

news release

Mandarin Oriental International Limited

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To: Business Editor

For immediate release

PUBLICATION OF SHAREHOLDER CIRCULAR FOR PROPOSED ACQUISITION OF THE FREEHOLD INTEREST IN THE BUILDING HOUSING MANDARIN ORIENTAL, PARIS

11th January 2013 – On 29th November 2012, Mandarin Oriental International Limited ('MOIL'), the publicly listed parent company of Mandarin Oriental Hotel Group (the 'Group'), announced that it acquired an option to purchase the freehold interest in the building housing Mandarin Oriental, Paris and two prime street front retail units, currently leased to two luxury fashion brands, (collectively, the 'Property') from Société Foncière Lyonnaise. MOIL announced that the Group had paid a €10 million (US\$13.1 million) advance deposit to secure the option, and, if the option is exercised, the Group will be required to pay a further €280 million (US\$365.7 million) to acquire the Property (the 'Transaction').

The Transaction is conditional on the approval by MOIL's shareholders, which is to be sought at a Special General Meeting to be held on 31st January 2013. The option will expire if the sale is not completed by 15th February 2013. Completion is expected to occur shortly after shareholders' approval has been obtained. Jardine Strategic Holdings Limited, which holds a 73.7% direct interest in MOIL, has given its undertaking to vote in favour of the Transaction.

A circular to shareholders will be published today which contains further details of the Transaction, together with a notice convening the Special General Meeting to consider and, if thought fit, approve the Transaction. A copy of the circular will be available on the investors section of the Company's website at 'www.mandarinoriental.com'. The document has also been submitted to the National Storage Mechanism and will shortly be available for inspection at 'www.morningstar.co.uk/uk/NSM'.

The proposed Transaction will provide an opportunity for the Group to unite the freehold, leasehold and *fonds de commerce* rights into a single ownership structure, which is expected to

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unlock the full market value of the overall asset and create additional capital value. It will also provide rental income to the Group via the acquisition of the two retail units at the Property and bring opportunities for future expansion of the hotel.

As the building structure is newly built and equipped to a high standard, minimal capital investment is expected in the medium term.

The Group will finance the acquisition from existing cash reserves and new debt facilities with an interest cost that is lower than the rent due under the existing hotel lease.

In the financial year ended 31st December 2012 the Property generated rental income of €10.7 million (US\$14.0 million). A valuation of €342.9 million (US\$447.8 million) has been attributed to the combined value of the Group's interest in the Property, including the two retail units and the hotel business, following completion of the Transaction by CBRE in their valuation report included in the circular to shareholders.

The Group is the award-winning owner and operator of some of the world's most prestigious hotels, resorts and residences. The Group now operates, or has under development, 45 hotels representing over 11,000 rooms in 28 countries, with 19 hotels in Asia, 13 in The Americas and 13 in Europe, Middle East and North Africa. In addition, the Group operates, or has under development, 14 *Residences at Mandarin Oriental* connected to its properties. Mandarin Oriental International Limited is incorporated in Bermuda and has a premium listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. It is a member of the Jardine Matheson Group.

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This and other Group announcements can be accessed through the internet at 'www.mandarinoriental.com'.