

For immediate release

12 September 2008

**MILLENNIUM & COPTHORNE HOTELS PLC
(THE "COMPANY")**

The Grand Plaza Hotel Corporation ("GPHC"), which is listed on the Philippine Stock Exchange, has today filed a disclosure notice with the Philippine Stock Exchange advising of a dispute with the Philippine Bureau of Internal Revenue ("BIR"). The Company has an effective 66% interest in GPHC.

The BIR has assessed that GPHC is liable for unpaid VAT and accumulated interest in aggregate totalling Philippine Peso 228.9 million (approximately £2.8 million).

The Board of GPHC has taken legal advice which indicates that GPHC is not liable for the VAT and interest claimed.

Enquiries to:

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