

1 December 2006

Settlement of legal action with insurance advisor

Millennium & Copthorne Hotels plc ('M&C') previously announced that it and its wholly-owned subsidiary, CDL Hotels USA, Inc ('CDL'), had filed a legal action against its insurance advisor in October 2005 relating to business interruption claims by its hotel properties in New York resulting from the terrorist attack on the World Trade Center on 11 September 2001.

M&C is pleased to announce that on 29 November 2006, M&C and CDL entered into an agreement (the 'Agreement') with its insurance advisor to resolve the legal action referred to above. Under the Agreement, CDL will receive a cash amount of US\$17.5 million on or before 13 December 2006 and the parties to the Agreement have agreed to a full and final settlement of any and all claims the parties may have had against each other arising out of or related to M&C group's 2001 US property insurance coverage.

Enquiries:

Robin Lee Millennium & Copthorne Hotels plc	01293 772288
Ben Foster /Charlie Watenphul Financial Dynamics	0207 831 3113