

PRESS RELEASE

SAMHI to add one-third of current room inventory to its existing portfolio; confident that 2019 to be a year of growth for the Indian Hospitality sector

SAMHI today announced that it will increase its daily inventory available for sale from 3,000 rooms in 2018 to over 4,000 rooms in 2019 which is a 30% increase.

Ahmedabad/New Delhi, November 14, 2018 - Goldman Sachs-backed SAMHI Hotels Pvt Ltd is of the view that the hospitality sector grow well in 2019, as India's travel market is projected to grow at an annual rate of 11-11.5 percent and will be worth \$48 billion* by 2020. This will correspondingly mean and naturally translate into good growth for SAMHI, which is one of the largest owner of branded hotel rooms in India and the entire Indian hospitality sector.

SAMHI is poised to increase its daily available inventory for sale from 3,000 to 4,000 rooms, registering a healthy 30% surge on the back of its acquisition of Premier Inn portfolio in 2017 and also the acquisition and subsequent rebranding of several hotels to Holiday Inn Express.. This increase in inventory is perhaps one of the highest ever by any Indian hotel ownership company in a single year.

Speaking on this, Ashish Jakhanwala, Founder & CEO, SAMHI said "Indian hotel industry is showing strong signs of recovery and at the same time is also maturing to allow better risk-adjusted returns to the investors. The growth of aviation, expansion of office spaces across key Indian cities and increasing propensity for Indians to travel both for business and leisure is supporting a strong demand growth for hotels. However, the industry continues to be operationally intensive."

The industry has been reported to be in severe distress and with many of the companies going through the bankruptcy process. This has attracted the attention of several investors looking for distress acquisition opportunities.

"Many investors just look at the size of distress while acquiring assets. We however believe in evaluating the potential future opportunity and not just the discount due to distress. Over years we have demonstrated ability to reposition and turnaround several hotel assets that we acquired. We believe such opportunities will continue to fuel our growth in the near term" said Jakhanwala.

The company had earlier indicated an investment of INR500cr to boost its inventory including acquisition and the turnaround expenses and it confirmed that it is well on its way to execute on that plan. By first quarter of FY2020, SAMHI will have over 4,000 rooms available for sale across hotels in India and operated by Marriott, IHG, and Hyatt.

Backed by some of the finest financial institutions such as Sam Zell led Equity International, Goldman Sachs, GTI Capital & IFC (Member of the World Bank Group), SAMHI's growth to 4,000+rooms ownership within a period of 8 years is the fastest ever by any hotel company in India.

About SAMHI: SAMHI is currently present in 14 cities, working with 8 brands and have acquired 30 hotels, which were stressed properties and is now looking to focus on tier 1 and tier 2 cities in the coming years and planning to spend around upwards of Rs 200 crore in renovation and rebranding of these assets. On the cards is also an investment, the company is planning to make of Rs 500 crore in the coming year and add around 500 to 600 rooms through acquisition. In 2018, SAMHI inked agreements for 14 hotels and some of these have been launched.

*** According to a report released by Google India & BCG**