

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

PECU - July, 2009 – 3rd Quarter

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

"In this issue of the PECU, we decided it was time to bring you some visuals of the interior space designs," said Alan C. V Villaverde, executive vice president, Peabody Hotels, and general manager of The Peabody Orlando. "These renderings of the furnishings, color schemes, and décor, artistically created and provided by Wilson Associates of Dallas, Texas, will give you an overall impression of the style and grandeur of the newly-created function space and guest rooms."

"Meanwhile, we continue to be amazed, and impressed, at the professionalism of Balfour Beatty US, Metro Construction LLC and Belz Construction Company, who have worked so diligently - and in sync. They have kept the project on time, and, indeed, even a little ahead of schedule.

Construction Update

This past quarter, as we marked the first anniversary of the start of the expansion, Balfour Beatty completed the structural steel erection of the new convention and meeting space, as well as reaching the internal schedule goal of completing one floor per week on the new guest room tower. At the end of June, 2009, construction of the tower had reached the 20th floor. It is anticipated that the structural frame will be completed in October, 2009.

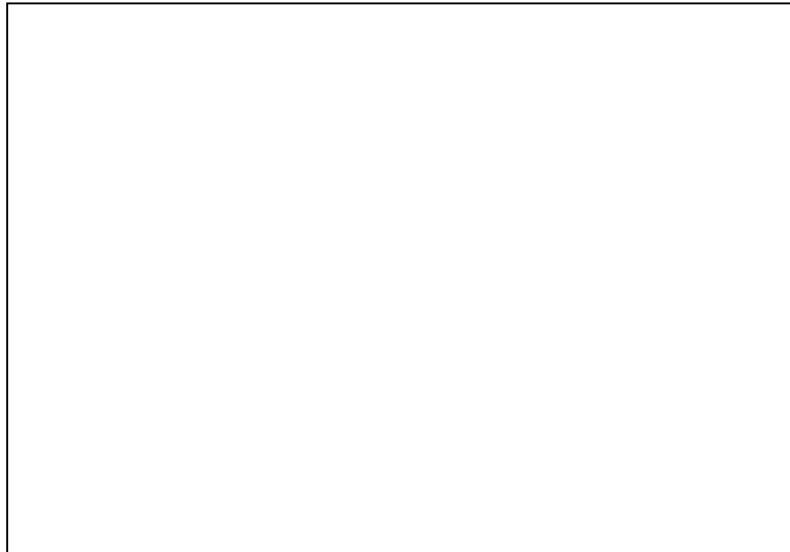
Perhaps the most significant accomplishment besides getting over 500 construction workers to work together, is the completion of the new seven-story, 2,100 car parking garage that is being constructed by Metro Construction, LLC of Memphis, Tennessee. "The garage has been completed nearly two months ahead of schedule," said Chris Acuff, project manager for Metro Construction. David York, the company's CEO said, "Our subcontractors, when told of the owners' desire to open the garage as early as possible for Peabody guest valet operations - and for the hotel's associates - worked long hours, and brought in the necessary labor and supervision to not only meet the goal, but at the level of quality for which The Peabody Orlando is known."

Interior Space Designs

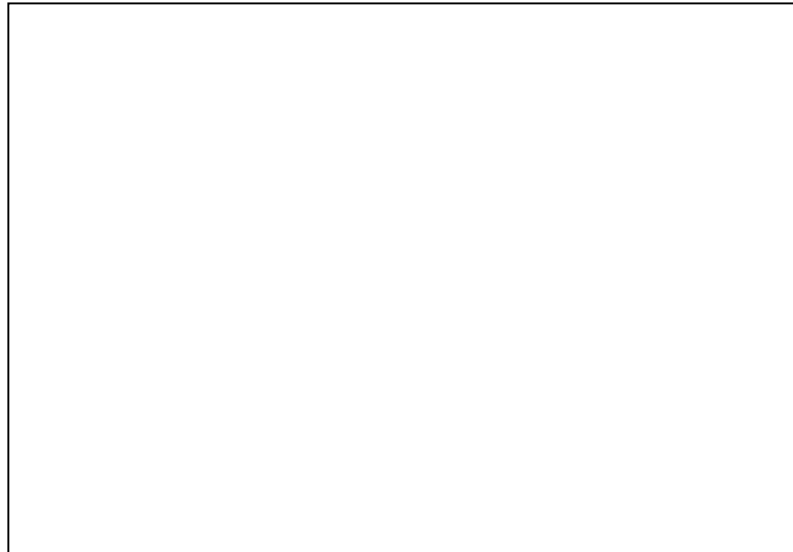
Interior architectural design firm, Wilson Associates (<http://www.wilsonassoc.com/>) has come on board to lead the design direction of the \$450-million expansion and renovation of the Peabody Orlando. With offices located throughout the world, Wilson Associates

continues to be ranked one of the top firms in the hospitality design industry worldwide. Blending experience, innovation and solid business principles, Wilson Associates creates properties that define luxury and elegance, delivering an unforgettable guest experience.

