

PRESS RELEASE

EIH LIMITED

**61st Annual General Meeting in Kolkata on
Tuesday, 9th August, 2011**

- **First Quarter 2011-2012-**
 - Total Revenue increases by 25%.
 - EBIDTA increases by over 100%
- **Debt reduction of approximately ₹ 1100 crores.**
- **Substantial savings in interest cost as a result of reduction in debt to further contribute to profitability during 2011-2012**

Kolkata, 9th August, 2011:

Addressing the Sixty-first Annual General Meeting of EIH Limited (the flagship Company of The Oberoi Group) held in Kolkata today Mr. P.R.S. Oberoi, Chairman said “There was an expectation that global economies would see a recovery in 2011. Unfortunately, this is not happening. Global economies and the economic environment are volatile and the world is confronted with economic uncertainties which could impact the Company’s business”.

Mr. Oberoi also said that “The profitability of the Company for 2010-2011 would have been better than in 2009-2010 had it not been for an increase in interest costs amounting to ₹ 54 crore.”

- The total Revenue for the year ended 31st March, 2011 was ₹ 1142.95 crores as compared to ₹ 907.27 crores in the previous year which represents an increase of 26%.

- The EBITDA was ₹ 334.05 crores as compared to ₹ 257.9 crores in the previous year which is an increase of approximately 30%.
- The Profit after Tax was ₹ 64.54 crores as compared to ₹ 57.23 crores in the previous year which is an increase of approximately 13%.

The Dividend has been approved at 90 paise per Equity Share as compared to ₹ 1.2 per Equity Share in the previous year. The Dividend will be paid on the expanded capital after Rights Issue. Had the dividend been computed on the number of issued shares before the Rights Issue, the Dividend would have been ₹ 1.31 per Equity Share.

I am happy to say that the operating results of the first quarter of this Financial Year are much better than in the first quarter of the previous Financial Year:

- Total Income has increased from ₹ 205.16 crores to ₹ 255.84 crores which represents an increase of 25%.
- The EBITDA has increased from ₹ 25.95 crores to ₹ 57.11 crores which is an increase of over 100%.
- The Profit before Tax has increased to ₹ 14.95 crores from a loss of ₹ 28.07 crores”.

Proceeds from the Rights Issue and better Cash Flow has enabled the Company to reduce its borrowings by about Rs. 1100 crores. The consequent savings in interest should have a positive effect on the Company's profitability in the current year.

Mr. Oberoi added “The Oberoi Group continues to be recognised internationally by travellers as being amongst the best hospitality groups worldwide. This is a source of pride and satisfaction for all of us. For instance, *Travel + Leisure*, a leading international travel magazine has, in a recent readers' poll, ranked three Oberoi hotels 1st, 3rd and 4th in Asia. Three Oberoi hotels have been ranked amongst the fifteen best in the world. Two Oberoi city hotels, The Oberoi, Mumbai and The Oberoi, New Delhi, have been ranked amongst the top city hotels in Asia.

Mr. Oberoi further added:

- “Trident, Bandra Kurla, Mumbai which completed its first full year of operations during the last Financial Year, is helping to consolidate our position in Mumbai.

- The recent opening of The Oberoi, Gurgaon further strengthens our position within the New Delhi National Capital Region.

The status of other projects on hand is as follows:

- Two hotels to be managed by us at Cyber City, Hyderabad are under construction. Trident, Hyderabad consisting of 326 rooms and suites is expected to open in the third quarter of 2012 followed by The Oberoi which will have 220 rooms and suites and will open in 2013.
- Construction of the 252 room, The Oberoi, Dubai which is located at Business Bay, is progressing well and the hotel is expected to open in the second quarter of 2012. This hotel will be managed by a wholly owned overseas Subsidiary Company.
- Planning of The Oberoi, Marrakech (Morocco) has been completed and construction is expected to commence shortly; this hotel will be managed by a wholly owned overseas Subsidiary Company. The hotel is expected to open in 2014. In addition to the hotel, branded residences for sale are planned on an adjacent site after the hotel opens.
- The Oberoi Kabini Jungle Lodge, located in Karnataka will open in 2012. This will be a managed property.
- The Company owns a 55 acre beach front site in Goa. Planning approval for luxury hotel is awaited.
- MOUs have been signed in respect of hotel projects at Casablanca and Pune. Planning on these projects is ongoing. A resort hotel just outside Chandigarh is planned and construction is expected to commence later this year.
- Architects for a new 250 room The Oberoi, Bangalore have been selected and planning has commenced. In addition to the hotel, 65 luxury branded residences are planned which will be sold when the hotel opens.
- A new flight kitchen is under development at New Delhi International Airport and will be fully operational by September, 2011.

The above developments will increase our future revenue and profitability.

In conclusion Mr. Oberoi said, "India faces several challenges. Inflation needs to be curbed. Increase in interest rates and the recent scandals do not augur well for foreign direct investment. Terrorism has emerged as a key challenge and could be a deterrent to the growth of the country's travel and tourism industry.

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