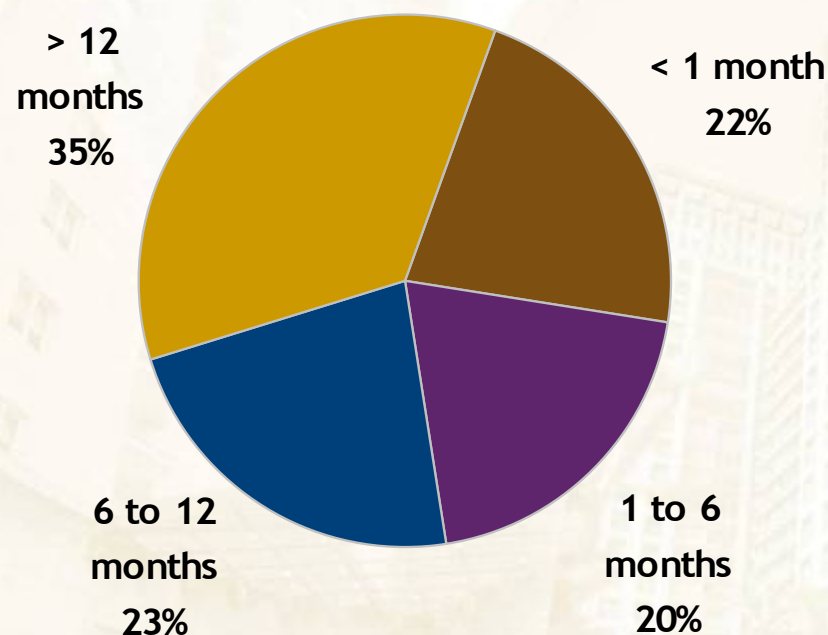
Total Gross Profit¹ = S\$48m

1. Based on ART's share of interest in the Properties. Includes ART's initial portfolio of 12 properties, Somerset Olympic Tower Property, Tianjin and Somerset Roppongi, Tokyo. Assumes acquisitions of Somerset Olympic Tower Property, Tianjin and Somerset Roppongi, Tokyo took place on 1 January 2006.

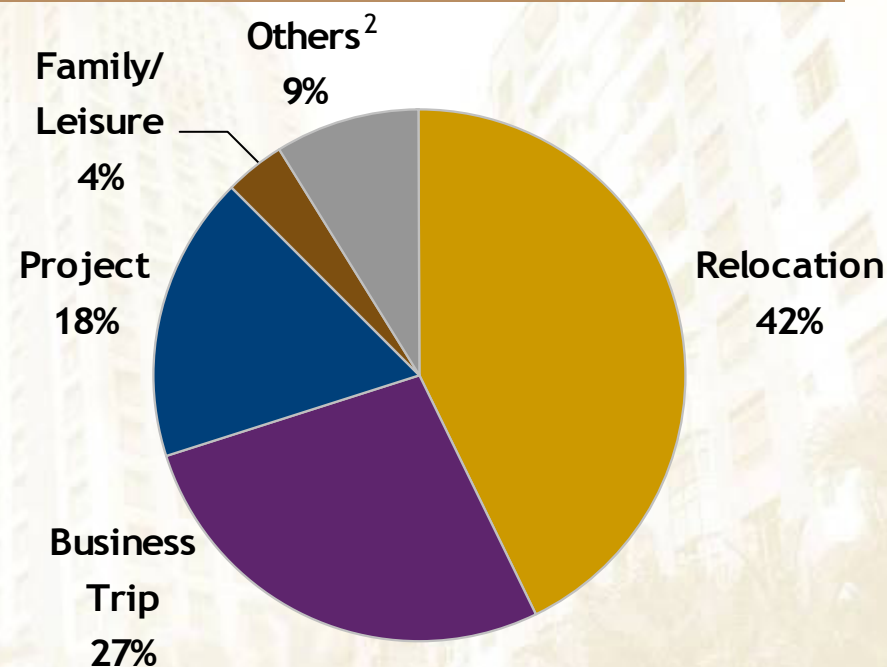
Extended Length of Stay Profile and Diversity in Market Segment

