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**CARIBBEAN TOURISM INVESTMENT FUND GATHERS FORCE
Fund would foster regional entrepreneurship**

SAN JUAN, Puerto Rico (June 4, 2007) – A highlight of the Caribbean Hotel & Tourism Investment Conference (CHTIC) held in Curaçao, Netherlands Antilles last month, was the announcement by Peter J. Odle, President of the Caribbean Hotel Association (CHA), that CHA had engaged KPMG and Caribbean Financial Services Corporation (CFSC) as advisors to a Tourism Investment Fund (the Fund) that CHA is seeking to introduce to the market, to help fill a "financing gap" in the regional tourism industry.

The financing gap is primarily defined as being limited access to third-party equity and financing for owner-operators of resorts up to 150 rooms looking to expand, renovate, and/or takeover underperforming assets. The Fund would support applications evidencing strong management teams with a proven track record and a robust business plan.

Following CHTIC, the next stage in the development of the Fund is to appoint an investment advisory board and to agree on a framework for the Fund. Both steps are expected to be completed by the end of June 2007.

At a panel discussion during CHTIC, chaired by Peter Odle and featuring Gary Brough, head of KPMG's regional hospitality group, and Milton Lawrence, Deputy Chairman of CFSC, Odle stressed the importance to the regional hospitality industry of indigenous entrepreneurs participating in its development.

Stressing that no region in the world is more dependent on tourism than the Caribbean, Brough pointed out that such dependency is not likely to change at any time in the foreseeable future. "If anything, the region will become more dependent on tourism as traditional industries, such as sugar and bananas, decline," he added. Accordingly, Brough suggested that if an opportunity arises to improve the region's tourism industry, it should be taken.

CHA has identified one such opportunity with the introduction of the Fund. Brough added that should the Fund be successful, it would mean more successful indigenous Caribbean entrepreneurs - a very attractive feature of the engagement for KPMG. However, he warned that a failed fund would benefit no-one and that its success or failure would be judged in the marketplace as being dependent on whether or not the Fund achieved commercial rates of return for its investors.

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Emphasizing this point, Lawrence made it clear that the Fund would not make decisions based on philanthropy, but would judge every application on its relative merits and taking an entirely objective, commercial approach when reviewing applications. However, he pointed out that through its involvement in the Fund, CFSC will extend to the industry the benefit of its close working relationship with a network of technical support organizations, which may independently help investees to mitigate some of the existing challenges in the sector.

The Caribbean Tourism Investment Fund generated a climate of confidence and enthusiasm, with expressions of interest from participants in potentially investing in the Fund, while others enquired about applying to the Fund for financing. "While the Fund is still in its development stage, the response is very promising," said CHA President Peter Odle, adding that the ten years since the first CHTIC was held a decade earlier had been leading up to this initiative.

The event registered the largest number of delegates since its inception: Investors, hotel owners, banks and lender, CEO's and hotel chain executives, financial advisers, mortgage brokers, real estate agents, lawyers, designers and architects, consultants, tourism officials, timeshare developers, and government officials.

More than 400 delegates from 27 countries gathered over the course of two days at the Curaçao World Trade Center on May 7 and 8th, to address the issues, challenges and opportunities for improving the tourism investment climate across the region and opening up a more generous flow of both equity and loan capital into the Caribbean. A look at the companies present are evidence that the leading companies in the industry recognize the importance of the event in shaping the Caribbean tourism industry.

The event was hosted by the Curaçao Tourist Board and the Curaçao Hospitality and Tourism Association.

A number of presentations on the outlook of the Caribbean are available online, at <http://www.caribbeanhotelassociation.com/CHTIC.html>

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