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

ANNOUNCEMENT

COMPLETION OF TARGET ACQUISITIONS AND DIVESTMENT

USE OF PROCEEDS

Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Offer Information Statement dated 13 September 2010.

Completion of Target Acquisitions and Divestment

The Board of Directors of the Manager is pleased to announce that it has today completed (directly or indirectly through the acquisition of shareholding interests) the acquisition of 28 serviced residence properties comprising one in Singapore, one in Vietnam, 17 in France, four in the United Kingdom, two in Belgium, two in Germany and one in Spain (the "**Target Acquisitions**").

The Board of Directors of the Manager is further pleased to announce that it has today completed the divestment of Ascott REIT's entire interest in Ascott Beijing (the "**Divestment**", together with the Target Acquisitions, the "**Transactions**").

With the completion of the Transactions:

(a) Somerset Hoa Binh (S) Pte Ltd, Ascott Netherlands, Citadines Holborn, and their subsidiaries have become subsidiaries of Ascott REIT;

(b) Hemliner Pte Ltd and its subsidiary have ceased to be subsidiaries of Ascott REIT; and

(c) the principal investment strategy of Ascott REIT has been expanded to include investments 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 any country in the world.

After deducting the proceeds of the Divestment, $458.2 million of the consideration for the Target Acquisitions has been paid to the Vendor Companies with the proceeds from the Private Placement and drawdown of bank facilities. The balance of S$143.0 million will be settled after the completion of the Preferential Offering.

Use of Proceeds

The Board of Directors of the Manager is pleased to announce that the entire amount of the proceeds of the Private Placement of approximately $453.2 million has been utilised as follows, as stated in the Offer Information Statement:

(a) $444.5 million has been utilised to part fund the Target Acquisitions; and

(b) $8.7 million has been utilised for payment of underwriting, expenses and professional and other fees and expenses.

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
Singapore, 1 October 2010

IMPORTANT NOTICE

The value of Units and the income derived 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 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 Unitholders 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. Please refer to the section "Forward-looking Statements" of the Offer Information Statement for more information. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events. All forecasts are based on a specified range of issue prices per Unit and on the Manager's assumptions as explained in **Appendix E** of the Offer Information Statement. Such yields will vary accordingly for investors who purchase Units in the secondary market at a market price higher or lower than the issue price range specified in the Offer Information Statement. The major assumptions are certain expected levels of property rental income and property expenses over the relevant periods, which are considered by the Manager to be appropriate and reasonable as at the date of the Offer Information Statement. The forecast financial performance of Ascott REIT is not guaranteed and there is no certainty that it can be achieved. Investors should read the whole of the Offer Information Statement for details of the forecasts and consider the assumptions used and make their own assessment of the future performance of Ascott REIT.