

**Millennium & Copthorne Hotels plc ("M&C")****Update concerning Chinese Joint Venture**

The following announcement was released earlier today by M&C's subsidiary, Millennium & Copthorne Hotels New Zealand Limited ("MCHNZ"), which is listed on the New Zealand Stock Exchange. M&C has a 70.2% interest in MCHNZ. M&C's effective interest in First Sponsor Capital Limited ("FSCL") is 39.8%.

Based on the unaudited management accounts of the FSCL Group as at 28 February 2010, M&C's exposure to the Hainan Hotel Owing Company and the Dongguan Owing Company, as previously announced on 12 April 2010, together with today's announcement relating to Kangxie and Carribean, amounts to approximately US\$22 million or £14.7 million in aggregate. M&C's effective interest in the remaining assets of the i-vale Entities located in Guangdong Province is approximately US\$17.9 million or £12.0 million.

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**Millennium & Copthorne Hotels New Zealand Limited (NZX:MCK) issues the following update with regard to its interest in its Chinese Joint Venture:**

Further to its release on 12 April 2010, MCK advises that on 13 April 2010 IVIHL learned that Cheung, again without any authority from the board of IVGL or the relevant i-vale Entity, procured the following disposals:-

- an IVGL subsidiary's 85% interest in the i-vale Entity ("**Kangxie**") which owns two parcels of development land in Guangdong province, China; and
- IVGL's 70% interest in the i-vale Entity which carries on a landscaping business and owns a plantation nursery in connection with such business ("**Carribean**").

MCK's exposure to Kangxie and Carribean is US\$ 2.5 million (NZ\$ 3.4 million at current exchange rates). Its aggregate exposure to these properties as well as the Hainan Hotel Owing Company and the Dongguan Owing Company is approximately US\$18.8 million (NZ\$ 26.1 million).

IVIHL is urgently seeking to void all unauthorised sales made by Cheung. It is also taking measures to safeguard the remaining assets of the i-vale Entities located in Guangdong Province from further unauthorised transactions by Cheung. However, further unauthorised disposals by Cheung cannot be ruled out. MCK's effective interest in the remaining Guangdong assets is NZ\$ 21.3 million (US\$15.3 million).

As stated previously, the FSCL Group's operations in Sichuan Province remain under FSCL's control.

IVIHL has confirmed that on 14 April 2010, IVGL issued a public notice in a major newspaper in China giving notice that the relevant Chinese authorities had registered the new seal for IVGL and the change in IVGL's legal representative to an appointee of FSCL. On that date, one of the i-vale Entities also issued a public notice in a major newspaper in China notifying that the company seal of such i-vale Entity in the possession and control of Cheung is void.

Steps have been taken to issue new seals and file the change of legal representatives for the remaining i-vale Entities.