

Orient-Express Hotels to Form Strategic Partnership With The Related Group

2008-07-08

To develop hotels and residences in South Beach Miami, Cartagena, Colombia, and Panama City, Panama.

Orient-Express Hotels Ltd. (NYSE: OEH, <http://www.orient-express.com>), owners or part-owners and managers of 51 luxury hotels, restaurants, tourist trains and river cruise businesses operating in 25 countries, today announced that it has signed a letter of intent to establish a 50/50 strategic partnership with The Related Group, a premier real estate developer in the United States, initially to develop hotels and residences in South Beach Miami, Cartagena, Colombia, and Panama City, Panama.

Established in 1979, The Related Group is the leading builder of luxury condominiums with a current development portfolio of over \$10 billion. It is well known for its innovative residential and mixed-use developments that have dramatically changed the urban landscape of Florida and other U.S. cities. Since its inception, the privately held company has built and managed more than 60,000 award-winning condominium and apartment residences in major markets throughout the United States. Related was founded and is still run by Chairman and CEO, Jorge M. Perez, named one of the top 25 most influential Hispanics in the United States by TIME magazine and winner of the Icon of Real Estate Award of Excellence at MIPIM in Cannes, France, the only American developer ever to have been honored with such a prestigious award. In the past year Related subsidiary Related International has established itself in Latin America with the launch of Icon Vallarta which has developments planned in locations such as Acapulco, Cabo San Lucas, Playa del Carmen and Zihuatanejo as well as Argentina, Uruguay and the Caribbean.

The proposed strategic partnership plans to develop and operate multi-use projects that will include hotel, branded residential and commercial components. The letter of intent between The Related Group and Orient-Express Hotels contains a 90-day exclusivity period and is non-binding until detailed negotiations are completed.

Initial projects, all planned to open in three years, include: a hotel with 28 luxury residences in the fashionable "SOFI" (south of fifth) area of South Beach Miami, an oceanfront hotel in Cartagena, Colombia, close to the old walled city which is a UNESCO World Heritage site, and a hotel on Avenida Balboa, Panama City, part of a major city-led waterfront development project. In each case, the hotel will be part of a wider development and will be managed by Orient-Express Hotels.

Legendary for its history and beauty, Cartagena is a large city seaport on the Caribbean Sea on the Northern coast of Colombia. The city is the economic hub of the Caribbean region and a popular tourist destination. Its colonial walled city and fortress, built to protect the city from pirates, have the most extensive fortifications in South America and were designated a UNESCO World Heritage Site in 1984. Other attractions include the Gold Museum and the Palace of the Inquisition, as well as the Cathedral and the Convento de la Popa.

Panama City is the capital and largest city of the Republic of Panama and is located at the Pacific entrance of the famous Panama Canal. Downtown Panama City is an important center for world banking and finance, and has a sophisticated hotel and restaurant scene, as well as a yacht club and marina. Panama la Vieja (Old Panama) which was sacked in 1671 and subsequently destroyed by fire, still remains a popular tourist attraction and the ruins, which were the starting point of expeditions that conquered the Inca Empire of Peru and the transit point for gold and silver to Spain in 16th century, are also preserved as a UNESCO World Heritage Site.

Paul White, President and CEO of Orient-Express Hotels said, "We are very proud to have entered into this proposed strategic partnership with a company of the calibre of Related. Our development policy is clearly focused on high-end luxury properties which fit the Orient-Express customer profile and increasingly those customers are also interested in real estate opportunities. We strive to meet customer expectation while concentrating our own efforts on our core competencies - creating luxury travel experiences and hotels with exceptional standards of service. Related brings its many years of experience of the real estate marketplace and of creating innovative lifestyle developments. We believe this is a winning combination and look forward to developing it further."

Jorge M. Perez, Chairman and CEO of The Related Group, commented, "As a leading developer of high-end condominiums in the United States and Latin America, we recognize Orient-Express as the ideal partner to bring a fresh, unparalleled cachet to our unique, luxury properties in South Beach, Cartagena and Panama City. Related will continue its critically-acclaimed success collaborating with world-renowned architects and designers to create landmark projects in global destinations. And now with Orient-Express contributing the most luxurious experience in accommodations and customer service, together we can offer our customers a lifestyle that sets new standards in class and quality."

The Miami project will bring the number of Orient-Express properties in the United States to eight, including El Encanto, an estate of 1920s cottages which has been an integral part of Santa Barbara's social, cultural and architectural heritage for over 90 years and is currently undergoing a total renovation scheduled for completion in 2009. Subject to obtaining necessary permits and consents, the company will construct a luxury hotel at West 53rd Street in New York City housing contemporary dining, spa and wellness facilities, as well as expanded banqueting and dining space for the company's existing restaurant and dining business, '21' Club, scheduled to open in 2011. Orient-Express Hotels has been a major investor in South America since it acquired the Copacabana Palace Hotel, one of Rio de Janeiro's most famous landmarks, almost 20 years ago. Since that time, its portfolio in the region has expanded to encompass eight hotels in Peru, Brazil and Mexico, a restaurant in Argentina and the Peruvian railway operator, PeruRail, which operates a luxury train, the Hiram Bingham, between Cuzco and Machu Picchu.

This article comes from Hotel News Resource

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