



Featured in this EMEA Hospitality Newsletter - Week Ending 17 November 2006

- [NH Hoteles Leads A Jolly Party](#)
- [Q Up For Marston Feast](#)
- [Norgani To Sell A Slice Of Its Danish Portfolio](#)
- [JK Rolling Out A Mandarin Oriental In Morocco](#)
- [Hilton Takes Up Residence In Dubai](#)
- [Sheffield Real Estate Drives Marina 101](#)
- [Vantage Points The Way To Its Egyptian Resort](#)
- [Mak-Yol Makes More Mövenpicks](#)
- [It's Raining Brands In Eastern Europe](#)
- [Dive Into Extreme Hotels](#)
- [InterContinental Hotels Group Reports On Its Third Quarter](#)
- [NH Hoteles Gives Its Nine-Month Results](#)

NH Hoteles Leads A Jolly Party

NH Hoteles, Banca Intesa, the Italian banking group, and Joker Partecipazioni, are already linked by their role as shareholders in the Italian chain **Jolly Hotels** (the stakes held are 20%, 4.4% and 49.97%, respectively). It is a link that has strengthened, as the three parties have formed a company named **Grande Jolly**, which is to make a mandatory offer of €25 a share for the outstanding 25% of the shares in Jolly Hotels. NH Hoteles and Banca Intesa are to fund the deal by means of a capital increase of €200 million (NH Hoteles contributing €114 million), which comes from their joint venture NH Italia; NH Italia controls 51% of the shares in Grande Jolly. The proposed deal would create the largest hotel chain in Italy.

Q Up For Marston Feast

The girth of **QHotels'** hotel portfolio in the UK has expanded from a size nine to a 21. The Leeds-based company has put weight on after swallowing **Marston Hotels**, a dish of four-star hotels (1,200 rooms) costing £180 million that includes The Oxford Belfry, The Hampshire Centrecourt, in Basingstoke, and The Hythe Imperial, in Kent. Clearly it would be futile to impose a diet on this particular three-year-old; QHotels has announced that it will soon be unveiling a major investment and development plan.

Norgani To Sell A Slice Of Its Danish Portfolio

Norgani Hotels, the Norwegian hotel property company, has announced its intention to sell four of its hotels (729 rooms) in Denmark. Three of the properties – the **Clarion Hotel Copenhagen**, the **Scandic Glostrup** and the **Scandic Hvidovre** – are located in and around the capital Copenhagen. The fourth hotel, the **Scandic Kolding**, stands in the port of Kolding. The transaction has been constructed as a share deal, with the hotels having been valued at a total of 622.6 million Danish kroner (€83.5 million). The prospective purchaser is **Fearnely Finans Eiendom**, which should have its hands on the hotels before the year is out. Norgani will continue to manage the properties under a five-year agreement and it has an option to buy them all back in 2011.

JK Rolling Out A Mandarin Oriental In Morocco

Part the palm leaves in the Palmeraie region of Marrakech and exclaim, "JK Hotels, I presume?". If the answer is "yes", then you will know that you have found the hideaway of **Mandarin Oriental Hotel Group's** (MOHG) first property in Morocco. **JK Hotels**, a private firm from Morocco, is developing the 145-room **Mandarin Oriental Jnan Rahma, Marrakech** and a set of 45 luxury villas that MOHG will manage under the Residences at Mandarin Oriental brand. Both resort and residences are set to open in 2009. Meanwhile, those explorers rounding the Horn of Africa are likely to cry, "Kempinski ho!" and point in the general direction of the port of Djibouti. **Kempinski Hotels'** first property in the republic of Djibouti (and the first five-star hotel in the country) is the **Djibouti Palace Kempinski**; the first phase (177 rooms) of this property is now open. The hotel, which is being developed by Nakheel Hotels and

Resorts, will eventually have 300 rooms.

