

# PRESS RELEASE

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## Regent Street's Café Royal Building To Be Developed As Five Star, Luxury Hotel

**3 September 2008**

The Crown Estate and Alrov have today exchanged contracts on a circa £90 million (plus VAT) deal that sees Alrov take a 125 year lease of the Café Royal block, at the south end of Regent Street, central London.

The Café Royal redevelopment forms part of Regent Street's Quadrant scheme and will see the block transformed into a luxury five star hotel with 160 rooms and suites, innovative well-being spa and gym facilities and a fashionable venue for a top-quality restaurant and bar. 16,000 sq ft of prime Regent Street retail space will also be established at ground and basement level, for the world's leading brands.



The Quadrant is a one million sq ft built area, mixed-use redevelopment of the Café Royal, Regent Palace Hotel and Quadrant Arcade blocks and is the most ambitious redevelopment ever undertaken on Regent Street. It will open up the southern end of Regent Street and create a 44,000sq ft public space, including the establishment of a significant traffic-free area on Glasshouse Street. After Trafalgar Square, the Quadrant will represent the most significant improvement to the quality of London's public realm seen in the West End over the last 30 years.

The Quadrant proposals will provide a much needed revitalisation of the southern Regent Street environment. At the heart of this is the redevelopment of the Café Royal into a luxury five star hotel. The Alrov Group, an experienced international hotel developer and operator, is ideally placed to help realise the ambitious redevelopment goals for the Café Royal. The scheme will involve the retention of Grade One listed rooms, including the famous Grill Room, a favourite haunt of Oscar Wilde, Aubrey Beardsley, James McNeill Whistler and other famous artists

David Shaw, Head of Regent Street Strategy and Development at The Crown Estate said: "This commitment and investment from Alrov in the Quadrant scheme demonstrates the strength of Regent Street as a location for business."

Georgi Akirov, Managing Director of Alrov's Luxury Hotel Business said: "We look forward to delivering a world class hotel in this exciting location, in time for the 2012 London Olympics."

Café Royal occupies a unique place in London's history, culture and heritage. Alrov has a proud history of developing projects, within landmark buildings around the world, which respect and build-on the cultural heritage of the site.

Following Alrov's purchase of the landmark Conservatorium Building in Amsterdam, the Café Royal deal is a major step towards our goal of creating and managing a significant portfolio of world-beating luxury hotels. Our expansion strategy going forward is focused on major

European cities with strong tourism demand, including London, Paris, Rome, Milan, Madrid, Barcelona and New York City."

Last week Alrov finalised a deal to purchase and redevelop the Conservatorium Building in the prestigious Museum Square of Amsterdam. The Conservatorium Hotel will be the most luxurious and trendy hotel in Amsterdam. It will have over 130 rooms and suites, high-end fashionable dining facilities, and innovative well-being gym and spa facilities. Located next to the exclusive shopping street, P.C. Hoofstraat, the redevelopment will include large retail space for top international brands.

CBRE Hotels and CBRE's planning team acted for The Crown Estate and Clay Street Property Investment Consultants acted on behalf of Alrov.

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**Notes to Editors:**

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During 2007, the combined value of assets successfully sold and valued by CBRE Hotels worldwide was in excess of €15 billion.

In 2007, the value of assets transacted by CBRE Hotels EMEA was in excess of €5.5 billion. This represents an EMEA market share of 35%. During 2007, we successfully sold and valued 410 assets across the EMEA region.

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