



India Hospitality Corp.

Trading Update

London - 18 June 2009 - India Hospitality Corp. ("IHC" or "the Company") today provides the following trading update.

Airline Catering Division

The Company's airline catering division (operated through its subsidiary Sky Gourmet), saw a 12.5% increase in meals per day during the fourth quarter of the financial year to 31 March 2009 despite the difficult circumstances being experienced by the Indian aviation industry.

The cumulative effect of high fuel prices, the global economic slowdown, terrorist attacks in Mumbai and the more recent Swine Flu pandemic has resulted in a challenging operating environment for India's aviation business. However, the Company is confident that the recent growth referred to above will continue and the Directors are continuing to actively seek new business opportunities to enhance Sky Gourmet's customer base in the forthcoming year.

Recently, Sky Gourmet has been successful in a competitive tender process whereby it will start catering services to National Aviation Company of India Limited ("NACIL"). NACIL is the national flag carrier airline of India which was created in 2007 to facilitate Air India's merger with Indian Airlines. Sky Gourmet has commenced catering both domestic and international meals out of its Delhi and Chennai units and expects to start catering to NACIL out of its Hyderabad facility within the next few months. Besides providing diversification, this contract will result in higher utilisation levels at the Company's current catering facilities.

Hotel and Restaurant Divisions

As previously announced on 19 December 2008, the atrocities in Mumbai in November 2008 impacted the Company's hotel and restaurant divisions (operated through its subsidiary Mars) as a number of its hotels and restaurants are situated close to the areas affected by the attacks.

However, despite this, room occupancy at the Company's South Mumbai hotel, which had fallen to 34 per cent. as a result of the above, has returned to occupancy levels of approximately 60 per cent. by March 2009. Additionally, to mitigate the challenging environment in the hospitality sector, the Company is actively targeting growth in the leisure traveller, defence and Indian public company sectors to drive the increase in occupancy rates.

The restaurant business, which was impacted by the Mumbai incident, also showed an improvement in trading during the fourth quarter of the financial year to 31 March 2009.

Growth and Stabilisation

Air Catering

The investment phase in this division has largely been completed. The business has a significant market share of the domestic carriers in India. The Company is now focussed on strategically acquiring long haul international airline service contracts by leveraging its national footprint of air catering units and driving profitability gains through improved asset utilisation.

Hotels

The directors expect to operate the hotel division as a separate business unit and will focus on building a hotel management business, expanding on the "Gordon House" and the "You" brands. The Company will drive this development in partnership with asset investing funds and real estate developers. The directors initiated the process of growing this segment of the business and is actively seeking new management contracts.

Restaurants

The restaurant business is primarily based in Mumbai and operates through a portfolio of a variety of brands. The Company plans to expand some of these brands to Delhi, Bangalore and Hyderabad this year, leveraging the existing air catering units

as a strong base to support this growth. Specifically, the Company is looking to focus on the bakery concept, "Birdys", "Jazz By the Bay" which will be repositioned as a sports bar and the contemporary oriental concept "All Stir Fry".

Working Capital

Further to the announcement of 6 May 2009 of the settlement of the outstanding warranty claims and as a result of indications of an improvement in the general business environment, the working capital position within the Company has significantly improved since the last trading update provided on 19 December 2009. As at today's date, the Company's cash balance is approximately USD 5 million with an additional USD 2 million committed cash loan from Navis Capital Partners.

For Further Information Contact:

India Hospitality Corp.
Raghavendra Agarwal
+91-22-40906148
ragarwal@ihcor.com
www.indiahospitalitycorp.com

Nominated Adviser: Grant Thornton UK LLP
Fiona Owen
Tel: +44 20 7383 5100

Media Contact: Mutual Public Relations Ltd.
Harsh Wardhan
+91 11 43620700

Investor Relations Contact: ICR Inc.
William Schmitt
+1 203-682-8200

About India Hospitality Corp.

India Hospitality Corp. is a diversified pan-Indian hospitality and leisure company. In July 2007, IHC closed on the acquisition of India-based Mars Restaurants Private Limited, an emerging hotel and restaurant company, and SkyGourmet Catering Private Limited, an airline catering company with 2,800 employees across its facilities in India, from Navis Capital Partners and its affiliates.