

PRESS RELEASE

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CB Richard Ellis Hotels advises BAA Lynton in selecting Arora International for new Terminal 5 hotel at Heathrow

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Terminal 5 Hotel, Heathrow



CB Richard Ellis Hotels and BAA Lynton, the commercial property development arm of BAA plc, announces that Arora Holdings Ltd has been selected to enter into exclusive negotiations for the role of developer and operator of the new 600-bedroom, terminal-linked hotel to be built as part of the Terminal 5 development at Heathrow Airport.

Arora will operate the new hotel as a Sofitel, in a deal which will see Europe's largest hotelier, Accor, grant a long term franchise of the Sofitel brand. Arora International is taking a 150-year ground lease on the site. It is anticipated that the new hotel will open in Spring 2008 at the same time as Terminal 5 becomes operational.

Chris Rouse, Senior Director CBRE Hotels, commented: "Today's announcement is the culmination of a highly competitive process that began in January with extensive pre-marketing prior to the official launch. We received interest from around the world in this unique opportunity and believe that the combination of local operating experience with a world-class brand provides a perfect solution."

John O'Halloran, Managing Director of BAA Lynton, commented: "Following an extensive marketing exercise which attracted huge interest, we are pleased to announce that we are now in a period of exclusivity with Arora International. The proposals put forward by Arora for a new Sofitel hotel at Terminal 5 are imaginative and creative and closely match our aspirations to deliver a world-class hotel for this gateway location. We look forward to working with Arora towards delivering the new hotel by 2008."

Surinder Arora, Executive Chairman of Arora International said: "We firmly believe that our proposed Sofitel offers the most exciting and appropriate brand at Terminal 5 and will complement the overall project perfectly, becoming one of the best flagship hotels in the world."

Accor's Managing Director in the UK, Michael Flaxman, added: "We are thrilled to be a part of this exciting development and believe the Sofitel brand will bring a new level of luxury, service and a touch of 'Art de Vivre' to the Heathrow market."

The design team for the proposed hotel includes Architects Manser Associates and the Interior Designers will be KCA International.

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Notes to Editors:

CB Richard Ellis Hotels

CB Richard Ellis Hotels is the world's leading full-service real estate advisory group focused exclusively on the hospitality industry. CB Richard Ellis Hotels offers investment, capital advisory, consulting and asset management services with European offices in London, Ireland, France, Spain, Czech Republic and Scandinavia.

In the past three years CB Richard Ellis Hotels has been involved in nearly all the major hotel transactions. In 2004 alone the firm has been involved in the sale of major single assets for InterContinental Hotels and Resorts, for Jarvis plc and De Vere Hotels. Other 2004 assignments include the Timhotel Chain in Paris; the Hilton and Ibis hotels, Prague; the Savoy Group in the UK and Premier Lodge. CBRE Hotels have recently advised Travelodge on the sale of Travelodge, Ireland together with the grant of a Master Franchise to the purchasers.

Widely recognised as the UK's leading hotel development team, CBRE hotels has recently been involved in the development of over 1,700 rooms at Stansted and Heathrow Airports.

Please contact Heather Thomas (heather.thomas@cbrehotels.com) for copies of any photographs used in Press Releases.

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