

Extending the Ascott Reach

Ascott has been winning new clients and expanding its customer base with quality products and a strong service culture as well as through strategic marketing and sales.

As businesses become increasingly international, more corporate executives are relocating for work and embracing new and different lifestyles away from home. Our brands are at the forefront of these changes, supporting the distinctive lifestyles of our residents and anticipating their needs.

On a corporate level, it is imperative that we strengthen Ascott's well-deserved status as an industry leader in the international serviced residence industry. In 2007, the Group launched key marketing and promotion initiatives to extend our reach, grow our existing business and sharpen the positioning of our brands in the face of keen competition.

NICHE BRANDS, SMOOTH LAUNCHES

Our brands cater to the distinct lifestyle needs of business and leisure travellers alike. Ascott lavishes top executives with luxurious facilities and warm, personalised attention while Somerset strikes a harmonious work-life balance for executives and their families in their home away from home. Citadines, a European chain acquired by the Group in 2004, is tailor-made for independent travellers seeking a vibrant experience. We have since grown the brand beyond Europe to Asia and opened Citadines serviced residences in China and Thailand.

During the year, a series of brand and property collaterals were developed to communicate the unique features of our brands in support of sales and marketing.

In the face of an ever-changing business environment, it is vital that our new properties are branded, marketed and launched speedily. Ascott's competitive edge is reflected in our seamless 'Pre-Opening Process' (POP), where teams of experienced specialists accelerate the launch of new properties to achieve occupancy targets and ensure brand and product consistency across all our properties. In 2007, we enlarged our POP team to bring together expertise in areas such as operational set-up, training, budget control and resource planning, all of which are vital in ensuring the successful launch of our new properties. In the year, a total of nine properties in Australia, Bahrain, China, the Philippines and Thailand were successfully launched. Our POP teams are now preparing to open about 10 new properties in 2008.

INSPIRED BY 'LIFE'

Every day our employees live our brand values – **Local Touch**, **Individuality**, **Freedom to Breathe**, and **Exceeding Expectations** – or '**LIFE**' in short, as they deliver service from the heart.

In 2007, Ascott's employees who epitomised these 'LIFE' values in their work were recognised and rewarded through our 'LIFE-Heartware' programme. Launched in 2006, this programme motivates our employees to deliver consistent service standards throughout our properties worldwide.

On-going customer feedback has also helped us to deliver better service and enabled us to make 'LIFE' values come alive for every resident.



RAISING OUR INTERNATIONAL PROFILE

During the year, we raised our visibility in key markets through increased advertising and promotions on television and in print, as well as open communication with the media.

An inaugural television commercial (TVC) for The Ascott Group was launched across several regions in mid-February 2007 to communicate its global reach and stature as an industry leader in Asia Pacific, Europe and the Gulf region. The TVC was broadcast in regional media such as CNN, Discovery, Discovery Travel & Living and BBC World (Middle East and India), as well as terrestrial channels in Singapore such as Channel NewsAsia, Channel 5, Channel 8 and Channel U over 10 weeks. In China, an increasingly significant market for the Group, our Mandarin TVC was also broadcast in one of the country's local television stations, Phoenix TV.

Riding on positive response, the TVC was re-run on BBC World (Asia Pacific, Middle East and India), Discovery, Discovery Travel & Living and Channel NewsAsia in October and November 2007. The TVC went a long way towards reinforcing our brand positioning.

We launched four advertising campaigns in the print media regionally and locally in 2007 to heighten awareness of Ascott International and its three brands of serviced residences. These campaigns included the Citadines brand campaign from March to May, the Somerset brand campaign from May to July, the Ascott brand campaign from August to September and the Ascott International campaign from October to November.

Our advertisements were featured in key regional titles such as International Herald Tribune (Asia Pacific), The Wall Street Journal Asia, Fortune Asia, Forbes Asia, Forbes China, The Economist Asia Pacific, Business Traveller Asia Pacific, TTG Asia and TravelWeekly. Local coverage in the Singapore market included The Straits Times, The Business Times and Lianhe Zaobao.

In addition to advertising, we raised the international profile of our company and brands by intensifying our efforts in engaging the local, regional and international media. This enabled the public to get independent third-party views of our company and properties. Extensive media coverage on Ascott and our properties were generated in about 300 key local, regional and international media outlets. This was achieved through multiple communication initiatives including press releases and press conferences, property tours as well as interviews of senior management by business and lifestyle reporters from around the world.

REFRESHED WEBSITES, FRUITFUL PARTNERSHIPS

The revamp of our websites began in 2006 with the introduction of a new Citadines website. By end-2007, the revamp was completed with the launch of individual websites for the other two brands, Ascott and Somerset, as well as a new and improved corporate website.

The sites of our proprietary brands have been designed to strengthen the profile and appeal of our brands in the online marketplace. Visitors now have faster access to content and information, and enjoy greater ease of making online reservations of serviced residences that best suit their needs.