Hilton Takes Up Residence In Dubai

Hilton Hotels Corporation has signed a deal to introduce its residential product into the emirate of Dubai. The 44-storey **Hilton Jumeirah Beach Residence**, which is owned by AA Almoosa Enterprises, is set to open its mix of 371 rooms and apartments in September 2007. Elsewhere in Dubai, followers of the progress of the mixed-use development **Bawadi** will be interested to know that a developer has been found to build the next of the planned total of 31 themed hotels. **Plantation Holdings** has the task of blending Hollywood with Bollywood to create the 1,000-room **Holly Bolly Hotel and Resort**, which will cost a reported US\$354 million to develop.

Sheffield Real Estate Drives Marina 101

Marina 101 will at 412 metres be the world's tallest hotel apartment tower; it will look out on the world from Dubai Marina, in the emirate of Dubai. The property is owned by **Sheffield Real Estate** and its partner Rustar Real Estate, a property firm from Russia, and the hotel component of the tower is to be operated and managed by **InterContinental Hotels Group**. Construction work should be finished by the first quarter of 2010.

Vantage Points The Way To Its Egyptian Resort

Those attending the Cityscape conference this December will have the opportunity to get an eyeful of the plans for **Serrenia**, a residential resort to be built on the Red Sea coast of Egypt. In fact you might need both eyes open to take in the scale of this US\$2.5 billion project, which is to be realised by **Vantage Real Estate Development**, a subsidiary of Shaheen Business and Investment Group. A 200-room, 'seven-star' hotel will be one feature of the 3 million m² development. Two more sights at the conference worth seeing (and in Russell's case hearing too) are **Russell Kett**, the managing director of **HVS International's** London office, and **Bernard Forster**, a director in the same office.

Mak-Yol Makes More Mövenpicks

Mövenpick Hotels & Resorts' third hotel in Turkey is its second in the city of Istanbul. The 102-suite, five-star **Mövenpick Suites & Spa Istanbul** should be ready by mid 2008; it will occupy part of a mixed-use development in the Etiler district of the city. **Mövenpick Hotels & Resorts** has signed the management contract on this property with **Mak-Yol**, a Turkish firm with whom **Mövenpick** works on the **Mövenpick Hotel Istanbul** and with whom **Mövenpick** is to work on its first resort in Turkey. The southern town of Bodrum is the setting for the 91-room, five-star **Mövenpick Resort Bodrum**, which will open next June.

It's Raining Brands In Eastern Europe

The breeze off the Black Sea that blows on Bulgarian shores is clearly conducive to the growth of the Golden Tulip, for an example of the species has sprung up in the port of Varna. The 90-room **Golden Tulip Varna**, which is owned by Ilian Tenev, is Golden Tulip Hospitality's first hotel in Bulgaria. The climate in Moscow has proved itself suitable for raising the Radisson SAS flag: the Radisson SAS Slavyanskaya Hotel is already in flower and two more hotels are being nurtured; actually, make that three more now that we know of the **Radisson SAS Olimpiiskaya Hotel**. The 375-room hotel will come into full bloom in 2009. And as any weather-watching hotelier knows, an orange glow in the sky often betokens the arrival of an **easyHotel**. Look out for the signs in Budapest next spring when the Hungarian capital welcomes the arrival of Europe's third **easyHotel** (this one will have around 57 rooms).

Dive Into Extreme Hotels

Perhaps you know of someone who prefers to reach his hotel room by scaling the building's outer walls or who likes to drop into reception without a parachute. At an ordinary hotel such a guest would give cause for concern, but at an **Extreme Hotel** your friend the lover of extreme sports would be warmly applauded for his feats by an admiring staff. **Extreme Group**, founder of the Extreme Sports television channel, has teamed up with **Protea Hotels**, of South Africa, and **Istithmar Hotels**, of Dubai, to launch a brand aimed specifically at all those who enjoy coming down to breakfast headfirst. The trio has £200 million to spend on acquiring or developing hotels around the world. The first Extreme Hotel (130 rooms) is already open; it stands in the South African coastal city of Cape Town, so is accessible, in theory at least, by surfboard.