2006 In Review

Apartment rental income by length of stay¹



Apartment rental income by market segment¹



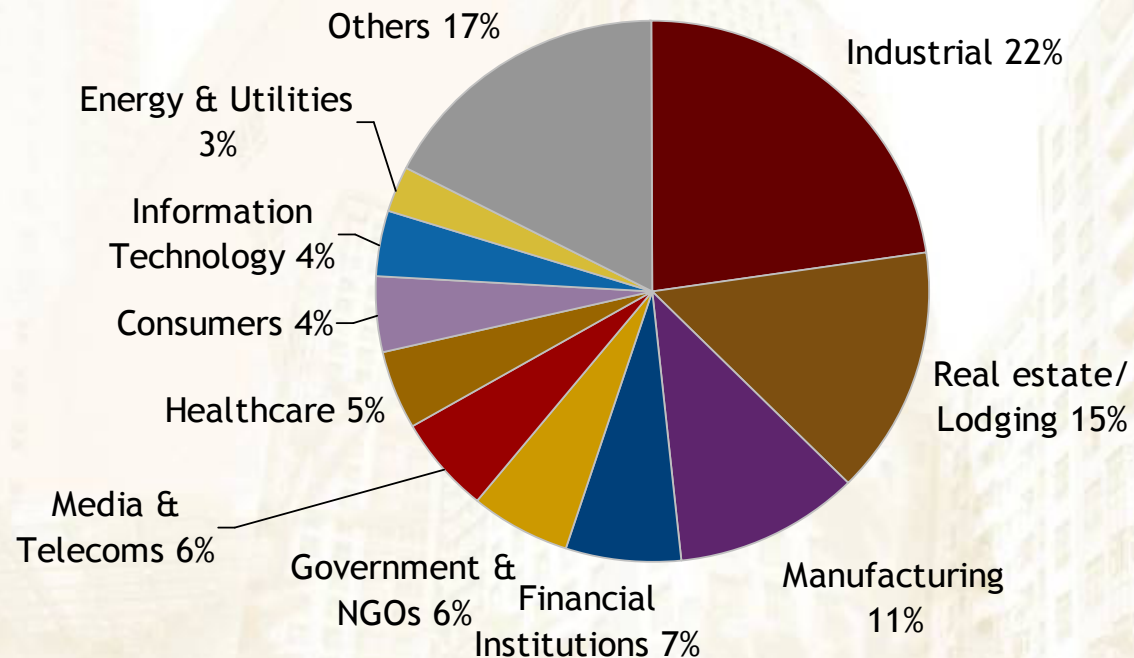
Stability in Earnings

1. For the 12 months ended 31 December 2006. Includes ART's initial portfolio of 12 properties, Somerset Olympic Tower Property, Tianjin and Somerset Roppongi, Tokyo. Assumes acquisitions of Somerset Olympic Tower Property, Tianjin and Somerset Roppongi, Tokyo took place on 1 January 2006.

2. Includes training, medical, etc.

Diverse Tenant Mix and Quality Clientele

Apartment rental income by industry¹



Earnings not reliant on a single industry or tenant

1. For the 12 months ended 31 December 2006. Includes ART's initial portfolio of 12 properties, Somerset Olympic Tower Property, Tianjin and Somerset Roppongi, Tokyo. Assumes acquisitions of Somerset Olympic Tower Property, Tianjin and Somerset Roppongi, Tokyo took place on 1 January 2006.



