

# MILLITOONS ENTERTAINMENT LIMITED

Regd. Office: 8-2-268/K/7&8, Ground Floor, Sagar Society

Road No. 2, Banjara Hills, Hyderabad - 500 034, T.S.

CIN: L52110TG1985PLC051404;

Website: [www.millitoons.com](http://www.millitoons.com)

Contact No.: 040 6535 9666;

Email ID: [info@millitoons.com](mailto:info@millitoons.com)

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October 19, 2016

To  
Listing Department  
BSE Limited

**Sub: Millitoons forays into Hospitality industry in a big way. Enters into an agreement to acquire 9 Companies in USA which hold 9 properties in a Rs. 491 Crore acquisition agreement**

This has reference to the board meeting dated August 16, 2016, where the directors of the Company resolved to consider business opportunities and various options for organic and inorganic growth by means of acquisition of companies, entering into joint venture, share purchase etc., and authorized the Chairman & Managing Director to negotiate possible opportunities in this regard.

In line with the above the Company has drawn major plans to enter the Hospitality Industry in a big way and has entered into an agreement to acquire 9 Companies which own well-established hotels in the United States for a total cost of USD 73.25 Million equivalent to Rs. 491 Crore (approx.) which shall be financed by debt continuation in the books of the respective Companies with US banking institutions to the tune of USD 61.25 Million equivalent to Rs. 410 Crore (approx.) and balance i.e. USD 12 Million equivalent to Rs. 81 Crore (approx.) shall be paid by the Company to acquire 100% stake in the said Companies. The effective cash outflow for Millitoons shall be USD 12 Million equivalent to Rs. 81 Crore (approx.) for acquiring all the target companies.

The combined gross revenues as informed to us by the target Companies in the last fiscal has been USD 22.2 Million equivalent to Rs. 148 Crore (approx.) and a net profit of USD 7.01 Million equivalent to Rs. 47 Crore (approx.). It is expected that the Company's top line shall improve by USD 23 Million equivalent to Rs. 154 Crore (approx.) and bottom line shall improve by USD 7 Million to 8.5 Million (about Rs. 47 to 57 Crore (approx.)) on a conservative estimate once the acquisition is complete. The hotels run by these Companies are under management contract with established international brands such as Holiday Inn, etc. Of the above, a Company is in the process of renovating the property and signing management contract with Sheraton Plus and another one with Best Western.





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The said transaction shall be closed in various stages ranging from 2 to 12 months after completion of due diligence/ obtaining required statutory approvals and completing the financial closure by Millitoons to meet its obligations.

This is for your information and dissemination to general public.

**for Millitoons Entertainment Limited**  
**(Scrip Code: 540023 | Scrip ID: MIENT)**

  
  
**Monica Shrikant Gehlot**  
**Company Secretary**

