

Outrigger plans return remain in Australia market following rights' sale to MFS

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While in Australia last week to wrap up the sale of its hotel management rights to MFS's Stella Resorts Group, senior executives from Outrigger Enterprises Group announced it plans to reinvest funds generated from the sale of its hotel management rights business back into Australia/New Zealand and start up a new chain of resorts and hotel-style accommodation throughout Australia, New Zealand and the Asia Pacific.

Outrigger Senior Vice President-Operations, Dave Lawrence, who started up the Outrigger brand in 1998 on the Gold Coast, said the terms of the sale of the company's 13 resorts did not include the Outrigger brand name and did not in any way inhibit Outrigger's continued presence in the hospitality sector.

'The proceeds of the sale will be used to acquire other assets in and around Australia, and the development market is showing strong signs of interest based on our track record as a pioneer in the international branding of the management rights business, at a time when the sector was generally run by 'mom and pop' operators,' Mr Lawrence said.

'Outrigger has substantial brand equity in Australia and New Zealand and equally strong relationships with the wholesalers, travel trade networks, and integrated web based distributors together with strong customer loyalty.

'We intend to use the sale as a lever to re-enter the Australian short stay accommodation market as soon as practical,' Mr Lawrence added. 'In fact, the sale has been an extremely positive business move for us from an equity perspective, as it allows us to look at larger joint venture partnerships with industry partners that we have formed strong relationships with over the years, and will open the door to new relationships.'

Since announcing its intention to sell its Australia/New Zealand management rights last August, the 60 year-old company has been at the heart of an expansion boom that included the opening this past December of its very successful USD \$585 million Waikiki Beach Walk project, which includes a 421-room all suite hotel, a 195-unit time share resort, 93,500 square feet of retail space, a 464-unit hotel and residential tower currently under construction, a soon-to-be totally renovated 631 beachfront hotel and a planned 147 unit luxury boutique hotel.

In addition, Outrigger Enterprises recently added the 1,100-room Ala Moana Hotel in Hawaii to its portfolio when it acquired the real estate and management rights to operate this landmark hotel. Outrigger also announced the commencement of management of the 837-room Pacific Beach Hotel in Waikiki and a new hotel to be built in the Republic of Palau.

'We're looking forward to gaining a strong foothold in the Australian tourism and business traveller sector and believe our operating systems and strong reputation will spearhead a quick re-entry.

'We enjoy working in the Australian and New Zealand markets and believe it holds significant room for growth,' he concluded.

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