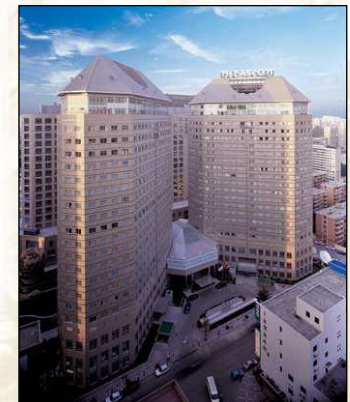
Asset Enhancements in 2006

Asset Enhancement For Better Yield

- **Somerset Xu Hui, Shanghai, China**
 - Renovation and reconfiguration of 15,000 sqf clubhouse
 - Created 9,600 sqf NLA commercial space for lease
 - Completed in September 2006
- **Ascott Beijing, China**
 - Phased reconfiguration of 35 larger units
 - Creation of 70 smaller one-bedroom units to tap into the higher-yielding short and medium term business segments
 - Target completion in Q2 2007



Somerset Xu Hui, Shanghai



Ascott Beijing

Asset Enhancement For Better Yield

- **Somerset Olympic Tower Property, Tianjin, China**
 - Phased reconfiguration of 10 penthouse duplex units into 20 smaller two-bedroom units
 - Target completion in Q2 2007

