

Mandarin Oriental Sells The Mark, New York, for \$150 million

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Mandarin Oriental International Limited announced that its wholly owned entity, Madison Avenue Hotel Partners Limited Partnership, had entered into an agreement to sell its 100% leasehold interest in The Mark, New York, for a gross consideration of US\$150 million.

The agreement is with an entity jointly controlled by Izak Senbahar and Simon Elias. The hotel was originally acquired in 2000 as part of the US\$142.5 million acquisition of The Rafael Group.

After transaction costs and tax, the post-tax gain arising on the disposal will be approximately US\$35 million. The consideration will be payable in cash, and completion is expected before the end of January 2006. The proceeds received will be applied towards the Group's general corporate purposes, including pursuing its development strategy.

Under the Group's accounting policies, the earnings before interest, tax and depreciation for The Mark, New York (including management fees) for the year ended Dec. 31, 2004, were US\$2.5 million. The net carrying value of the Group's interest in the leasehold property as of Dec. 31, 2004, was US\$61 million.

Commenting on the sale, Group Chief Executive Edouard Ettedgui said, "The market conditions surrounding the sale of this property are extremely positive, and the funds generated will be used to further the Group's growth strategy. Our brand will continue to be well represented in the city by Mandarin Oriental, New York, which opened to great acclaim at the end of 2003 on the south-west corner of Central Park."

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