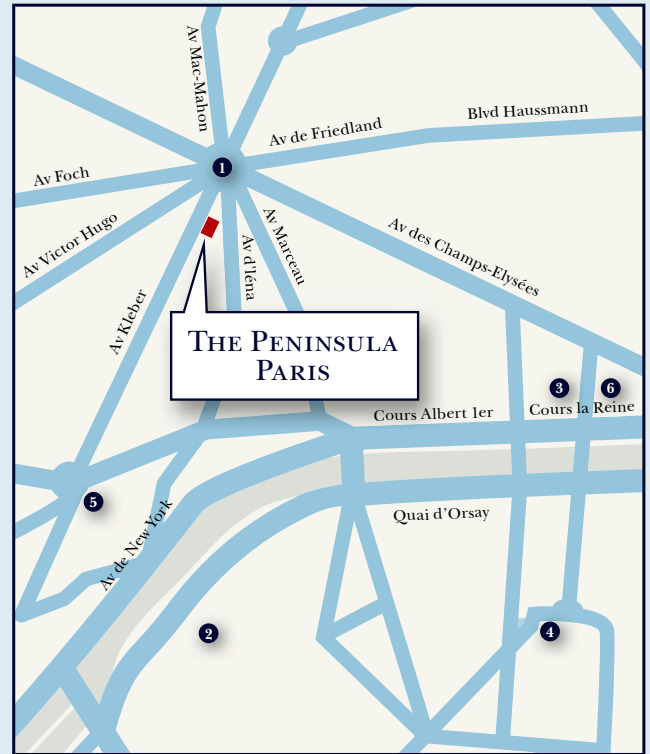

PROJECT



THE PENINSULA PARIS (FRANCE)

The Peninsula Paris is HSH's next planned hotel opening which will mark the Group's entry into Europe. Housed in a century-old Beaux Arts building on Avenue Kleber, near the Arc de Triomphe, the building was opened in 1908 as the Majestic Hotel and, before being sold by the French Government in 2007, had been operated as an International Conference Centre under the auspices of the French Ministry of Foreign Affairs.

Interior demolition of the existing building, which began in late 2009, was completed in March 2010. In July 2010, a general contractor was appointed to oversee ground work, structural work, site installations and the management of the remaining trades. The first major phase of construction work began in September 2010, encompassing ground work, underpinning, demolition and structural work.



1. Arc de Triomphe
2. Eiffel Tower
3. Grand Palais
4. Musée de l'Armée – Tombeau de Napoléon 1er
5. Musée national de la Marine
6. Petit Palais

Significant progress was made during the year on the hotel's interior design, where the challenge is to complement the history of the building with a modern feel and Peninsula's standards and requirements. As would be expected in a century-old building, a number of issues have to be addressed including the adaptation of the basement layout to satisfy local codes and the development of the interior design to take account of

preservation considerations from local regulators. The incorporation of these demands, while simultaneously satisfying HSH's high standards for Peninsula hotels, have resulted in a slight delay to the hotel's forecast completion date and it is now expected that The Peninsula Paris will open in 2013.