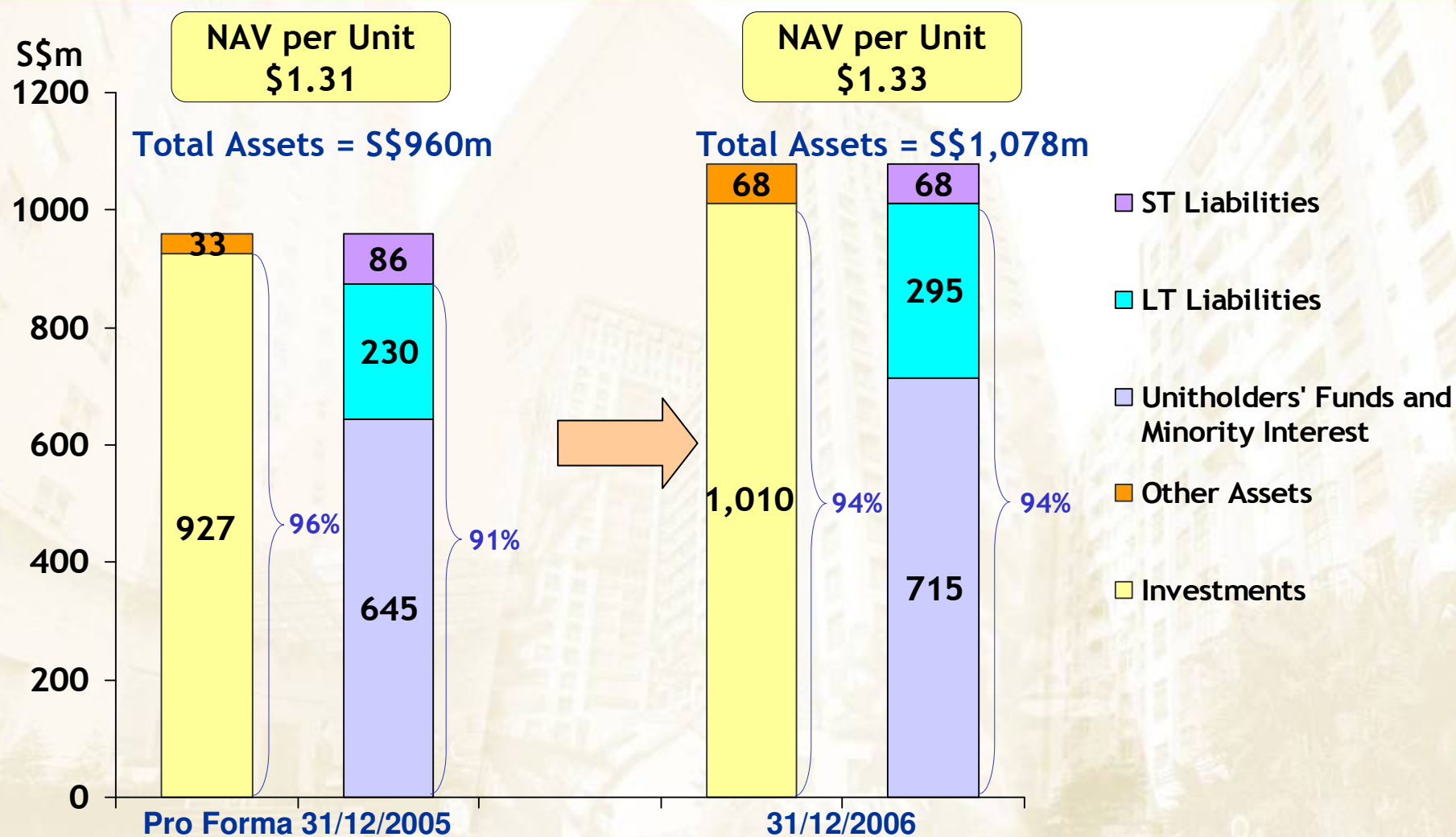


Somerset Olympic Tower Property, Tianjin



Strong Balance Sheet

Balance Sheet

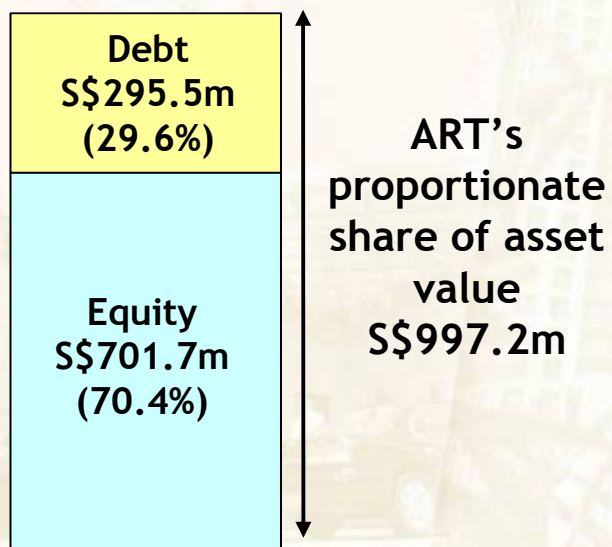


Investments Funded By Both Equity And Long Term Borrowings

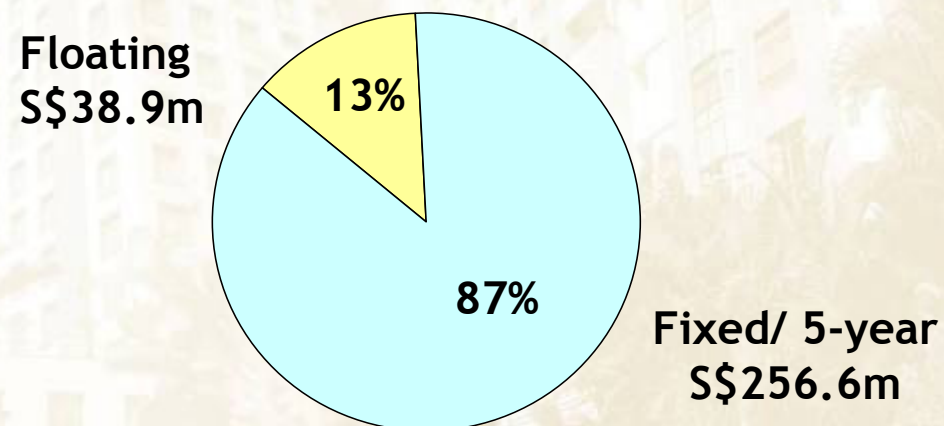
Capital and Risk Management

- Maintain strong balance sheet and optimise gearing
 - Gearing of 29.6%
- Adopt conservative interest rate management strategy

