

## Four Seasons Hotels Purchased for \$3.8B

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Four Seasons enters into agreement to be taken private at US\$82.00 per share in cash

Four Seasons Hotels Inc. (TSX Symbol "FSH"; NYSE Symbol "FS") announced today that it has entered into a definitive acquisition agreement to implement the previously announced proposal to take Four Seasons private at a price of US\$82.00 cash per Limited Voting Share. Following completion of the transaction, Four Seasons would be owned by affiliates of Cascade Investment, L.L.C. (an entity owned by William H. Gates III), Kingdom Hotels International, a company owned by a trust created for the benefit of His Royal Highness Prince Alwaleed Bin Talal Bin Abdulaziz Alsaud and his family, and Isadore Sharp.

The transaction, which values Four Seasons at US \$3.8 billion (including debt), will be implemented by way of a court-approved plan of arrangement under Ontario law.

The transaction has been approved unanimously by the Board of Directors of Four Seasons (with interested directors abstaining) following the report and favourable, unanimous recommendation of a Special Committee of independent directors comprised of Ronald Osborne (Chair), William Anderson and Brent Belzberg. In doing so, the Four Seasons Board determined that the arrangement is fair to the shareholders of Four Seasons (other than Mr. Sharp, Kingdom, Cascade, their respective directors and senior officers and any other "related parties", "interested parties" and "joint actors") and in the best interests of the Company and authorized the submission of the arrangement to shareholders of Four Seasons for their approval at a special meeting of shareholders. The Board of Four Seasons also has determined unanimously (with interested directors abstaining) to recommend to Four Seasons shareholders that they vote in favour of the transaction.

The Special Committee was advised by Merrill Lynch, as independent valuator and financial advisor, and Osler, Hoskin & Harcourt LLP, as independent legal advisor. Merrill Lynch has concluded that as at February 5, 2007, the consideration to be received under the arrangement is fair, from a financial point of view, to the holders of Limited Voting Shares (other than Mr. Sharp, Kingdom, Cascade, their respective directors and senior officers and any other "related parties", "interested parties" and "joint actors"). A copy of the Merrill Lynch valuation and fairness opinion, factors considered by the Special Committee and the Board and other relevant background information will be included in the management information circular that will be sent to holders of Limited Voting Shares in connection with the special meeting to consider the arrangement.

"I am delighted that the Board, after considering the recommendations developed by the Special Committee and its advisors, has determined to support what I believe is the best way to preserve and expand the long-term strategy, vision and core values of Four Seasons," said Isadore Sharp, Chairman and Chief Executive Officer of Four Seasons.

Pursuant to the arrangement, holders of the outstanding Limited Voting Shares of the Company (other than Kingdom, Cascade and certain of their affiliates) would receive US\$82.00 cash per share, which represents a 28.4% premium over the closing price of the Limited Voting Shares of Four Seasons on the New York Stock Exchange on November 3, 2006, the last trading day on the NYSE before the announcement of the proposed transaction, and a 33.1% premium over the weighted average closing price over the six months preceding that date.

As previously disclosed, upon completion of the transaction Triples (which is Mr. Sharp's family holding company) would hold a significant continuing interest in Four Seasons and Mr. Sharp would, as Chairman and Chief Executive Officer, continue to be directly involved in all aspects of the operations and the strategic direction of the Company, which will remain headquartered in Toronto. If the transaction is completed, Mr. Sharp will be entitled to realize proceeds of approximately US\$289 million related to a long-term incentive agreement that was approved by the Company's shareholders before it was put in place in 1989.

A meeting of shareholders to consider the arrangement is anticipated to take place in April. To be implemented, the arrangement will require approval by two-thirds of the votes cast by holders of Limited Voting Shares, voting separately as a class, and approval by Triples, as the sole holder of the Variable Multiple Voting Shares, voting separately as a class. Kingdom, Cascade and Triples have agreed to vote their Limited Voting Shares and Variable Multiple Voting Shares to approve the arrangement. The arrangement also will require approval by a simple majority of the votes cast by holders of Limited Voting Shares, other than Mr. Sharp, Kingdom, Cascade, their respective directors and senior officers and any other "related parties", "interested parties" and "joint actors". In addition, the arrangement will require approval by the Ontario Superior Court of Justice. The transaction also will be subject to certain other customary conditions, including receipt of a limited number of regulatory approvals. The transaction is not subject to any financing condition, and Four Seasons has been advised that commitments for the required debt financing have been received from Citigroup Global Markets Inc., J.P. Morgan Securities Inc. and JPMorgan Chase Bank, N.A. Four Seasons has received from Cascade and Kingdom a limited guaranty of certain obligations of FS Acquisition Corp., the newly-formed company that is the purchaser under the Acquisition Agreement.

Copies of the acquisition agreement and certain related documents will be filed with Canadian securities regulators and with the United States Securities and Exchange Commission and will be available at the Canadian SEDAR website at [www.sedar.com](http://www.sedar.com) and at the U.S. Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov). The management information circular in connection with the special meeting of shareholders to consider the arrangement is expected to be mailed to shareholders over the coming weeks. The circular also will be available as part of Four Seasons public filings at

www.sedar.com and www.sec.gov.

It is anticipated that the transaction, if approved by shareholders, will be completed in the second quarter of 2007.

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