The corporate website has a fresh, new look and an improved format to make browsing easier and faster. Systematically divided into dedicated sections for shareholders, investors and the media, the site features essential corporate data such as Ascott's portfolio of properties, news, financial results and presentations.

To generate brand interest through dynamic channels, we partnered Citibank again to offer our properties to their card members under the Citibank World Privileges (CWP) programme. Through CWP, our properties enjoy exposure to 23 million cardholders across 20 countries in Asia Pacific, Europe, the Gulf region and Africa.

Likewise, we forged partnerships with other selected bank/credit card players including Visa International, Diners, ABN Amro and DBS Bank to promote our properties to their members.

MAXIMISING CUSTOMER SATISFACTION

At Ascott, our all-encompassing approach to sales and marketing ensures that our residents and corporate clients enjoy a pleasant and efficient experience when they make bookings with us. This is made possible by improvements in our processes, enhanced Customer Relationship Management and reservation systems, and a sales force covering 23 countries.

Ascott currently maintains close to 45,000 corporate customer accounts. Our strategic corporate clients were invited to join The Link Club, Ascott's corporate loyalty programme. The Club allows us to keep in touch with corporate bookers while demonstrating our appreciation for their loyalty through rewards and exciting lifestyle offerings. Our rapid expansion means that our corporate clients can look forward to staying with us in an increasing number of destinations across the globe.

Residents and corporate clients enjoy easy access to our properties worldwide through our satellite Global Central Reservation Offices (GCROs) strategically located in China, France, Singapore, Thailand and the United Kingdom. This integrated reservation system empowers our officers to check on the availability of serviced residences, to confirm bookings instantaneously as well as to respond swiftly to customer enquiries.

Our sales management teams around the world interlock with our GCROs, bridging the links between our growing client network, and our reservations and after-sales services.

Consistent quality is a cornerstone of the Ascott business model and the uncompromising service promise on which our brand reputation is built. Strong engineering and operations teams underpin the efficiency and high service standards of our properties. From the superior design of our residences and their contemporary interiors to the services offered by our reservation and service employees, we strive to provide consistent service standards in every aspect of our operations. To ensure our brand promise is delivered without compromise, regular audits of service and product standards are conducted at all properties.



BOOSTING SALES REVENUE

Throughout 2007, we challenged ourselves to grow our customer base and ensure high shareholder returns.

We expanded the use of the Global Distribution System by our properties worldwide and increased returns from this channel by more than four times. We also embarked on a request-for-proposal tool, to tap new sales opportunities and customer bases, and established new distribution channels with wholesalers and third-party distributors.

Through The Link Club, we generated more than S\$11 million in revenue in 2007. Today, we have close to 3,000 members who are influential decision makers at multi-national companies worldwide.

In a bid to expand our distribution channels, we forged a partnership with Asia Miles in 2007, paving the way for us to tap into the membership base of more than 15 airlines worldwide.

In addition, our partnership with various credit card companies and online distribution channels significantly broadened our distribution channels and led to a substantial increase in revenue across the Group.

STAYING IN TOUCH WITH RESIDENTS AND PARTNERS

At Ascott, we believe in enriching the lives of business travellers who stay with us. Our quarterly lifestyle magazine, Ascott Living, is designed to help our residents ease into the challenges and discover the joys of global living by recommending holiday destinations, sharing travel and shopping tips, and introducing Ascott's properties in key gateway cities. Each issue also profiles Ascott's residents around the world who have found a home away from home at our properties. Launched in November 2006, Ascott Living's readership has grown from 200,000 to 300,000. The magazine is available in every serviced residence unit in our properties worldwide, and by subscription.

Reaching out to partners and corporate clients, our bi-monthly e-newsletter, Ascott World, provides updates on Ascott's latest business and operational developments. It also highlights the latest property promotions. Since its launch in mid-2006, Ascott World's subscriber base has more than doubled to 8,000.

COMMUNICATING WITH AN INTERNATIONAL AUDIENCE THROUGH THE MEDIA

Advancing our objective of delivering timely and accurate information on Ascott to an international audience, we provided regular updates on key corporate, operational and property developments through the local, regional and international media.

Apart from our half-yearly financial results briefings, we actively engaged both the business and lifestyle media through press conferences, site visits and familiarisation trips in 2007. We regularly put out press releases on Ascott which are also easily accessible on our corporate website. These efforts generated extensive coverage of the company's business developments and new properties through nearly 300 leading media outlets.

Key local media as well as regional news and information agencies such as Bloomberg, Reuters, Dow Jones, Agence France-Presse, International Herald Tribune and The Wall Street Journal Asia continued to keep their readers abreast of developments at Ascott. The media generally portrayed Ascott as a global leader in the serviced residence industry that will continue to maintain the momentum of its expansion by growing its portfolio in gateway cities and new markets.