

**MILLENNIUM & COPTHORNE HOTELS PLC**

*“Joint Venture marks M&C Hotels' entry into Indian market”*

- Joint venture will own and develop hotels in Southern India
- First entry into the Indian sub-continent
- M&C to manage hotels under a new brand currently being developed

Millennium and Copthorne Hotels plc (M&C) provides details on its joint venture company (JV) in India with Rakindo Developers Pvt. Ltd., to develop hospitality projects in India, marking M&C hotels' first entry into India. Under this non-exclusive agreement, the joint venture company, M&C Rakindo Hospitality, will develop two hotels in Chennai and Bangalore. The JV partners are also looking into developing more hotels in Southern India.

Under the JV agreement, M&C Rakindo Hospitality is developing hotels catering to the needs of the business traveller. The two new hotels will be managed under a new urban brand aimed at offering affordable contemporary business hotels to the market. M&C is investing up to USD100 million in the JV. M&C owns 60 percent of the JV and Rakindo Developers own 40 percent.

The demand for hotel rooms is soaring in India due to an increase in the influx of foreign tourists and corporate travelers, as well as a growth in domestic tourism. Room prices in India have risen considerably due to the shortage of hotel type accommodation, according to recent figures released at the Arabian Hotel Investment Conference (AHIC). According to the 2007 Jones Lang LaSalle Hotels India Digest, aggressive growth in RevPar has been recorded in three key Indian cities of Delhi, Bangalore and Mumbai over the last five financial years.

The hotel in Chennai is expected to be completed in 2009 while completion of the Bangalore hotel is expected in 2010.

**Chairman of Millennium and Copthorne Hotels plc, Mr Kwek Leng Beng, comments:.**

"The Group's first foray into India is to take advantage of the rapid growth of the Indian economy. With very high room rates throughout India, we believe that there is demand for a well-designed product catered to the business traveller who may be unwilling to pay 5-star hotel rates. There is a strong basis to believe in the long-term attractiveness of the Indian hospitality market. In view of this, we hope to focus on markets with high investment potential and build new business hotels in major growth cities in India over the next five years. Rakindo is a valuable partner who has a strong network in the local business community and government and knows the conditions and potential of the Southern Indian market."

**Managing Director, Rakindo Developers, Prasad Koneru further comments:.**

"The tie-up between M&C and Rakindo Developers, makes tremendous business sense keeping in mind the booming demand for business class hotel rooms in India. The Indian economy is slated to grow at an average of eight per cent plus for the next decade and we feel that this tie-up will help us tremendously into and cater to the growing needs of the business traveller in India."

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Rakindo Developers Pvt. Ltd is a 50:50 joint venture between Chennai based Trimex Group and UAE based Rakeen Pvt. Ltd. Rakindo Developers Pvt. Ltd, plans to expand into the hospitality sector.

Incorporating advanced technology, smart design and modern styles in a comfortable, casual environment with a lifestyle element, the hotels will be located centrally in key cities in India. The first hotel to be completed will be in Chennai's vibrant T Nagar area - a large commercial district and one of the major hubs for business, shopping and entertainment, Chennai is the hub for the textile and jewellery industry in India. The Chennai hotel will be a 120-room property.

The second hotel in the offing is the 300-room hotel in Bangalore located in the Whitefield KIAB Export area. It is a key IT district housing offices of major international IT giants, lending Bangalore its pride of place as the "Silicon Valley of India". Bangalore is also the manufacturing hub of such heavy industries such as aerospace, space and defence sectors, providing an excellent base and hinterland for business travel into the cities.

This new product is now in its final phase of completion and underscores M&C's commitment to building a stronger footprint in hospitality within Asia. This vibrant urban brand promises to provide synergistic value to the new generation business traveller who are independent and technology savvy travellers. Thus, this new approach that will offer guests an overall sensory brand experience - not just a hotel - aimed at redefining the business hotel segment in India," added Mr Tan Kim Seng, Senior Vice President, Millennium & Copthorne International Limited (MCIL).

The new brand being developed by M&C meets the current need in the India market for players to bridge between the five-star and two-star market segments and will cater to the demand for a superior product at an affordable price point. The brand promise is to deliver a unique lifestyle experience relevant to both the corporate and leisure set of the new generation traveller mentioned above continued Mr. Tan Kim Seng.

The hotels will feature contemporary, urban-inspired guestrooms with smart design features that promise to make guest stays memorable - from modular furniture designed to encourage multi-tasking and productivity, to swiveling flat-screen televisions. Featuring landscaped areas, the hotel will enhance the guest experience with well-integrated technology that is user friendly and fuss free, offered in a welcoming environment that provides road warriors with connectivity for business needs and also a casual environment to unwind after the flurry of an extensive business day.

One-hundred percent wireless, the hotels will open with a first-of-its-kind business concept which will include private business booths in a casual setting, specially equipped for conducting business meetings.

Our upcoming hotel properties in Chennai and Bangalore will set a new benchmark in quality and offerings for the business traveller. Both Chennai and Bangalore are witnessing unprecedented business travel growth and this tie-up between Rakindo and M&C will offer the right mix between amenities, ambience and pricing for business travellers to these two booming Indian cities, said Kishore Kothapalli, Director, Rakindo Hospitality.