

ASIAN HOTELS (WEST) LIMITED



2nd January, 2012

Company Update

Dear Shareholder(s),

It gives me great pleasure to wish you all a very happy and prosperous New Year 2012. May the New Year bring plenty of happiness, prosperity and good health to you and all your family members.

This communication is part of our endeavour to communicate with all our shareholders directly about the performance and future prospects of your Company Asian Hotels (West) Limited (AHWL).

AHWL's existing property Hyatt Regency Mumbai has been performing ahead of competitive segment consistently and it has sustained the Operating Profit Margin @ 40-45% and Average Occupancy Rate @ 65-70%. During the Q2 of Financial Year 2011-12, traditionally a lean phase of hospitality industry, the revenues have not been so impressive, however the Hotel is expected to achieve considerable higher revenues during Q3 and Q4 of the FY 2011-12.

As the members are aware that your Company through its subsidiary Aria Hotels and Consultancy Services Pvt. Ltd. (Aria), is developing a 525 keys 5 star deluxe Hotel under the brand name J. W. Marriott at the Hospitality District near the Indira Gandhi International Airport, New Delhi. I am pleased to share that the Hotel is in advance stage of completion and expected to be operational by mid 2012. Commencement of this luxury property under the umbrella of the group will significantly increase the Revenues and profitability and will boost maximum shareholder value appreciation. The J. W. Marriott Hotel Project potential is evident by the fact that IL&FS Group has acquired a minority stake in Aria.

Besides, your company has already ventured into mid market segment hotels by acquisition of controlling stake in M/s Inova Hotels and Resorts Ltd, owning and managing The Clarion Hotel, Whitefield, Bengaluru and has gained foothold in most prominent city of modern India.

Successful completion of Projects will push up the room inventory of Group from present 479 to around 1050 in 2012, spread in three prominent cities of India, thus significantly improving revenues and broadening its geographical exposure.

We sincerely believe that True or real value of any Company, on expansion drive, is not represented by parameters like EPS or ROE or volatile stock value changing on daily basis. To reap the benefit of development initiatives one needs to be a long term investor. I look forward to your continued unstinted patronage in our future endeavours and thank you for all the faith and confidence that you have bestowed on us.

Thanking You,
Yours sincerely,
SUSHIL GUPTA
Chairman