ARCHSTONE SMITH

October 14, 2003

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Re: *Application of ED 4 to Discontinued Operations*

Dear Members of the Board:

Archstone-Smith Trust (NYSE:ASN) is the second largest multifamily equity real estate investment trust (REIT) in the United States, based on market capitalization. We are an owner, operator and developer of apartment communities in major metropolitan areas throughout the United States. We have closely followed the evolution of the rules pertaining to the treatment of discontinued operations and would like to bring to your attention our concerns regarding how Exposure Draft 4 (*Disposal of Non-Current Assets and Presentation of Discontinued Operations)* has defined a component of an entity for purposes of discontinued operation classification. Specifically, our comments are in response to question eight of the exposure draft dated July 2003.

We believe that the proposed method for determining a component of an entity would force entities that regularly buy and sell relatively small assets (for example, individual apartment communities) to constantly restate financial information. These frequent restatements would be confusing and misleading for investors and creditors trying to understand an entity's ability to generate future cash flows. Furthermore, such restatements would make meaningful comparisons among accounting periods difficult, if not impossible.

As a REIT, we seek to optimize shareholder value by deploying capital investments into markets that are consistent with our long-term investment strategy. To achieve this goal, we will often dispose of apartment communities in a given market and reinvest the proceeds by acquiring or developing a community in a more desirable geographic location. We also dispose of inferior assets in a given market and reinvest these proceeds in a more desirable location within the same market. This capital redeployment program allows us to replicate if not enhance the cash flows generated from the disposed property. Dispositions incurred as part of our capital redeployment program are an integral part of our normal operating strategy and we believe such dispositions should not be classified as discontinued operations, as they do not reflect an inability to generate similar cash flows in the future.

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As a REIT, we also have various investments in partially and wholly owned subsidiaries. One of these investments is Ameriton Properties Incorporated ("Ameriton"). Ameriton is an opportunistic investment entity that seeks to create value by repositioning under-managed properties and/or developing institutional quality properties for sale to third parties within one to two years. Because Ameriton's primary business strategy is to produce gains from the sale of real estate and the current proposal would require Ameriton to classify such gains as discontinued operations, a majority of the income generated by Ameriton would be from discontinued operations. Specifically, Ameriton's gains from the sale of real estate averaged approximately 104% of its earnings before taxes during the past four years. We believe lumping a majority of Ameriton's income into a single line, entitled "Discontinued Operations" would be neither logical nor useful to Ameriton's investors or creditors.

We respectfully request that the Board add a requirement adapted from IAS 35 *Discontinued Operations* that a discontinued operation be defined as a separate major line of business or significant business unit. We believe this would provide more useful and comprehensible financial information, as an entity would be required to segregate operating results related to the disposal of major business units while eliminating the constant restatement associated with the disposition of relatively small and insignificant components. While we continue to believe that convergence of accounting standards is critical, we believe the importance of convergence is outweighed by the underlying need to provide shareholders with meaningful and useful financial information.

Respectfully submitted,

Charles E. Mueller, Jr.
Chief Financial Officer

Mark A. Schumacher
Senior Vice President and Controller