

**【For Immediate Release】**



**Jin Jiang Hotels' joint venture with US-based  
Thayer Lodging to acquire Interstate Hotels & Resorts**

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**To propel Jin Jiang to the international stage and  
to cement its leading industry status**

(20 December 2009 - Hong Kong) -- Shanghai Jin Jiang International Hotels (Group) Company Limited ("Jin Jiang Hotels"; together with its subsidiaries, the "Group"; SEHK stock code: 02006), a leading hotel operator and manager in China, is pleased to announce today that the joint venture, named Hotel Acquisition Company, LLC ("HAC"), which is set up by Jin Jiang Hotels and an investment fund sponsored by a US-based real estate investment firm Thayer Lodging Group ("Thayer"), has entered into a Merger Agreement ("Agreement") with Interstate Hotels & Resorts Inc. ("NYSE : IHR") and Interstate Operating Company, L.P. (Collectively, "Interstate"), to merge Interstate and to turn them into wholly owned subsidiaries of HAC. Interstate is the US's largest independent hotel management company and a leading hotel real estate investor. The move is set to propel Jin Jiang Hotels to the international stage and to cement its industry leading status.

Under the terms of the Agreement, HAC will acquire all outstanding common stock and operating partnership units in Interstate. The acquisition is to be made at a price of US\$2.25 per share in cash and involves assumption of all the outstanding debt of Interstate subject to certain paydowns. Upon the effective time of the merger, HAC shall pay approximately USD75.30 million to hold all equity interests in Interstate. The transaction is valued at approximately US\$307 million. The merger is expected to close in the first quarter of 2010, pending Interstate's shareholder approval and satisfaction or waiver of other customary closing conditions. Jin Jiang Hotels has obtained the necessary and required approvals from relevant PRC Government bodies.

Renowned in the hotel industry, Interstate has a management portfolio of 232 hospitality properties with more than 46,000 rooms in 37 states in US, the District of Columbia, Russia, India, Mexico, Belgium, Canada, Ireland and England. The company has ownership interests in 56 of those properties, including six wholly owned assets.

Commenting on the joint venture partnership and the acquisition of Interstate, Leland C. Pillsbury, Thayer's co-chairman, said: "Interstate offers a unique platform with in-depth industry expertise, international operations, and scope of experience gained over 50 years, along with a stellar reputation as a first-rate operator". Frederic V. Malek, Thayer's co-chairman, added: "We look forward to working with Interstate's management team and associates, their owners and partners as we build on the company's impressive legacy of success."

Mr. Yu Minliang, Chairman of Jin Jiang Hotels, said: "Interstate has a global reputation as a world-class, independent hotel operator. This acquisition significantly accelerates our ability to expand internationally, giving us immediate access to a worldwide platform. We also expect to mutually benefit from our global relationships in the hospitality industry, making Jin Jiang and Interstate stronger."

UBS Investment Bank served as financial advisor to Jin Jiang Hotels and BofA Merrill Lynch served as financial advisor to Thayer. Baker & McKenzie LLP (贝克·麦坚时国际律师事务所) served as Jin Jiang Hotel's legal advisor and Hogan & Hartson LLP served as Thayer's legal advisor.

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### **About Jin Jiang Hotels**

Shanghai Jin Jiang International Hotels (Group) Company Limited is one of the leading hotel operators and managers in China. The Group is licensed to use the well-regarded "Jin Jiang" and "Jin Jiang Inn" brands. As at 30 June 2009, the Group operated and had under development 493 hotels including star-rated hotels and Jin Jiang Inn budget hotels, providing close to 82,700 rooms in aggregate. With a solid home base in Shanghai and Beijing, the Group has also successfully spanned its hotel network across 124 cities and towns in 31 provinces, autonomous regions and municipalities throughout the PRC. In June 2009, the Group was ranked the 13th in the world in terms of number of rooms according to HOTELS Magazine, the official publication of the International Hotel & Restaurant Association. For more information about Jin Jiang Hotels, visit the company's website: [www.jinjianghotels.com.cn](http://www.jinjianghotels.com.cn).

### **About Thayer**

Thayer Lodging Group is a sponsor of real estate investment funds with a track record in the top 5% of all fund sponsors for the past 19 years. Its clients include a select group of large, international institutional investors, the majority of which have been investors with Thayer for most of its 19-year history. The company is a value-add investor that works with major lodging brands to acquire and reposition hotels. Thayer sold US\$1.7 billion of hotels and resorts, which represented 85% of its real estate portfolio in 2006-2007, and retained a small group of 15 properties, which have been recently renovated and repositioned. It recently announced the closing of its fifth investment fund, Thayer Hotel Investors V LP, and its parallel fund, V-A LP, together totaling US\$280 million. Additionally, Thayer Lodging Group recently placed another US\$100 million under management in a separate vehicle. More information about the company can be found on its website: [www.thayerlodging.com](http://www.thayerlodging.com).

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### **About Interstate**

Interstate Hotels & Resorts, Inc. and its affiliates manages and/or has ownership interests in a total of 232 hospitality properties with more than 46,000 rooms in 37 states, the District of Columbia, Russia, India, Mexico, Belgium, Canada, Ireland and England. The company has ownership interests in 56 of those properties, including six wholly owned assets. For more information about Interstate Hotels & Resorts, visit the company's website: [www.ihrco.com](http://www.ihrco.com).

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