For Immediate Release

NEWS RELEASE

ASCOTT EXPANDS PRESENCE IN AUSTRALIA WITH ITS FIRST CITADINES PROPERTY THERE

The Group invests AU$136.2 million (S$170.2 million) for its largest Citadines serviced residence

Singapore, 25 January 2008 – The Ascott Group (Ascott) is investing AU$ 136.2 million (S$170.2 million) for the development of a 398-unit serviced residence in Melbourne's Central Business District (CBD). The investment amount includes land and building costs. The property, which will be named Citadines Melbourne on Bourke, will be Ascott's first Citadines in Australia and is currently the largest Citadines-branded serviced residence in the Group's portfolio.

Ms Jennie Chua, Ascott's President & CEO, said: "Australia is an important market for Ascott's global expansion strategy. We currently have six Somerset serviced residences in key cities of Australia including Hobart, Melbourne, and Sydney. To further strengthen our foothold in the country, we will continue to seek out new opportunities in other key cities including Adelaide, Brisbane and Perth."

Ms Chua added: "Ascott's investment in Melbourne is timely; according to Deloitte's survey, it is ranked number two among cities in the world with the highest occupancy rates. With strong demand of above 80%, Melbourne's accommodation market continues to present growth opportunities for Ascott."

Currently, Ascott has three Somerset serviced residences in Melbourne which are running at an average occupancy rate of 85%. Citadines is catered to travellers who prefer flexibility over the services they need. With Citadines, Ascott will be able to capture a broader segment of the market including leisure travellers who visit Melbourne for the arts and cultural festivals, and sports events.

Located at the heart of the CBD at 131-135 Bourke Street, Citadines Melbourne on Bourke is within walking distance to public transport including trains, trams and buses, and is well-served by amenities like restaurants, cafes, cinemas, high-end shopping malls as well as parks and gardens. The property is also at the midpoint of Melbourne's renowned theatre district and close to major office towers.

Citadines Melbourne on Bourke is expected to be completed in the second half of 2010. When completed, Ascott's portfolio in Australia will increase from the current 435 units in six properties, to 833 units in seven properties. The other six properties in Australia include two in Hobart (Somerset on the Pier and Somerset on Salamanca), three in Melbourne (Somerset Gordon Heights, Somerset Gordon Place and Somerset on Elizabeth), and one in Sydney (Somerset Darling Harbour).

THE ASCOTT GROUP

A Member of CapitaLand

THE ASCOTT GROUP LIMITED
(*Regn. No: 197900881N*)
N°8 Shenton Way #13-01
Singapore 068811

Telephone
(65) 6220 8222

Facsimile
(65) 6227 2220

www.the-ascott.com

SINGAPORE
AUSTRALIA
BAHRAIN
BELGIUM
CHINA
FRANCE
GEORGIA
GERMANY
INDIA
INDONESIA
JAPAN
KAZAKHSTAN
MALAYSIA
NEW ZEALAND
PHILIPPINES
QATAR
RUSSIA
SOUTH KOREA
SPAIN
THAILAND
UNITED ARAB EMIRATES
UNITED KINGDOM
VIETNAM

The investment is subject to the approval of relevant government authorities, and fulfilment of certain conditions related to the development of the property by the end of June 2008. This investment is also not expected to have any material impact on the net tangible assets or earnings per share of Ascott for the financial year ending 31 December 2008.

About The Ascott Group

The Ascott Group is the world's largest international serviced residence owner-operator with close to 15,000 operating serviced residence units in key cities of Asia Pacific, Europe and the Gulf region, as well as about 6,000 units which are under development, making a total of close to 21,000 units.

The Group operates three brands – Ascott, Somerset and Citadines. Its portfolio spans 55 cities in 23 countries, 13 of which are cities where Ascott's serviced residences are being developed.

The Ascott Group is headquartered in Singapore. It pioneered Asia Pacific's first branded luxury serviced residence in 1984. It also established the world's first pan-Asian serviced residence real estate investment trust, Ascott Residence Trust in 2006. Today, the Group boasts a 24-year industry track record and serviced residence brands that enjoy recognition worldwide.

The Ascott Group's achievements have been recognised internationally. Recent awards include TravelWeekly China Industry Awards 2007 'Best Serviced Residence', Business Traveller China Awards 2007 'Best Serviced Residence Brand', World Travel Awards 2007 'Australasia's Leading Hotel' and 'New Zealand's Leading Hotel', TTG Travel Awards 2007 'Best Serviced Residence Operator', Securities Investors Association of Singapore Investors' Choice Awards 2007 'The Most Transparent Company (Hotel & Restaurants)', Business Traveller UK Awards 2007 'Best Serviced Residence Company', Business Traveller Asia Pacific Awards 2007 'Best Serviced Residence Brand' and 'Best Serviced Residence' and Forbes China 2008 'China's Best Serviced Apartments'. For a full list of awards, please visit http://www.theascottgroup.com/aboutus/awards

Listed on the mainboard of the Singapore Exchange, The Ascott Group is the serviced residence arm of CapitaLand Limited, one of the largest listed real estate companies in Asia. Headquartered in Singapore, the multinational company's core businesses in real estate, hospitality and real estate financial services are focused in gateway cities in Asia Pacific, Europe and the Middle East. The company's real estate and hospitality portfolio spans more than 100 cities in over 20 countries.

For more information on The Ascott Group's property listings, visit http://www.theascottgroup.com/aboutus/group_directory.html

---

Issued by : The Ascott Group Limited Website: www.theascottgroup.com
8 Shenton Way, #13-01, Singapore 068811

For more information, please contact:

Media

Celina Low, Vice-President, Corporate Communications
Tel: (65) 6500 3399 Hp: (65) 96825458 Email: celina.low@the-ascott.com

Winnie Tan, Senior Manager, Corporate Communications
Tel: (65) 6500 3402 Hp: (65) 97829705 Email: winnie.tan@the-ascott.com

Analyst

Lilian Goh, Head, Investor Relations
Tel: (65) 6586 7231 Hp: (65) 9795 5225 Email: lilian.goh@the-ascott.com