

13 August 2004

SALE OF THE PLAZA, NEW YORK AND THE ADJOINING PROPERTY

On 12 August 2004, Plaza Operating Partners Ltd (“POP”), in which Millennium and Copthorne Hotels plc (“M&C”) has an effective 50% interest, entered into an agreement with CPS One LLC, an affiliate of El Ad Properties NY LLC, a US property investment company, for the sale of The Plaza, New York (including its hotel business) and the adjoining property for a cash consideration of \$675 million (approximately £370 million), subject to completion adjustments. Completion of the transaction is expected to take place in late 2004.

For the year ended 31 December 2003, M&C’s share of turnover from The Plaza amounted to \$58.9 million (£35.9 million) and the share of a loss before tax was \$0.9 million (£0.6 million). M&C’s investment in POP as at 30 June 2004, which is accounted for as a joint venture, carried a share of gross assets of \$238.2 million (£130.3 million) and a share of gross liabilities of \$171.3 million (£93.7 million).

M&C’s share of the sale proceeds will be used to reduce debt and fund general working capital of the M&C Group.

Kwek Leng Beng, Chairman of M&C said:

“Since their appointment as the joint interim chief executive officers of M&C group in March this year, Tony Potter and Wong Hong Ren have been tasked to review the operational performance of the worldwide hotel portfolio and to assess the potential of each property in the portfolio, as well as non-core assets, with a view to improving both revenue and profit opportunities. If appropriate, disposal of any asset will be made taking into account timing and price considerations amongst other factors. We believe that the decision to sell The Plaza is in line with these considerations. Compared with the recent earnings generated by the hotel, the sale price is an attractive exit earnings multiple. The Group’s strategy of being an owner of hotel assets remains unchanged, especially in an improving trading environment.”

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