ART Gearing Profile



Bank Loans



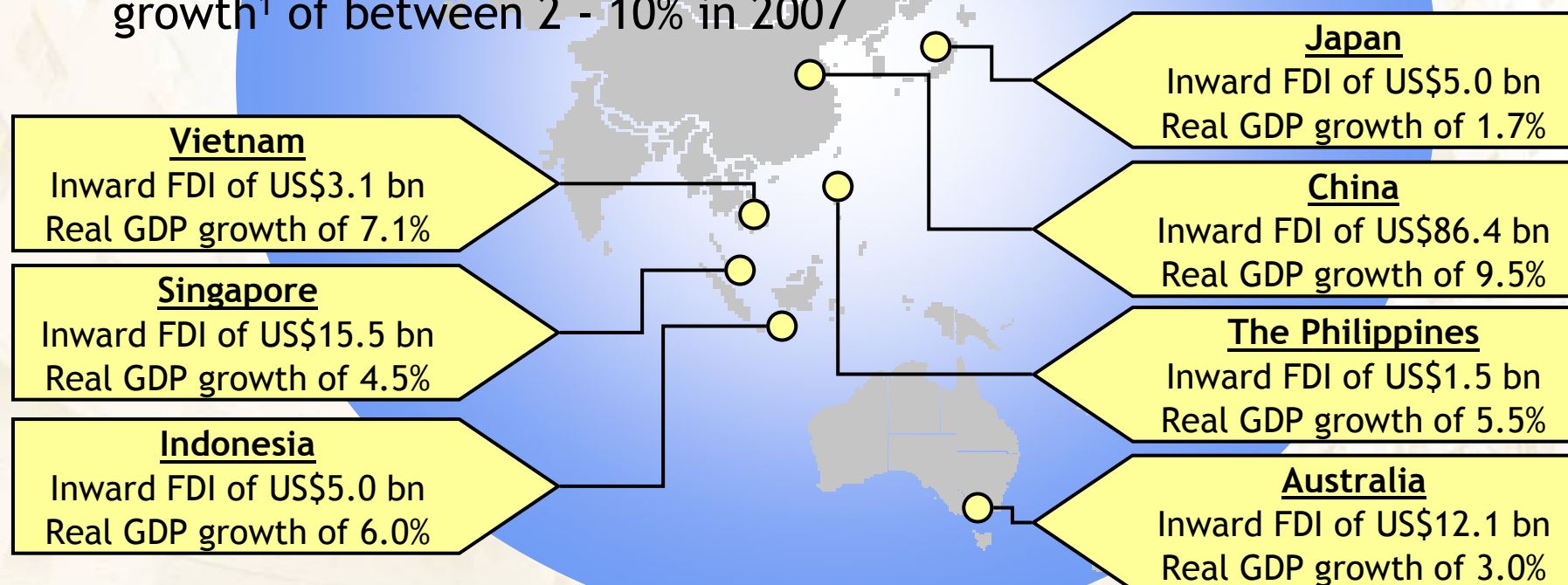
Foreign Exchange Management

- Realised foreign exchange gain of S\$21,000
- Unrealised foreign exchange loss of S\$1.5 million, mainly due to:
 - Unrealised revaluation loss on foreign currency shareholders' loans mainly denominated in US\$
 - Unrealised revaluation gain on US\$ bank loan in a subsidiary's books, due to depreciation of the US\$ against RMB



Prospects & Outlook

- Business environment in the Asia-Pacific region remains positive
 - Countries where ART has a presence are expected to register real GDP growth¹ of between 2 - 10% in 2007

