

Press Release
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Three sites for Ibis Hotels secured by The Erawan Group

Bangkok – August 17th, 2006: The Erawan Group Plc. has successfully acquired two sites and entered into a sales & purchase agreement to buy the other site for its first batch of three Ibis hotels in different key destinations in Thailand : Bangkok, Phuket and Pattaya. For each of these Ibis sites, a Hotel Management Agreement has been signed with Accor Group. This is the first step of the Erawan Group's plan which was announced just four months ago to diversify its hotel portfolio into the economy sector of Thailand's hospitality industry with the aim to build 10 Ibis hotels by 2010. The opening of the first three Ibis hotels is scheduled in early 2008 with 710 rooms in total. The total investment, including land costs, for the first three hotels is approximately Baht 1.25 billion.

Project details :

Ibis Sathorn Bangkok 210 rooms on a 1.5-rai plot of land on Sathorn Soi 1 under a 30-year lease term. This Ibis hotel will target budget travellers with its location proximity to Bangkok's Central Business District and a short walk to the Lumpini MRT station.

Ibis Patong Phuket 250 rooms on a 4-rai plot of land between Patong's first road and second road. The hotel will cater to the leisure crowd as it is only 5 minutes walk to the world-renowned Patong beach.

Ibis Pattaya 250 rooms on a 2-rai plot of land on Pattaya's second road in central Pattaya. The hotel aims to accommodate both MICE and leisure markets. Land acquisition is expected to be completed within the next forty five days.

Mr. Kasama Punyagupta, President and Chief Executive Officer of the Erawan Group, has expressed his confidence in the success of these three projects.

"At the moment, very few international brands exist in the economy hotel segment in Thailand. We see great potential in this segment, since it is still relatively untapped by international players," Said Mr. Kasama. "The opening of the Suvarnabhumi Airport this year and continued expansion of low cost airlines in the Asia-Pacific region will most certainly provide a boost to the number of tourists, especially 'budget travellers' who seek accommodation that costs between 1,000 and 1,500 baht per night. With strategic locations and the Ibis brand's well-known qualities of cleanliness, safety and good value for money, we truly believe that Ibis will be the first choice of travellers in this segment."

"Apart from internal cash flow and proceeds from the recent capital increases, we have already secured project loans for all of Erawan's expansion projects including these three Ibis hotels. Going forward, Mr. Kasama added, "By mid 2007, we are confident that we can secure at least other three sites, which are in line with our target to open six Ibis hotels by the end of 2008."

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