

Press Release

Sinclairs Hotels poised for revenue and profit growth

*Unlocked value from land at Siliguri hotel
Paid 40% dividend to shareholders
Implementing three new projects*

Kolkata, 28 May 2012: Sinclairs Hotels Limited announced the audited results for the year ended 31st March, 2012. The consolidated total revenue is Rs 22.47 crore. This consolidated revenue included only five months of contribution from Savannah Sarovar Premiere, the 104 room upscale hotel at Whitefield, Bengaluru whose majority shareholding Sinclairs acquired on October 31st, 2011.

On a standalone basis, the company generated gross revenue of Rs 17.26 crore as compared to Rs 19.10 crore in the last year. The marginal drop was on account of the closure of its Ooty hotel for a complete refurbishment. The other four operating hotels in Siliguri, Darjeeling, Dooars and Port Blair recorded an aggregate revenue growth in excess of 10%.

Gross profit for the year was Rs 6.09 crore as compared to Rs 8.51 crore in the previous year. The company paid an interim dividend of 40% (compared to 35% last year) to shareholders and the board confirmed this as the final dividend.

The re-opening of the Ooty hotel after a complete makeover has received an excellent response from guests who have stayed at the property and the newly refurbished property is expected to contribute significantly to revenue and profit growth. The company is also investing substantially in its hotels at Siliguri, Darjeeling and Port Blair to further enhance facilities which will add further impetus. Finally, full year operations of the Bengaluru hotel will be reflected in accounts from this year onwards. The current year is thus expected to see a robust growth in revenues and profits.

Another major development in the current year will be the actualisation of the company's strategy to unlock value from vacant land adjacent to the Siliguri hotel. This contracted sale will result in a substantial infusion of cash into the company and enable additional new acquisitions to expand its portfolio.

Meanwhile, the company's new projects in Kalimpong and Burdwan are under advanced implementation and will become operational in the current fiscal. Work on the Kolkata hotel will commence after receipt of all statutory approvals in the second quarter of this financial year. On completion of these three projects, Sinclairs room inventory will grow to 600 keys.

Commenting on the performance of the company and future outlook, **Navin Suchanti, CEO and Managing Director, Sinclairs Hotels Limited** said, *“We have continuously invested in our properties over the last couple of years and in the current year too, there are multiple development plans for our properties in Siliguri, Darjeeling and Port Blair. The two new properties at Kalimpong and Burdwan will also add to the company’s top and bottom line. We are confident of a manifold rise in our revenues and profits in the coming year as well as in future years.”*

Sid Yog, Managing Partner of The Xander Group Inc., that is Sinclairs Hotels largest shareholder outside the promoter family, said, *“We continue to be pleased with the progress at Sinclairs Hotels. The firm’s strong operational performance, its healthy balance sheet, zero debt position, and expanded management capabilities are all enablers for rapid growth. We are working closely with the company’s management in implementing this rapid growth strategy through new acquisitions.”*

ABOUT SINCLAIRS HOTELS LIMITED

Sinclairs Hotels Limited (SHT:IN) owns and operates hotels and resorts at Siliguri, Darjeeling, Dooars, Ooty and Andamans. Its subsidiary Savannah Hotels Pvt Ltd is the owner of a 104 key upscale business hotel at Whitefield in Bengaluru. Each property enjoys premier status in its location for guest comfort, service, food and conference facilities. Sinclairs is presently implementing three greenfield projects at Kalimpong, Burdwan and Kolkata. The resort hotel at Kalimpong and the tourist resort with banqueting and club facilities at Burdwan are in an advanced stage of construction. On implementation of these projects, Sinclairs total room inventory will be around 600. Please visit www.sinclairshotels.com for more details.

ABOUT THE XANDER GROUP INC

The Xander Group Inc. is a global investment firm focused on the infrastructure, hospitality, retail and real estate sectors. Since 2005, the firm has committed over US\$ 1.8 billion of capital to the Indian market across private, public and credit investments. The firm combines extensive industry knowledge with global experience and relationships, and works with quality promoters, partners and companies across the growth cycle to build and scale businesses and generate superior long term returns. Please visit www.thexandergroup.com for further information.

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