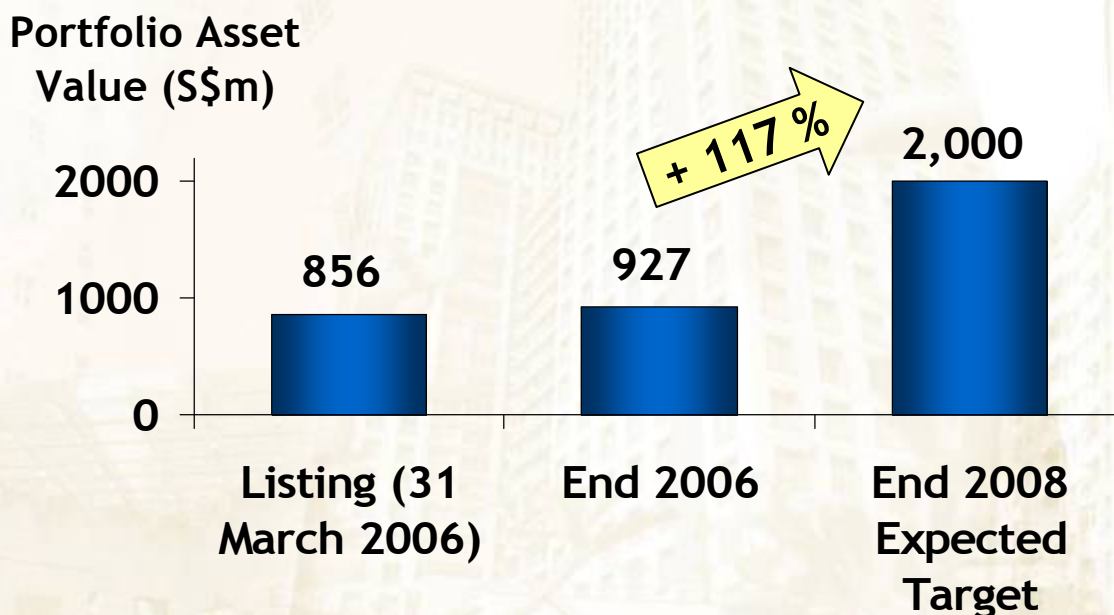


For the full year 2007, ARTML is confident of delivering the forecast DPU of 6.43 cents as disclosed in the Prospectus, barring any unforeseen circumstances

1. 2007 figures. Source: Economist Intelligence Unit.

Source For Yield-Accretive Acquisitions

- Further balance ART's presence in both stable and emerging markets
- Expect target portfolio value to be about S\$2 billion by end-2008





New Acquisitions in 2007

New Yield-Accretive Acquisitions

- Two new yield-accretive acquisitions in Japan:



	Somerset Azabu East, Tokyo	Somerset Roppongi, Tokyo
Property Yield ¹	4.3% (Blended)	
Property Value	About S\$79.8 million	About S\$36.4 million (effective 60% stake ²)
No. of Units	79	64
Completion Date	April 2007	

1. Annualised property yield for the forecast year 2007.

2. ART had acquired an effective 40% stake in Somerset Roppongi, Tokyo in October 2006.

New Yield-Accretive Acquisitions

- One new yield-accretive acquisition in Vietnam:



	Somerset Chancellor Court, Ho Chi Minh City
Property Yield¹	8.1%
Property Value	About S\$27.9 million (effective 40.2% stake) ²
No. of Units	172
Completion Date	April 2007

1. Annualised property yield for the forecast year 2007.

2. ART had acquired an effective 26.8% stake in Somerset Chancellor Court, Ho Chi Minh City on 17 January 2007.

Acquisition Highlights



Yield-accretive acquisitions

- Yield exceeds ART's current trading yield¹ of 3.6%



Funded by equity and bank debt



Increased presence in Japan and Vietnam

- Upon completion, ART will own 100% of both Somerset Azabu East, Tokyo and Somerset Roppongi, Tokyo, and an effective 67% stake in Somerset Chancellor Court, Ho Chi Minh City

1. Based on a unit price of S\$1.81 as at 23 January 2007, an annualised distribution of S\$0.0643 for the forecast year 2007 and the assumptions as set out in the Prospectus of ART dated 6 March 2006.

