

News Release

BAKER & MCKENZIE ADVISE ON LANDMARK HOTEL DEAL IN JAPAN

Tokyo, 31 October 2006 – Baker & McKenzie GJJ Tokyo Aoyama Aoki Law Office (Gaikokuho Joint Enterprise) advised InterContinental Hotels Group (“IHG”), the world’s largest hotel group, on its hotel operating joint venture partnership with All Nippon Airways (“ANA”), Japan’s largest domestic carrier. ANA was represented by leading domestic firm, Nagashima Ohno and Tsunematsu.

The joint venture will become the largest international hotel operator in Japan, the world’s second largest hotel market. IHG will invest BP8 million to acquire a 75% stake in the co-branded joint venture company, to be named IHG ANA Hotels Group Japan LLC.

As part of the joint venture arrangements, ANA will sign new 15-year management contracts with the joint venture company for its 13 owned and leased hotels, adding these hotels to IHG’s system on completion of the deal, which is expected in December. All 13 hotels will over time re-brand to one of three co-brands created for Japan – ANA-InterContinental, ANA-Crowne Plaza and ANA-Holiday Inn.

In addition, the joint venture will operate an additional 18 hotels in Japan under management, franchise and marketing referral arrangements with third party owners, who will also be offered the opportunity to co-brand.

The Baker & McKenzie was led by Chris Hodgens and Hideo Ohta assisted by Kengo Nishigaki and Elizabeth Ticehurst in Tokyo, and the Sydney office Hotels and Resorts team, notably Hanna Lee and Rupert Maloney. Mr. Hodgens said “The transaction is significant not only because of the parties and the scale of the joint venture undertaking but also because of the

enormous time and effort that went into planning and documenting the integration of the existing ANA hotels and resorts and associated infrastructure with the IHG organization and systems to maximize the success of the business going forward. This was on top of the usual complexities that attend any international business undertaking in Japan and showcases the firm's capabilities in helping clients negotiate complex cross-border transactions in Japan". Mr. Ohta said "The transaction is also remarkable for its innovative structure. It is probably the first joint venture undertaking in Japan of this size to adopt the new Japanese LLC formed introduced only five months ago".

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