



Registered office: 462 Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India

Phoenix Mills Limited brings Shangri-La Hotels and Resorts to Mumbai

Phoenix Mills Limited to set up a luxury hotel with a Sky-Lobby

Mumbai, 30th August 2007

Phoenix Mills Limited, pioneers in large mixed-use developments, through its wholly owned subsidiary (Pallazzo Hotel & Leisure Limited) has signed a hotel management agreement with Shangri-La Hotels and Resorts to operate and manage their upcoming hotel in the heart of Mumbai. This project will be the first of its kind in the island city, centrally located in the rapidly developing Lower Parel area. Shangri La Hotels and Resorts are regarded as one of the world's finest hotel management companies, garnering awards and recognition from prestigious publications and industry partners.

Says Atul Ruia, Director, Phoenix Mills Limited, "We have established High Street Phoenix as a landmark in Mumbai and it is always our endeavor to further enhance the aesthetic value of the neighborhood. Towards that end, we are now adding a luxury hotel right in the heart of the city which, given its features, will be a landmark by itself. We are truly excited about setting up a world class hotel with a world class partner: Shangri La. We expect this project to be operational by end 2009."

Shishir Shrivastava, CEO of the group's hospitality division says "We are delighted to get this project underway as it marks the beginning of a long and close relationship that we wish to share with Shangri La. We selected Shangri-La to manage this prestigious property due to its sterling reputation for delivering a premium luxury hospitality experience. It also marks our foray into the hospitality industry, where we plan to extend our presence to operating multiple world-class luxury properties in the coming years. The long-term opportunity in this sector is immense and we are confident of creating best-in-class properties with right partners by our side."

The hotel will be part of the High Street Phoenix development at Lower Parel. The location offers a tremendous advantage as it is right in the center of the City, with the Airport and the Bandra Kurla complex on one side of the city and Nariman Point and the Stock Exchange on the other. The area itself has seen tremendous development in the past few years with several new residential and commercial complexes having been constructed. This area is under serviced by hotels while it is rapidly becoming a commercial and residential hub.

As a part of the Hotel Management Agreement, Shangri La Hotels and Resorts will be responsible for four key aspects. These include: management of the property, branding, technical assistance, and reservations, sales & marketing.

The luxury hotel will have between 300 to 400 rooms and boast of India's first sky lobby (on the top floor). For the first time in the country, ample parking space for 3,000 cars will also be accommodated into the composite mall and hotel design. It is expected to be fully operational by end of 2009. Engaging some of the best consultants on board, the project is being overseen by renowned Architect Shekhar Patki of P.G. Patki & Associates. The cost per key for the project is in line with international benchmark standards. Phoenix Mills Limited will also retain exclusive rights for the Shangri-La brand in the Mumbai region.

About Phoenix Mills Limited

Phoenix Mills is a pioneer of mixed format real estate development in India. The Company initiated this concept at its property at High Street Phoenix in Mumbai, and it is now rapidly extending its presence in key metros and cities across the country. Pallazzio Hotel & Leisure Limited is a wholly owned subsidiary of Phoenix Mills Limited.

For more information on the Company, please log on to www.highstreetphoenix.com

About Shangri-La Hotels and Resorts

Hong Kong-based Shangri-La Hotels and Resorts, Asia Pacific's leading luxury hotel group, currently manages 53 hotels under the five-star Shangri-La and four-star Traders brands, with a room inventory of over 24,000. The group has over 45 projects under development in Austria,

Canada, mainland China, France, India, Japan, Macau, Maldives, Philippines, Qatar, Seychelles, Thailand, United Arab Emirates, United Kingdom and the United States.

For more information on the Company, please log on to www.shangri-la.com

For further information please contact:

Kunal Arya / Sherna Pestonji

Citigate Dewe Rogerson

Tel: 022 4007 5008 / 5004

Fax: 022 2284 4561

Email: kunal@cdr-india.com /
sherna@cdr-india.com

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Phoenix Mills Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.