Diversification Across Geographic and Economic Cycles

New Acquisitions
in 2007

- **Balanced proportion of assets in stable and emerging markets**
 - Japan
 - Japanese portfolio will increase more than sixfold to reach S\$140 million, up from S\$21 million
 - Japanese assets will make up 12% of ART's total portfolio value
 - Vietnam
 - Purchase of The Ascott Group's stake in Somerset Chancellor Court, Ho Chi Minh City will increase Vietnam portfolio by 20%
 - Vietnam assets will make up 14% of ART's total portfolio value



Somerset Azabu East, Tokyo

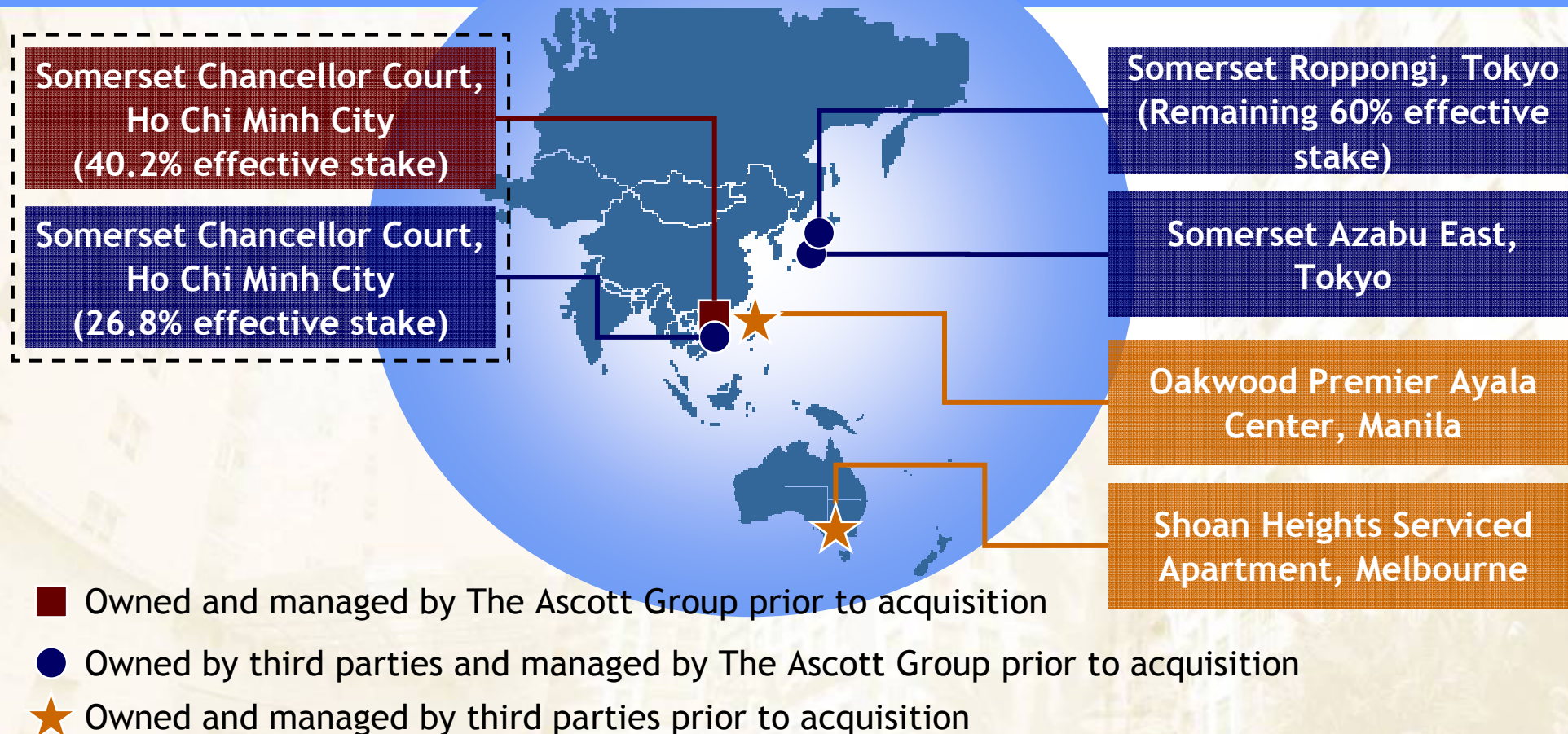


Somerset Roppongi, Tokyo



*Somerset Chancellor Court,
Ho Chi Minh City*

Latest Acquisitions

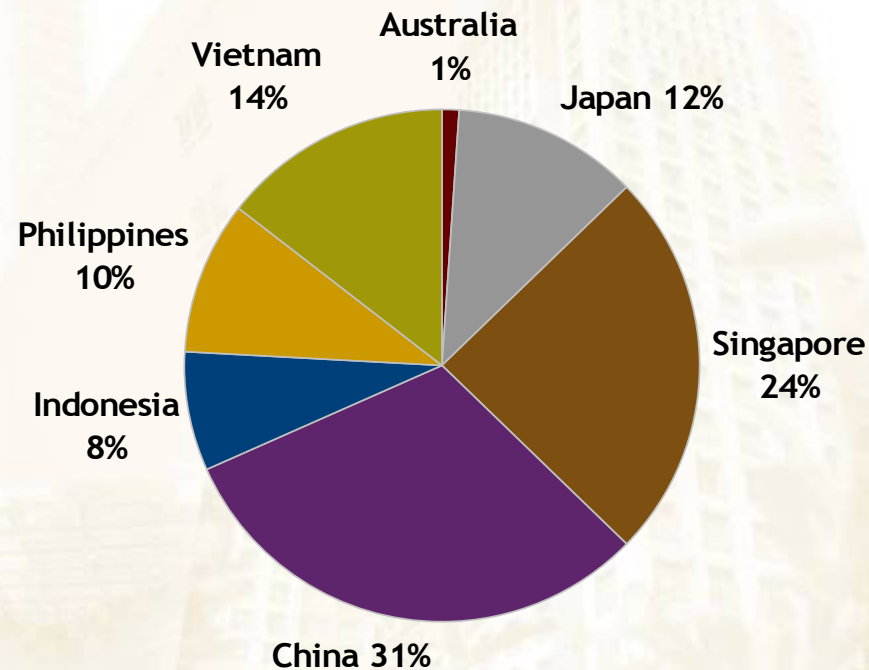


Total S\$265m in acquisitions to be funded by equity and bank debt

Diversification Across Geographic and Economic Cycles

New Acquisitions
in 2007

By Portfolio Value¹



Total Property Value of S\$1.2 billion

1. Based on a portfolio of 18 properties.

World's First Pan-Asian Serviced Residence REIT

China

- 4 properties in Beijing, Shanghai and Tianjin



Vietnam

- 3 properties in Hanoi and Ho Chi Minh City



Singapore

- 2 properties



S\$1.2 billion portfolio value¹
2,904 apartment units in 18 properties
10 Pan-Asian cities in 7 countries



Japan

- 2 properties in Tokyo



The Philippines

- 3 properties in Makati City, Manila



Indonesia

- 3 properties in Jakarta



Australia

- 1 property in Melbourne



Acquisitions completed or which
will be completed in 2007.

1. Includes those acquisitions pending completion.

ART will continue to ...

- Source for yield-accretive acquisitions in the Asia-Pacific region
- Tap on relationship with The Ascott Group to acquire its remaining portfolio in the Asia-Pacific region
- Acquire properties from third party owners



Q&A