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**THE PEABODY ORLANDO TO BEGIN
SITE WORK ON EXPANSION**

ORLANDO, FLA -- FEBRUARY 18, 2008 – The much anticipated expansion of The Peabody Orlando, the area’s luxurious, landmark hotel on International Drive, directly opposite the main entrance to the Orange County Convention Center, is poised to commence site work on the project.

“Having weathered years of various global economic challenges, I am excited to announce that a construction contract has been executed with Balfour Beatty Construction Company, clearing the way to commence site work immediately,” said Martin S. Belz, president and chairman, Peabody Hotel Group, of Memphis, Tennessee. Balfour Beatty Construction is one of the nation’s largest commercial contracting companies with offices in Florida, North Carolina, Washington, DC and Dallas, Texas. The Florida Division has built more hotel rooms in Florida than any other contractor. In the Central Florida area alone, they have built over 19,000 rooms valued at \$2-billion.

Interior design will be provided by Wilson & Associates of Dallas, Texas, the company that provided similar services for the opening of The Peabody Little Rock in 2002. Architectural design services were provided by Stephen C. Abrams of Winter Park, Florida. Belz reports that the projected completion date for the expanded Peabody will be late 2010.

“This is the news we’ve all been anticipating for the past few years,” said Alan C. Villaverde, executive vice president, Peabody Hotels and general manager of The Peabody Orlando. “It is really exciting to know that the dream is about to become a reality and that our expansion is about to happen.” The expansion of The Peabody Orlando will include the addition of a 32-story tower accommodating 750 luxurious guest rooms and suites, 145,000 sq. ft. of flexible function space, an upscale, full-service spa, grotto-style swimming pool, hiking trail, additional shops, boutiques, Napa Valley wine-themed restaurant, two express restaurants in the convention area, and a parking garage for 2,100 cars

The existing 891-room hotel features 57,000 sq. ft. of flexible function space, three award-winning restaurants: Dux, Capriccio Grill, B-Line Diner, and an award-winning banquet/catering department. “It will be business as usual throughout the construction period,” said Villaverde. “Since construction initially will take place on hotel land adjacent to the main building, the impact on our guests will be minimal.”

The Peabody Orlando, a *Mobil Travel Guide* Four Star, AAA Four Diamond rated hotel is a property of Peabody Hotels within the portfolio of Peabody Hotel Group, Memphis, Tennessee.