



## **India Hospitality Corp Announces Hospitality Partnership with Leading Indian Real Estate Firm Entertainment World Developers Pvt. Ltd.**

### **IHC to Lease and Operate Up to Ten Hotels and Fourteen Food and Beverage Outlets, To Acquire Rights to Pizza Hut Franchise in Central India**

India Hospitality Corp. (IHC or the "Company"), today announces that it has entered into a partnership agreement, through its wholly owned hotel subsidiary Gordon House Estates Pvt. Ltd ("GHEPL") with Entertainment World Developers Pvt. Ltd. ("EWDPL"), a leading real estate and hospitality developer in India's tier-II cities. As part of the agreement, IHC will manage EWDPL's hotels and Food and Beverage ("F&B") outlets in various malls that are currently under development across India. The hotels and F&B outlets are part of EWDPL's 24 million square foot development pipeline across India, eleven new shopping malls, ten additional hotels and eleven townships.

As part of its hospitality portfolio, EWDPL is developing a total of 900 hotel rooms across 10 locations. The first phase of the hotel development pipeline includes 352 rooms across Nanded, Ujjain, Jabalpur, Bhilai and Raipur ("First Phase"). The subsequent development pipeline includes 548 rooms across Chandigarh, Udaipur, Amravati, Indore and Thiruvananthapuram ("Second Phase"). The partnership between EWDPL and IHC will also employ a unique structure, incorporating the Hotel and Mall F&B under a common operating structure.

#### **Agreement to lease hotels from EWDPL**

IHC has agreed to lease the First Phase of EWDPL's hotel portfolio for a period of up to 30 years for a minimum lease guarantee rental payment with a revenue sharing agreement over an agreed upon performance threshold. IHC will employ the "Gordon House" brand, the newly acquired "You" brand, along with a budget variant of the "Gordon House" brand for the purpose of branding and managing these hotels. IHC will also have the right to first offer on the Second Phase of EWDPL's development pipeline, potentially adding an additional 548 rooms to the Company's portfolio.

#### **Agreement to lease F&B space within EWDPL's malls**

IHC will manage central commissaries at each of EWDPL's malls, and will manage all mall and hotel related F&B activities including casual dining, fine dining outlets, food courts, and kiosks, apart from onsite and offsite catering.

IHC has agreed to lease the F&B space with a minimum guarantee lease rent and a revenue sharing arrangement. The F&B agreement will initially cover the First Phase of EWDPL's Mall developments with IHC retaining the "right to first offer" to extend this arrangement to the remaining malls being developed by EWDPL.

The total capital commitment by IHC for both the Hotel and F&B build out in the First Phase of the development pipeline will be approximately INR 1,000 million. (USD 21.2 million). The Company plans to fund this initial commitment through equity, internal accruals and bank borrowings.

#### **Acquisition of Treasure F&B business from EWDPL**

IHC, through GHEPL, has also agreed to acquire Treasure Food & Beverage Pvt. Ltd. ("Treasure"), the franchisee for "Pizza Hut" in central India, from EWDPL. Treasure operates two Pizza Hut locations in Indore and Bhopal and also manages fine dining outlets and the food court at EWDPL's Treasure Island Mall in Indore. The completion of this transaction is subject to consent from YUM brands for the transfer of franchisee rights from EWDPL to IHC.

#### **Investment from EWDPL**

Additionally, EWDPL has agreed to acquire a 15% stake in IHC's subsidiary, GHEPL, in conjunction with the overall transaction. The investment in GHEPL will be completed through phased transactions over the next three years at a value equivalent to IHC's equity investment in GHEPL, increased by 12% per annum.

Speaking on the occasion, Mr. Ravi Deol, Managing Director and Chief Executive Officer, IHC, said, "This is a great opportunity to partner with a leading national real estate developer and capture the incredible growth that is being witnessed in non-metro - the "Real India" - cities across the country. This transaction gives Gordon House a leadership position in the hospitality markets

of Central and West India with over a 1,000 rooms under development, and also catapults IHC owned food brands across India's fastest growing consumption markets".

Mr. Manish Kalani, Managing Director, EWDPL, said "We are delighted to enter into this partnership with IHC. IHC's experience of operating in the hospitality sector and the popularity of its brands coupled with our understanding of the tier-II market opportunity is a win-win situation for both of us. Together, we will bring world class experiences to millions of consumers living in these cities".

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**About India Hospitality Corp.**

India Hospitality Corp (IHC), through its operating subsidiaries has pan-Indian interests in the air catering, hospitality and leisure industries. Its mission is to create a portfolio of opportunities through the acquisition and successful integration of India oriented businesses and assets in the hospitality, food services and related industries. 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. IHC is based in the Cayman Islands and listed on the AIM market of the London Stock Exchange. The company is substantially owned by Ravi Deol, Sandeep Vyas and Hayground Cove Asset Management.