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## **COMP/M.4322 – Morgan Stanley/IHG/Portfolio Hotels**

### **SECTION 1.2**

#### **Description of the concentration**

On 27 July 2006, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No. 139/2004, by which Morgan Stanley Real Estate F International Funding, L.P. ("MSREF") and Intercontinental Hotels Group PLC ("IHG") will acquire joint control over a portfolio of seven hotels located within the European Union ("Portfolio Hotels"), The Portfolio Hotels are being sold by IHG to MSREF, but will be managed by a wholly-owned subsidiary of IHG pursuant to hotel management agreements and will continue to be operated under the Intercontinental brand.

MSREF is controlled for merger control purposes by Morgan Stanley, a global financial services institution.

The business activities of the undertakings concerned are respectively:

1. MSREF: real estate investment and management
2. IHG: ownership, management and franchising of hotels on a world-wide basis