

alsotel September 2016

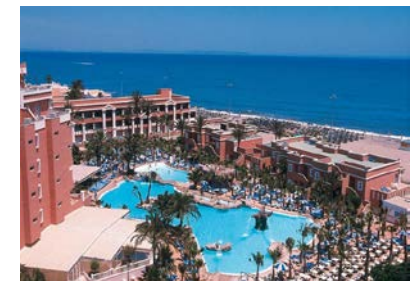
# Alsotel Hospitality Group



**alsotel**  
Hotels and Real Estate

# alsotel General Overview

- Alsotel is a **unique hotel and real estate platform** in Spain, accumulating over 50 years of hotel and real estate experience amongst its senior team. This expertise together with its development capabilities and operational and asset management skills, results in a unique independent platform within the Spanish market
- Alsotel **can act as principal investment platform, as well as operating partner** for international institutions looking to invest in Spain. Alsotel's investment approach is based upon a strong desire to co-invest and create bespoke structures thereby addressing the need of partners and counterparties in order to maximize stakeholder returns
- **Alsotel's executive team has developed and asset managed more than €1 bn of hotel investment**, and has significant in-house hotel experience in operations, finance, development and asset management, being able to operate hotels directly through strategic alliances with international hotel chains
- Alsotel has a **hands-on real estate management approach with international capabilities** and significant market experience across all hotel sectors, from urban to resort, and from one to five stars. The individuals involved have a strong track record in the hotel and real estate industry investing for and alongside highly respected institutional investors
- **Alsotel's current portfolio** includes a 7,100 sqm office reconversion into a 176 room new lifestyle hotel in Madrid's city center, the refurbishment of a historic palace of 4,600 sqm in Malaga resulting into a 5 star 82 room boutique hotel and the reconversion of a 6,180 sqm residential building into a 5 star 110 rooms luxury lifestyle property in Barcelona. This investments total €60 M



# alsotel Investment Strategy

- Alsotel's platform **invests in a wide variety of projects** and in different ways, where Alsotel can be the sole investor, co-investor, or hotel partner to an existing investor, providing all the necessary hotel expertise for a hotel investment and development decision:
  - **going concerns** – trading hotel assets with potential for repositioning, upgrades, rebranding, turn-arounds, extensions, etc., with or without operator
  - **re-developments** – existing assets of other use (office, residential, etc.) that can be re-developed as a hotel.
  - **mixed-use** developments with a hotel component
  - **land** (brown field sites) in central locations, with hotel use
  - **resorts with residential and other components** such as golf or spa, including destination resorts
- Alsotel also invests in **distressed companies** or complex ownerships of real estate
- As **hotel operator**, Alsotel operates through management agreements, leases, franchises, manchises, and any combination of them in order to maximise the value of the asset
- **Alsotel is looking for properties of any nature, from one to five stars, and from urban to resort locations, with an initial focus in Spain**
  - **Urban locations** with a minimum of 4,000 sqm of buildable area or 80 rooms – minimum investment €10 m.
    - Primary: Madrid city and Barcelona city
    - Secondary: Málaga, Sevilla, Palma, Valencia, Bilbao, San Sebastián, Granada and outskirts of Madrid and Barcelona
    - Specific locations for budget accommodation in primary and secondary cities between 2,500 and 4,000 sqm of buildable area
  - **Resort locations** with a minimum of 7,500 sqm of built area or 150 rooms – minimum investment €15 m
    - First or second line from the beach, in traditional mature markets such as Costa Brava, Costa Blanca and Valencia, Costa del Sol, Balearics or Canaries
    - Mainly existing assets with potential for re-positioning
  - **Other:** portfolios, whether urban, resort or mixed, throughout Spain



# alsotel Hotel Management and Operation Capabilities alsotel Hotels and Real Estate

Alsotel team has operational and asset management expertise both in Spanish and international markets

## Operation

- Management of several vacational resorts of 3, 4 y 5 stars in Benidorm, Balearic Islands, Cádiz and México
- Management of urban hotels and urban hotel brands from the low cost to five stars
- Adaptation of international standards to the Spanish operation systems
- Commercial and operating hotel repositioning

## Asset Management

- Asset management of the Hotel Area of Metrovacesa with 12 hotels, 2 of them vacational, Playa Capricho Almería (rented to Hotels Playa) and El Pinar Torremolinos (rented to a local operator), 7 urban with fixed + variable contracts (rented to Tryp, NH, HUSA, Travelodge, Accor) and three Hotels internally managed and with franchise contracts with IHG (Crowne Plaza and Holiday Inn Express brands)

