

News monitored for: Lemon Tree Hotels

PE Funds Eye 25% Stake in Lemon Tree

MUMBAI Global private equity funds Blackstone, Brookfield, GIC, ADIA and CPPIB are in talks to pick up around 25% stake in Lemon Tree Group of Hotels for about \$150-200 million, valuing the company at about \$600-700 million, said three people with direct knowledge of the development. The existing private equity investor Warburg Pincus that holds around 30-35% stake in the company might either partially or completely exit its ten-year-old investment in the company.

"The company's initial public offering plans have been pushed back for the time being and that is why Warburg wants to now exit through a secondary sale," said a person with direct knowledge of the development.

"The company might also raise some primary capital through this round."

The investor and promoters have appointed investment bank Morgan Stanley to look for buyers for around 20-25% stake valued at \$150-200 million.