



## **IFA Hotels & Resorts Secures US\$115 Million in Funding for Fairmont Palm Jumeirah**

### **First New Foreign-bank Debt for a Dubai Hotel Development since Downturn**

**UAE, December 7 2010** - IFA Hotels & Resorts, through its asset management subsidiary company, IFA Hotel Investments (IFA HI), announced today that it has secured financing of US\$115 million for its Fairmont Palm Jumeirah hotel project structured and arranged by Standard Chartered Bank. The agreement, which speaks to reemerging confidence in the Dubai real estate development sector, will allow IFA Hotels & Resorts to expedite the project's completion to Q1 2012.

Talal Jassim Al-Bahar, Vice Chairman and CEO of IFA HR stated: "We are pleased to announce our second agreement with Standard Chartered Bank. The agreement not only demonstrated the strengthening of our relationship with the bank and is therefore great news for our company, for our investors and for the Fairmont Palm Jumeirah hotel, but will also have a positive impact on the UAE real estate industry as a whole."

The announcement comes as a surprise to an industry that has been told debt funding was largely unavailable. In fact, less than two months ago, executives at the Reuters Middle East Investment Summit agreed that financing for real estate projects in the country had all but dried up, stating that they didn't see major real estate lending by banks happening anytime soon. IFA HR's US\$115 million deal could indicate a faster recovery for the sector than expected.

Joe Sita, President of IFA HI, which leads IFA HR's acquisitions and oversees its operational hospitality assets, continued, "This is the first new foreign-bank funding for a Dubai hotel real estate development we have seen in a very long time. It is evidence of renewed confidence in the region and the industry and confirmation of ongoing confidence in the IFA Group and its projects on the Palm Jumeirah."

In fact, the Palm Jumeirah has provided much of the company's news this year with the successful launch of IFA HR's 562 luxury residences, which are adjacent to the Fairmont Palm Jumeirah, and its recent announcement regarding the signing of international brands to its prestigious Golden Mile retail development.

Sita added, "As the largest foreign investor on the Palm Jumeirah we have been committed to realising Dubai's vision for the island as the pre-eminent location in Dubai since our initial investment in 2003. We have a huge footprint across the trunk as well as a 200,000 sqm plot on the crescent where we are building the Kingdom of Sheba. The company has been integral to the island's development and we look forward to contributing even further with the completion of the Fairmont Palm Jumeirah hotel."

IFA HR's record of producing successful mixed-use developments in the world's most sought-after destinations played a pivotal role in its ability to secure the US\$115

million loan financing at a time where there is a dearth of debt funding available in markets across the globe.

Paul Jurie, Standard Chartered Global Head of Alternative Investments, said: "Banks like ours are being judicious about arranging financings; we will only back projects, and ultimately companies, in which we believe all the necessary fundamentals are in place for a successful outcome. The Fairmont Palm Jumeirah hotel is already well underway and is backed by a client with a successful track record, both in the region and in other parts of the world. This is the second loan we have facilitated for the Group with the first being a US\$1 65.9 million loan to finance The River by Thai developer Raimon Land, in which IFA HR is a major stakeholder. This comes as part of Standard Chartered's approach to deepen its client relationships through an in-depth understanding of their business and requirements. This approach has enabled us to be there for our clients and fill the gap that other banks have left in the market throughout the crisis."

Globally, IFA Hotels & Resorts has developed a distinguished portfolio of award-winning luxury resorts, from its multi-award winning Pine Cliffs resort in the Portuguese Algarve to the newly opened Fairmont Zimbali Resort in South Africa.

Chris Cahill, President, Fairmont Hotels & Resorts and COO, Fairmont Raffles Hotels International, said: "We are extremely pleased with the news that another one of our projects with IFA Hotels & Resorts is moving ahead as planned. We look forward to adding the elegance of the Fairmont Palm Jumeirah to our distinctive collection in early 2012."

The property will be the fifth project IFA HR has completed on the trunk of the iconic island, following The Palm Residence (Al Nabat & Al Haseer); the Al Shalal Beach Club; Golden Mile, Palm Jumeriah and The Residences (North & South). Construction is also well underway on the Kingdom of Sheba, which is situated on the Palm's crescent adjacent to Atlantis. Off the island, the company is also putting the finishing touches on Laguna Tower Dubai – a mixed-use tower that includes the Mövenpick Hotel & Residence Jumeirah Lakes Towers, hotel condominiums, a private residence club and loft and duplex apartments.

Al-Bahar concluded: "News that's good for the country, the sector, its companies and its investors is news worth celebrating. This is also a part of our company's legacy. As we move more and more of our assets from construction to completion we leave behind iconic developments, such as those on the Palm, which will shape Dubai's hotel and residential market beyond the current economy and well into the future."

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**About IFA Hotels & Resorts**

IFA Hotels & Resorts is a leader in real estate development, specialising in premium mixed-use hotel and tourism resort projects throughout the Middle East, Europe, Africa, Asia, North America and the Indian Ocean region. IFA Hotels & Resorts offers exclusive branded residential, resort and hotel properties in exotic locations, with sound appreciating investment opportunities including hotel condominiums, vacation clubs and private residence clubs. IFA Hotel & Resorts' current portfolio consists of 42 projects in total, of which 20 are hotels, with 13,750 keys across 12 countries in four continents. [www.ifahotelsresorts.com](http://www.ifahotelsresorts.com)

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