## Strategy

- Market entry and design strategies for different chains in Spain: Marriott, Travelodge, IHG, Premier Inn
- Strategic advisory to hotel group quoted on the FTS100 on its expansion plan in the Middle East and India
- Operational Consulting for a series of resorts in the Canary Islands and Mallorca
- Advisory to Inversora de Hoteles Vacacionales (INHOVA), hotel real estate fund owned by three Spanish Banks and Iberostar (which also managed the hotels) on its expansion, management (hotels in Spain, Morocco and Croatia) and divestment

## Finance and IT

- Finance and administration responsible in several hotels of a Spanish management company belonging to Gruppo Alpitour (italian leader tour operator) including: a resort in Riviera Maya (Mexico), a resort in Samaná (Rep . Dom) and a 5-Star luxury in Porto Rotondo (Sardinia)
- Implementation of an ERP management tool system to Venezuelan all inclusive standards in 7 hotels and the whole company



# alsotel Development and Refurbishment Capabilities

Alsotel and its technical team IHP have unique technical capabilities specialized in hotels

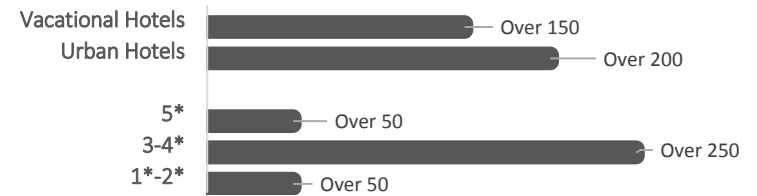
Alsotel management team has strong background developing hotels since 1988, totaling 90 hotels and 9,413 keys

Special expertise adapting foreign concepts to Spanish Market, evolving brands and creating procedures and construction manuals, for example: a) bringing Holiday Inn Express Brand to Spain (Med Group), b) conducting the Travelodge expansion in Spain, c) developing the construction standards of AC Hoteles and managing the technical department of AC during its expansion process and d) implementation of Thomas Cook's new standards in vacational hotels being repositioned

**Experience providing technical services**  
  
**IHP**

IHP has conducted over **350 hotel Projects for hotel owners and operators around the world**, including significant expertise in vacational

Covering services as: technical advisory, architecture, engineering, project management, interior design, FFE, and facility management



**Development Experience**  
  
**ALSOTEL / TALUS**

**Currently owned assets under development / refurbishment**

- **3 Hotels under development:** Ronda de Atocha, Marques de la Sonora and Balmes (*see page 13*)
- **3 logistic assets under development/refurbishment:** a) 36.000 sqm ground up logistic development in Madrid and refurbishments of two additional warehouses totaling c. 50.000 sqm
- **High Street assets:** Refurbishment of a) Gran Via 30, transformation of a 6.000 sqm mixed use building in a Fashion Flagship in Madrid Center and b) Mercado de Fuencarral, refurbishment of a top retail unit of 2400 sqm.
- **Office buildings:** Manuel de Falla 7, total refurbishment of a 6.100 sqm building in Madrid CBD

**Past development experience of the team in HOTELS**

# Hotels	Category	Total Keys	Company	Years	Typology
5	5*-3*	970	Layetana	1988-1992	Vacational
5	4-3*	900	Metrovacesa	2000-2007	Urban
15	3*	1.300	Med Group	2001-2004	Vacational / Urban
1	4*	120	Reyal Urbis	2005	Urban
4	3*-1*	523	Travelodge	2007	Urban
60	5*-3*	5.600	AC Hoteles	1999-2004	Urban
90	5*-1*	9.413	n.a.	1988-2016	Vacational / Urban

# Senior Management Team

The Alsotel team is made up of 20 experienced investment professionals with a unique combination of hotel expertise, operational management capabilities and significant experience as operating partner for institutional investors both in Spain and international markets

## Alsotel Senior Management Team



**Horacio Alcalá**  
CEO and Founding Partner

Over 20 years international experience in the hotel and real estate industry, in the last ten years focused in investment, development and execution in Spain

Most recently CEO of Spain for Travelodge where he re-structured the Spanish business and introduced new business lines in the UK

Successful investment of over €500m in hotel assets, and development of 15 hotels (9 budget)

Past experiences with Metrovacesa (Madrid), where he was Head of Hotel Investments, MedGroup (Barcelona), Matlin Associates (Madrid) and TRI Hospitality Consulting (now CBRE Hotels, London/Madrid), Best Western (Hamburg), Marriott (Madrid), and Travelodge (Madrid/London)

