



Millennium & Copthorne and Leading German Chain Forge Strategic Alliance

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Millennium & Copthorne Hotels PLC ("M&C") and Maritim Hotels ("Maritim") jointly announce that they have entered into an agreement to form a global strategic marketing alliance. The alliance will result in a combined portfolio of 128 hotels with almost 35,000 rooms in Europe, the USA and Asia.

With the pooling of resources, the strategic alliance provides Maritim, a chain dominant in Germany, and M&C with immediate penetration into each partner's geographic regions without extensive capital investments. From M&C's presence in Europe, the USA and Asia, Maritim gleans an instant exposure to international markets while M&C in turn gains from Maritim's strong foothold in the important German market, which is one of the world's largest hotel markets. With the strategic alliance, both Maritim and M&C have effectively placed their global expansion plans on a 'fast-track' mode.

Customers from both Maritim and M&C also stand to enjoy an enlarged choice of hotels through the alliance. Staff from Maritim and M&C will undergo training to cross-sell the new joint portfolio of hotels. Marketing teams from both companies are now working closely with each other and will, in the immediate months ahead, announce various key marketing initiatives.

Both Christian Windfuhr and John Wilson, CEOs for Maritim and M&C respectively, are confident that this strategic alliance will enable both companies to exploit synergies, reduce costs, tap into each other's geographical market dominance and ultimately lead to incremental revenues in the medium to long term.

Frau Dr. Gommolla, the Chairwoman of Maritim, speaking from the corporate headquarters in Bad Salzuflen said: "As one of Germany's leading First Class Hotel Companies we now have, with our Millennium & Copthorne alliance, a competitive edge in key gateway cities throughout Europe, Asia and the USA. It is our intention early in the alliance to work closely together in delivering improved revenues and profits to both companies."

Kwek Leng Beng, Chairman of Millennium & Copthorne Hotels plc, commenting from Singapore, said: "Maritim is the perfect partner for us in a strategic marketing alliance. The agreement gives us instant access to Germany, one of the world's largest hotel markets with a population of over 80 million, and provides an experienced partner with a shared vision of operating standards in the first class international hotel sector. This is a 'win-win' situation for Maritim and M&C as well as for our respective customers. We look forward to an enriching relationship with Maritim in the years to come."

"Instead of buying hotel chains, this alliance allows us to compete and grow quickly. Germans are avid leisure and business travellers, and the country is ranked the top outbound country in the world. Now they will have an opportunity to stay at our hotels in Singapore and elsewhere," said Mr Kwek who is also Executive Chairman of Hong Leong Group Singapore.

The alliance will include the two parties engaging in joint sales, marketing and exhibitions. The two management teams are now working on details.

The agreement was signed in Germany on Thursday, 17 May, 2001.

Maritim is one of Germany's largest and most prestigious hotel companies in the first class sector with a portfolio of 39 hotels with 10,550 rooms. The hotels are located in all of Germany's key cities and destinations plus in three international locations: Mauritius, Tenerife and Riga. The hotels are located on prime sites and offer excellent convention possibilities, including a comprehensive congress service. For background information on Maritim Hotels, please visit the website: <http://www.maritim.de/>.

M&C has 89 hotels with 24,343 rooms across Europe, the USA and Asia. M&C, the hotel arm of the Hong Leong Group was listed on the London Stock Exchange in April 1996, making it the first Singapore-controlled company to be listed on the London Stock Exchange. For the year 2000, M&C was ranked 59th in the list of "Britain's Most Admired Companies", an annual survey of 239 companies listed on the London bourse. In the leisure and hotels sector, M&C was ranked 3rd. Hotels magazine (July 2000) ranked M&C as the 23rd largest owner/operator in the world. For background information on M&C, please visit the websites: <http://www.millennium-hotels.com>.