

**The Peabody Orlando
Peabody Expansion Construction Update
For the Nation's Professional Meeting Planners**

PECU - 2ND Quarter, 2009

This quarterly *Peabody Expansion Construction Update*, (PECU), has been specially created to keep meeting planners, and the meeting industry's professional trade journals, fully informed on the status of The Peabody Orlando's \$450-million expansion and renovation.

"For those of us who have been in the hotel/hospitality industry all our lives, this whole construction process is absolutely amazing," said Alan Villaverde, executive vice president, Peabody Hotels, and general manager of The Peabody Orlando. "Balfour Beatty US and Belz Construction, have kept the project on time, and, indeed, even a little ahead of schedule. Here is the latest construction update."

New Guest Room Tower

Kurt Kotzin, project manager for Belz Construction Company keeps Peabody owners and management fully-informed on progress. "Several months ago, the construction schedule began to accelerate," said Kotzin. "Progress on the project can be seen week by week.

Construction of the 32-story Guest Tower is through Floor No. 12 and a new floor is being constructed every six days.

Window installation began the first week in April, 2009. Mechanical, Electrical and Plumbing rough-in is proceeding methodically up the building.

Metal stud wall framing, delineating each of the rooms, begins this month.

Upcoming work through 2nd quarter includes continued installation of structural frame, windows, wall framing, sheetrock and interior utilities.

Function Space

Ballroom concrete floor slabs have been completed.

Structural steel framing was topped out in March, 2009.

Metal stud wall framing and sheetrock installation began in March, 2009.

Mechanical, Electrical and Plumbing trades are roughing-in utilities throughout the building. Installation of the new central heat exchanger and the new 500,000 square foot roof began in April 2009.

Parking Garage

Structural concrete decks completed April, 2009. Anticipated TCO (Temporary Certificate of Occupancy) is targeted for late June 2009, allowing initial usage of the new 2,100 car garage in July, 2009.

Vital Statistics on Grand Opening

When the expansion of The Peabody Orlando is complete, it will feature a total of 1,641 ultra luxurious guest rooms, 250,000 square feet of state-of-the-art, flexible function/exhibition space, a parking garage for 2,100 cars, 22,000 sq. ft. Peabody Spa & Athletic Club, Napa Valley Wine-themed restaurant overlooking a new, three-acre, free-formed, zero entry pool, surrounded by cabanas and lush tropical landscaping. Food-on-the-go outlets will be stationed throughout, and covered walkway access provided to all sections of the Orange County Convention Center's combined 7-million square feet of meeting, function, and exhibition space. Many meeting planners already are booking business from the fall of 2010 and through the succeeding decade.

At last reporting, the official grand opening was scheduled for November, 2010. That date has been revised forward to reflect a grand opening in October, 2010. The existing hotel soon will begin a total makeover, floor-by-floor with minimal, if any, disruption of guests' enjoyment of the award-winning Peabody Service Excellence®. In addition to the hundreds of professional construction workers on site, Peabody associates keep a sharp eye on progress of the expansion as they prepare for the 2010 completion of the construction process.

"Our associates are not the only ones who are excited by our expansion," said Tony Aslanian, director of sales and marketing for The Peabody Orlando. "The nation's meeting planners are noting our progress, too, and are eagerly investigating and booking future client events through the next decade. I am delighted to report that we are already ahead of target for a Grand Opening now slated for October 1, 2010. Currently, we have begun to invite meeting planners to visit with us for hard-hat tours of the site, and to view the exquisite model guestrooms which have been designed for their clients' comfort and convenience by one of the most respected interior design companies in the nation, Wilson & Associates of Dallas, Texas. We are now working on the creation of a 'fam' trip for editors and contributors to the nation's professional meetings and conventions trade journals."

While the global economic/financial world is in disarray, Orlando, on the other hand, has been fortunate to continue providing employment opportunities for construction workers. "There are many other high-profile construction projects in full-swing in Orlando in addition to our Peabody hotel expansion, increasing the inventory of rooms available to meeting professionals by 3,650 in October, 2010," adds Villaverde.

"Orlando's world-renowned theme parks also have major construction projects, including the Harry Potter experience which is magically appearing on Universal Orlando's park where the giant, Hagrid, has been building his house under a 'cloak of invisibility.' But

to those in the know, Hagrid's House is no secret. These projects top over a billion dollars, providing thousands of jobs, and generating much-needed tax revenues for local government.”

The Peabody Orlando is a multi award-winning hotel. It is a *Mobil Travel Guide* Four-Star, AAA Four Diamond, and *Wine Spectator* Award of Excellence property of Peabody Hotels within the portfolio of Peabody Hotel Group of Memphis, Tennessee.

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