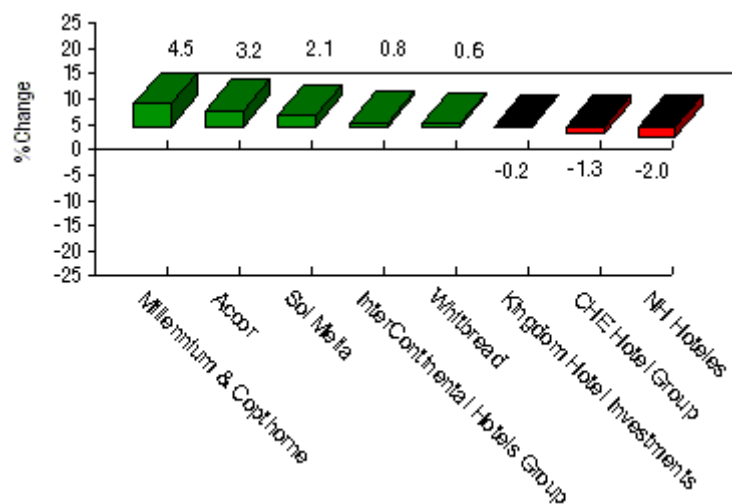
InterContinental Hotels Group Reports On Its Third Quarter

Andrew Cosslett, the chief executive of **InterContinental Hotels Group** (IHG), noted that the company's outlook remained positive, as IHG saw trading remain strong in its third quarter ending 30

September. Those three months produced revenue (from continuing operations) of £202 million, an increase of 10% on the previous year's comparable, and a continuing operating profit of £53 million, an increase of 13%. Marketwide RevPAR rose by 8.6%, with the strongest growth (11.6%) returned by hotels in the EMEA region. One such hotel is the **InterContinental London Park Lane**, which has partially reopened after its £60 million refurbishment. The hotel will be fully open from next March when 60 new suites and a spa will be unveiled.

NH Hoteles Gives Its Nine-Month Results

In the nine months to September **NH Hoteles** saw its hotel business record EBITDA of €111.7 million, an increase of 23.3% on the previous year's comparable, and revenue of €744.1 million, an increase of 12.6%. The Spanish hotelier saw an increase too in marketwide RevPAR, which was 11.3% up on the comparable figure of a year ago. The company's hotels in Germany enjoyed a good World Cup and were thus able to turn last year's loss in EBITDA of almost €1 million into a profit of €3.6 million.

Absolute Share Price Performance Over the Past Week 09/11/06-16/11/06

Closing share price as at:	Thursday	52-Week	
	16-Nov-06	High	Low
Accor (€)	56.95	57.1	42.3
CHE Hotel Group (p)	37.00	44.9	37.0
InterContinental Hotels Group plc (p)	1,061.00	1,089.0	777.7
Kingdom Hotel Investments (US\$)	9.08	10.3	6.4
Millennium & Copthorne (p)	569.00	572.0	368.0
NH Hoteles (€)	15.96	18.2	12.3
Sol Meliá (€)	15.29	15.5	10.1
Whitbread plc (p)	1,488.00	1,497.0	945.4

Source: Reuters

InterContinental Hotels Group - Jefferies International had a 'Buy' rating on the stock after IHG reported its third-quarter results.

Whitbread - Panmure Gordon put a 'Buy' rating on the stock.

NH Hoteles - Certain analysts felt that NH Hoteles' bid for Jolly Hotels was expensive. Deutsche Bank placed a 'Sell' rating.

For the latest in the hospitality industry, please visit: <http://www.hvs.com>. You are also welcome to contact the following personnel at HVS International's London office.

Russell Kett, Managing Director

Charles Human, Managing Dir., HVS HWE

Dominique Bourdais, Director

Bernard Forster, Director

Karen Smith, Director

Christopher Mumford, Managing Dir., Executive Search

Philip Bacon, Managing Dir. EMEA & Asia, HVS Shared Ownership Services

Adrian Jones, EMEA Hospitality Enews Author

rkett@hvs.comchuman@hvshwe.comdbourdais@hvs.combforster@hvs.comksmith@hvs.comcmumford@hvs.compbacon@hvs.comajones@hvs.com