BSc (Hons.) Hotel and Catering Management, University of Surrey. Lecturer at various universities

**Óscar Pérez**  
CFO and Founding Partner



20 years international experience in hotel, corporate finance and real estate industry with focused expertise in administration, accountancy, financial analysis and asset management

Past experiences in Confortel (Spain/Venezuela), Renthotel Resorts (Mexico, Dominican Rep., Italy), Metrovacesa (Madrid), Christie + Co. (Madrid), Matlin Associates (Madrid)

BSc in Economics from UAM (Madrid). MSc in Financial Management from EOI (Madrid), diplomas in Corporate Finance (IESE), Hotel Real Estate Investments and Asset Management (Cornell University) and Budget Management (IE)

**Paco Cabrero**  
Non Executive Technical Director



Founding Partner and Managing Director of IHP

20 years experience in Hotel Industry and 22 years experienced in Real State Industry

Formerly Deputy Director of Properties and Construction in AC Hotels by Marriot and past experience in Hill International

## Board Members

**David Finkel**  
Alsotel Chairman and Talus Managing Director



Talus Real Estate (Founding Partner and Managing Director since 2013)

Westbrook Partners (Managing Principal 2009-13)

iStar Financial (Managing Director 2005-09)

Nomura International (Director 2002-05)

Goldman Sachs (Associate 1999-02)

**Jordi Moix**  
Senior Advisor and Talus Investment Director



Over 30 years experience in Real Estate

Linq Venture (Partner, 2011-14)

Reyal Urbis (Managing Director, 2003-09)

Metrovacesa (Director Catalonia, 1992-02)

Layetana (Managing Director, 1988-92)

Habitat RE (General Manager, 1987-88)

FC Barcelona (VP Board of Directors, since 2010)

# alsotel Current Development Projects

## Ronda de Atocha



## Marqués de la Sonora Palace



## Balmes



Acq. Date	July 2015	December 2015	February 2016
Year Const.	1968	1789	1916
Use	Office to be transformed into Hotel	Hotel	Residential to be transformed into Hotel
Keys	7,072 sqm	4,600 sqm	6,180 sqm
Category	3*	4-5*	5*
SQM /	176 Keys	82 Keys	110 Keys
LOCATION	MADRID	MÁLAGA	BARCELONA
Status	To be refurbished	To be refurbished	Change of Use Requested

**COMMENTS**

Alsotel identified the potential for hotel re-development of a secondary-location office building into prime hotel real estate by Madrid's main train station and the most visited tourist attraction, the Reina Sofia Museum.

Designing a very efficient 3-star lifestyle hotel, it was able to generate above market estimated returns for when the hotel opens.

The re-development, design and construction is being fully managed by Alsotel who will also operate the hotel under a franchise agreement with a leading lifestyle brand once it opens. The hotel will boast 176 rooms with a large multifunctional lobby and a terrace with 360° views of Madrid.

After many attempts by other developers to convert the Marques de la Sonora palace into a 50 room luxury boutique hotel, alsotel's keen approach has resulted into a more optimized use of the areas, resulting into 82 rooms, and hence making the financial results sufficient to support the land value in the center of Malaga's historic quarter.

The hotel will be the first luxury hotel in the area accompanying the city of Malaga into its current repositioning as a tourist destination. The complexity of returning the derelict outer walls into the splendid grandeur of the Palace make this a complex yet very attractive project.

The hotel re-development is being supervised by Alsotel and will be operated through a franchise agreement with a luxury brand.

Alsotel has identified this asset amongst the few captured by the hotel moratorium in Barcelona in order to develop a top lifestyle hotel with roof top terrace in one of Barcelona's most prestigious streets: Calle Balmes.

The corner building boasts great views and would result in a 110 room hotel asset with meeting facilities and open air swimming pool. The hotel would be operated through a management agreement with a third party.

However, as chances to gain a works permit over the next six months are scarce, the asset has also been underwritten by Talus RE for residential use.



# alsotel

*Hotels and Real Estate*

Paseo de la Castellana 93- 13<sup>th</sup> Floor

28046 Madrid Spain

[info@alsotel.com](mailto:info@alsotel.com)

Tel: +34 91 436 1789

Horacio Alcalá - [halcala@alsotel.com](mailto:halcala@alsotel.com)

Óscar Pérez - [perez@alsotel.com](mailto:perez@alsotel.com)

*All photos in this brochure are hotels either developed, managed or operated by the senior management team of Alsotel*