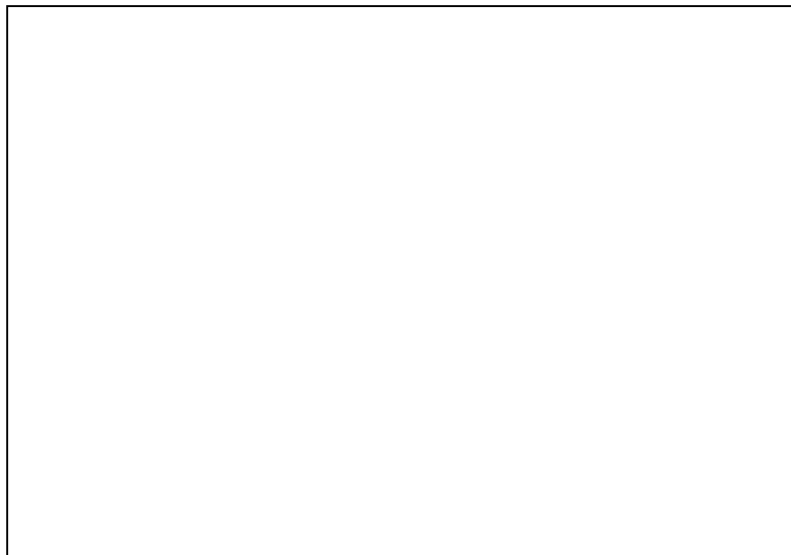
The design team redefines Florida elegance into a modern expression of classic contemporary style in the interior design. The interiors are inspired by the exterior architectural statement with an infusion of natural finish materials in a contemporary context. A sense of luxury and timeless character is created through the use of marble, limestone, exotic and domestic hardwoods, venetian plaster, and contemporary crystal chandeliers.



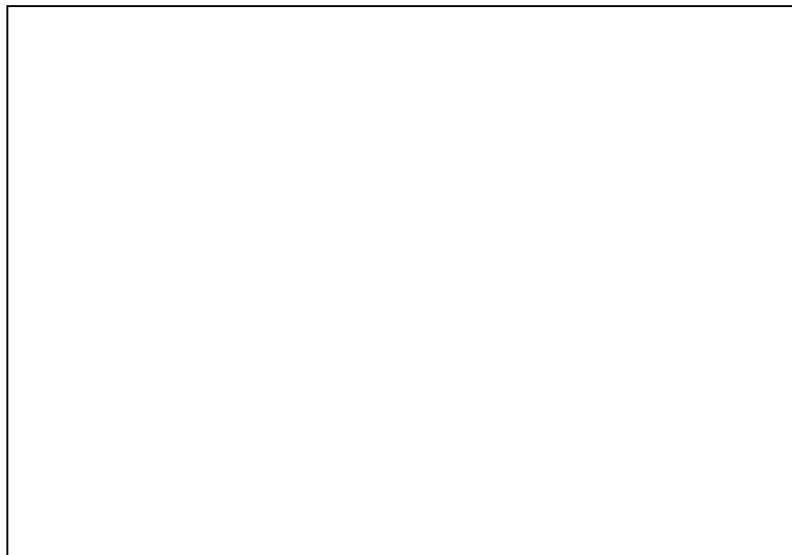
Lobby/Reception: Upon entry into the reception, the guest will be in awe of the massive two-story glass mosaic water feature framed by stone walls. A welcome entry pavilion is supported by elliptical Venetian plaster columns with a flowing ceiling incorporating the lobby into the lobby lounge area. At the reception desk, exotic wood awnings are sleekly placed overhead, while vibrant green onyx is incorporated into the counter tops. Floors are composed of Italian and Spanish marble with furniture groupings revealed in bright and variable fabrics.



Lobby Lounge/Bar: The warm and inviting lobby lounge is a dramatic focal point of the reception space. The bar, seating over 30 guests, illuminates with wiry chandeliers surrounded by bronze organza shades and drop crystals. This space is great for casual meeting or a trendy evening out in Orlando.



Restaurant: The Peabody Orlando offers upscale cuisine with elegant and natural materials used throughout. The restaurant design is inspired by California cuisine with wine being the focus. Wine bottles are dramatically displayed and incorporated as the main motif throughout the dining venue. The circular bar, inset with cut bamboo rings, is surrounded by vertical walls revealing views of the garden pools.



Guestrooms: The guestrooms are a modern take on Orlando, while keeping the personal comfort Peabody has always been known for. Get peaceful nights sleep in the Peabody Dream Bed by Simmons Beautyrest. The efficient design is perfectly balanced for the conventional and leisured lifestyles. Comfort furnishings with clean lines of bamboo detail create a soothing ambience with abundant light for any task. Technology from the bedroom has made its way into the luxurious bathrooms, pampering guests with a 15" LCD TV embedded within the bathroom mirror, which virtually disappears when turned off.



Prefunction Space: The convention prefunction is comprised of a series of lofty angular spaces elevated to a height of 50 feet juxtaposed to one another and filled with natural light via a continuous curtain wall of bluish green glazing. Contemporary use of natural materials such as limestone, marble, maple, oak, pecan, black limba, venetian plaster, and woven wool carpets provide a diverse guest experience.

The prefunction carpet employs the use of rich reds, oranges, yellow, and green with large scaled patterns inspired by the Florida



Ballroom: At 54,500 square feet, this truly is a grand space, with lively modern carpet and radiant Joule umbrella ceiling fixtures spanning 60 feet. Guests sit comfortably surrounded by beautifully upholstered wall panels and venetian plaster architraves adorned with Joule sconces. This space offers hallmark entertaining with ease and sophisticated elegance.

palm. This strong color statement is in stark contrast to the subtle shades of the pre-function walls, soffits and ceiling.

Numerous focal architectural elements and monolithic artwork is scattered throughout the prefunction and bring life and energy to the space. Such elements include black limba wood eyebrow architrave assemblies at the Grand Ballroom entries and suspended cloud light fixtures that reflectively ride the ceiling waves.

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 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 7-million square feet of combined 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®.

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.

MaureenBridget Gonzalez
Carroll Communications Group
Tel. 352-241-0947, Fax. 352-432-4357
jackeeng@earthlink.net
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