

July 29, 2010

## **Novotel Edinburgh Park acquired out of administration by Benson Elliot and Algonquin**

Benson Elliot Capital Management and Algonquin SA announce that they have completed the joint acquisition of the Novotel Edinburgh Park, Edinburgh. The hotel will be acquired from administrators KPMG.

The acquisition, the second for Benson Elliot in the UK following the purchase of CBXII in Milton Keynes in late March, was made on behalf of Benson Elliot Real Estate Partners II, L.P. The fund now holds a broad portfolio of investments in the UK, France, Germany, Spain, Scandinavia, and Central Europe. Benson Elliot Real Estate Partners III, L.P., a €505 million equity fund closed last year, will begin investing in the second half of 2010.

Following six acquisitions in the past 18 months, the Novotel Edinburgh Park will become the 23<sup>rd</sup> hotel in Algonquin's portfolio and is its first investment in the United Kingdom.

Novotel Edinburgh Park opened in mid-2008, and was purpose built to meet the standards of the new generation 4-star Novotel brand. The hotel comprises 170 rooms, a restaurant, meeting rooms and a leisure facility (including a swimming pool). It is the only hotel situated within Edinburgh Park, one of the UK's premier office business parks, which is located near Edinburgh Airport and the city bypass and provides office accommodation to over 9,000 employees and many of the UK's leading companies. Accor will continue to manage the hotel under the Novotel brand. The acquisition was financed by Barclays Corporate.

**Trish Barrigan, Senior Partner at Benson Elliot, commented:** *“The global recession and subsequent property market decline have created the opportunity to buy hotels at meaningful discounts to replacement cost and, we believe, at or near the bottom of the operational cycle. We're actively looking at similar opportunities that represent good value today, but where there is also scope to add value through targeted capex spending and proactive management strategies.”*

**Jean-Philippe Chomette, CEO of Algonquin, added:** *“Novotel Edinburgh Park is a good quality hotel in a strong and resilient market. The asset will benefit from the already evident recovery of the hotel market in Scotland, and the arrival of the tramline next to it in the next few years as well as Algonquin's track record in successfully managing hotel assets. We would be very pleased to contemplate other similar opportunities in conjunction with Benson Elliot across Europe in the future.”*

**Jonathan Wright, Relationship Director, Barclays Corporate, concluded:** *“This is an excellent example of a transformative acquisition, returning a well located property back to full operation.”*



Mayer Brown, CMS and Brodies acted for Benson Elliot and Algonquin and Dundas & Wilson and Jones Lang LaSalle Hotels acted for KPMG.

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**About Benson Elliot**

[www.bensonelliot.com](http://www.bensonelliot.com)

Benson Elliot was founded in 2005 to realise a vision for successful real estate investing in a changing market environment. Conceived alongside a group of leading institutional investors, the firm is dedicated to delivering sustainable investment out-performance through market cycles. The firm launched its inaugural investment vehicle, Benson Elliot Real Estate Partners II, L.P., in April 2006, closing in August 2006 with commitments of more than €335 million.

In early 2009, the Company announced its second oversubscribed fund, Benson Elliot Real Estate Partners III, L.P., with commitments of over €500 million. All funds managed by Benson Elliot are fully discretionary.

Benson Elliot is led by Marc Mogull and Trish Barrigan. Mr. Mogull established, and for seven years managed, the Doughty Hanson & Co European Real Estate Fund. Ms. Barrigan was previously Managing Director and Head of Global Real Estate Investments for Dubai Investment Group, moving from Goldman Sachs where she spent ten years primarily in principal investing and portfolio management for the Whitehall Funds.

The Benson Elliot team includes senior industry professionals with experience in sourcing, underwriting and managing real estate investments across Europe and across all major property sectors. Highlighting the firm's successes *Private Equity Real Estate* named Benson Elliot "European Emerging Firm of the Year" for 2006. In 2008, *Private Equity Real Estate* named the firm as one of ten emerging managers globally it expects "to shape the private equity world around them." Benson Elliot was further honoured by its peers with the 2009 European Fundraising of the Year (*Private Equity Real Estate*).

**About Algonquin**

[www.algonquin.be](http://www.algonquin.be)

Algonquin started its activity as private hotel equity investor and hotel operator in 1998. Since its creation, the Group has owned, directly or through investment pools of which Algonquin was the main shareholder, and through single asset or hotel portfolio acquisitions, hotels located all over France representing more than 3,000 rooms in the up-scale and mid-scale segments (3\* and 4\*).

Institutional investors and family offices have joined Algonquin in the creation of joint ventures, managed by Algonquin, dedicated to acquisitions with clear investment objectives.