



THE INDIAN HOTELS COMPANY LIMITED

CIN: L74999MH1902PLC000183

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May 18, 2016

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
M.umbai – 400 001.

National Stock Exchange of India Limited
Exchange Plaza
BandraKurla Complex
Bandra (E)
Mumbai 400 051

Dear Sir,

Sub: Outcome of the Board Meeting

The Board at its meeting held today has accorded its approval to allow United Overseas Holding Inc (UOH), an indirect wholly owned subsidiary of the company in the United States, to pursue the option of divestment of the Taj Boston hotel by way of sale/ disposal of the LLC interests in IHMS (Boston) LLC (a direct subsidiary of UOH), at a consideration not being lower than US\$ 125 million (US Dollars One hundred and twenty five million), to an independent third party, subject to negotiations and execution of suitable agreements.

The company had acquired the Taj Boston hotel in 2006, recognising the importance of the need for the 'Taj's' presence in the USA, which is the single largest source market for the company. However, the onset of the global economic recession impacted the fortunes of the hospitality sector around the world and thus, the company's profitability as well. In recent times the company has been relooking at all options for a course correction in strategy, focusing on growth in high margin markets, evaluating the relevance of some of its existing assets in the portfolio to reduce leverage.

In order to accomplish the above objectives, the Board has authorised the management of the company to pursue such a divestment. The company intends to negotiate a divestment whilst retaining brand presence on the hotel on terms to be agreed. The management will seek and evaluate suitable offers from prospective unrelated third party purchasers (such as real estate investment firms or real estate focused private equity firms or any other such suitable independent third parties, which shall not be a promoter, or a promoter group entity or any group company), who are interested in leveraging upon the "Taj" brand. The transaction shall not be a related party transaction.

The recent historical performance of the Taj Boston is profiled below:

Particulars	US\$/million		
	2015/16	2014/15	2013/14
Total Revenue	34.1	34.5	32.9
EBITDA	(0.6)	(0.3)	(1.3)
Profit/(Loss) before Tax	(7.3)	(6.7)	(7.8)

The proposed transaction is subject to receipt of approval from the Shareholders along with other approvals, as would be necessary.

You are requested to kindly take the same on record.

Yours sincerely,


BEEJAL DESAI
Vice President - Legal & Company Secretary