



(Constituted in the Republic of Singapore pursuant to a trust deed dated 19 January 2006 (as amended))

DIVESTMENT OF COUNTRY WOODS

1. TRANSACTION

Ascott Residence Trust Management Limited, the **Manager** wishes to announce that **Ascott Reit** has, through its indirect subsidiary, P.T. Indonesia America Housing, agreed to sell the **Property** to the **Purchaser** for the **Sale Consideration** of US\$24.18 million (approximately S\$33.9 million).

2. SALE CONSIDERATION

The **Sale Consideration** was agreed to on a willing buyer willing seller basis taking into account, amongst other factors, the independent valuation of the **Property** (conducted by Savills (Singapore) Pte Ltd) at US\$15.1 million (approximately S\$21.2 million) as at 30 June 2010, using the discounted cash flow method. This valuation was commissioned by the **Trustee**, as part of **Ascott Reit's** half year valuation exercise of its portfolio of properties.

3. PRINCIPAL TERMS OF THE SALE

The Purchaser has paid an amount equivalent to 15% of the **Sale Consideration** as deposit and will pay the balance of the **Sale Consideration** on completion of the **Sale**. Subject to satisfaction of conditions precedent, including the approval of relevant authorities, completion of the **Sale** is expected to take place in the fourth quarter of 2010.

4. RATIONALE FOR THE SALE

The **Property** is currently operated as a rental housing business. The **Divestment** is in line with the **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, the **Property** would require significant capital expenditure in order for it to compete with the increased competition in the vicinity.

5. USE OF SALE PROCEEDS

The **Sale Consideration** of S\$33.9 million is 60% above the S\$21.2 million valuation of the **Property** as at 30 June 2010. After providing for taxes and transaction related expenses such as compensation for early termination of existing contracts, sale agent and other professional fees, the estimated net gain from the **Sale** is approximately S\$5.7 million. Proceeds from the **Sale** will be used to pare down the **Group's** debts or for funding future acquisitions.

6. FINANCIAL EFFECTS

6.1 Assumptions

The pro forma financial effects of the **Sale** presented below are strictly for illustration purposes and do not reflect the actual financial position of the **Group** after completion of the **Sale**. They have been prepared based on the unaudited financial statements of the **Group** as at 30 June 2010, taking into account the **Sale Consideration**.

6.2 Net Gain

Ascott Reit is expected to recognise an estimated net gain on the **Sale** of approximately S\$5.7 million.

6.3 Pro forma NAV

Assuming that the **Sale** had been completed on 30 June 2010, the **Sale** would have increased the **NAV** per **Unit** by S\$0.01 or 0.7%.

Adjusted NAV per Unit	As at 30 June 2010
Before adjusting for the Sale:	S\$1.38
After adjusting for the Sale:	S\$1.39

6.4 Pro Forma DPU

Assuming that the **Sale** had been completed on 1 January 2010, the **DPU** would have increased by 0.01 cents or 0.3% for the financial period 1 January 2010 to 30 June 2010.

Distribution per Unit	Period ended 30 June 2010
Before adjusting for the Sale:	3.53 cents
After adjusting for the Sale:	3.54 cents

None of the directors of the **Manager** or the controlling unitholders of **Ascott Reit** has any interest, direct or indirect, in the **Sale**.

Definitions:

Ascott Reit	Ascott Residence Trust
DPU	Distribution per Unit
Divestment	Divestment of the Property
Group	Ascott Reit and its subsidiaries
Manager	Ascott Residence Trust Management Limited, as manager of Ascott Reit
NAV	Net asset value
Property	The property known as "Country Woods" comprising of 36 townhouses, 78 bungalows and 137 apartment units located in Jalan W.R. Supratman, Pondok Ranji, Ciputat, South Tangerang, Banten, Indonesia

Purchaser	An unrelated party
Sale	Sale of the Property to the Purchaser
Sale Consideration	Cash consideration payable to Ascott Reit for the Divestment, being US\$24.18 million (approximately S\$33.9 million)
SGX-ST	Singapore Exchange Securities Trading Limited
Trustee	DBS Trustee Limited, as trustee of Ascott Reit
Units	Units in Ascott Reit

BY ORDER OF THE BOARD
Ascott Residence Trust Management Limited
(Company Registration No: 200516209Z)

As Manager of Ascott Residence Trust

Lam Chee Kin / Kang Siew Fong
Joint Company Secretaries
6 August 2010

Important Notice

The value of Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Ascott Reit is not necessarily indicative of the future performance of Ascott Reit.

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 other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.