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**THE INTERCONTINENTAL RESORT & RESIDENCES ORLANDO
AT PALAZZO DEL LAGO TO DEBUT AS CENTRAL FLORIDA'S GRANDEST RESORT
DESTINATION**

**New destination resort to include world's largest InterContinental hotel, an official hotel of the
Orange County Convention Center, as well as luxury ownership opportunities**

ORLANDO, Fla. (March 17, 2006) -- Hospitality Development Group Inc. (HDG) of Ft. Lauderdale, Florida has announced plans to develop Palazzo del Lago, an \$800 million, luxury destination resort in Central Florida. Palazzo del Lago will include the InterContinental Resort & Residences Orlando, the largest InterContinental hotel worldwide, with a mix of 1,260 luxury hotel and hotel condominium units. The resort is an official hotel of the Orange County Convention Center.

The resort will also include The Villas at Palazzo del Lago, a 994-unit resort residential condominium development comprised of five separate towers of 18 stories each, each with its own set of amenities, including a swimming pool, fitness center and Smart technology.

Construction on Phase I, which encompasses the InterContinental Resort & Residences Orlando and the first resort residential tower, is scheduled to start in the fall 2006. The resort is expected to open in early 2009.

"We're very excited about bringing this signature resort embodying the modern lifestyle in an old-world setting into what we believe is one of the most unparalleled and robust tourist destinations in the world," stated Jerrold Krystoff, principal and CEO of HDG.

One of the few waterfront resorts in the area, Palazzo del Lago is being developed on 42 acres located on Lake Bryan, a 214-acre spring-fed lake, with its main entrance on International Drive, just two minutes from Disney. In addition to nearby attractions, owners, guests and their families will enjoy a full complement of resort activities and amenities onsite. Among the highlights are a world-class spa, a water sports facility, five themed restaurants, putting green, tennis, and an elegant resort pool with cascading



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fountains. Additionally, the InterContinental Resort & Residences Orlando will offer a comprehensive conference facility with more than 114,000 square feet of convention, meeting and banquet space.

“Global growth of the InterContinental brand is a top priority for IHG,” said Steve Porter, president, InterContinental Hotels Group, The Americas. “Specifically, there is a real opportunity to grow the InterContinental brand in the U.S. as well as expand the resorts portfolio. The InterContinental Resort & Residences Orlando at Palazzo del Lago is a tremendous and welcome addition to our collection of hotels.”

Two separate ownership opportunities are available at Palazzo del Lago. The InterContinental Resort & Residences Orlando will have 585 hotel guest suites available for sale. These will be available in one & two-bedroom layouts ranging in size from 724 to 1,154 square feet. Prices start from the low \$400,000s. The resort hotel and residences will be managed by InterContinental Hotels Group.

The second for-sale option is The Villas at Palazzo del Lago, available in one, two and three-bedroom floor plans, ranging in size from 829 to 2,145 square feet. The resort residential condominium towers will also feature attended lobbies and concierge services, business centers, clubroom and libraries; valet parking, laundry and housekeeping services, resort signing privileges. Prices for The Villas at Palazzo del Lago start from the \$300,000s. Sales for both the InterContinental Resort & Residences and The Villas will be managed by Palazzo International Realty, LLC and CMI and will commence this week. A state-of-the-art onsite sales center will open later this spring.

Italian for “Palace on the Lake,” Palazzo del Lago is inspired by the charm and beauty of old-world European cities. Its design by the award-winning Adache Group Architects Inc. features traditional Mediterranean style architecture, a strong Italian influence, and a distinct ambiance of casual elegance. All of the resort’s hotel guest suites and villas will come completely furnished and detailed with tasteful traditional furnishings, artwork, and window treatments, in addition to large balconies with spectacular views and Smart technology.

Orange County Mayor Richard Crotty noted, “Palazzo del Lago fits the model as a true resort destination, lending itself to the visitor experience. Moreover, people who buy at Palazzo del Lago as a part-time residence or extended stay vacation are funneling more disposable income into the county, which has great economic impact. It will be a huge asset for our region and for our convention industry.”



“This is an exciting time for the tourism, convention and hospitality industry in Central Florida,” added Tom Ackert, executive director, Orange County Convention Center. “As the InterContinental Resort joins our other world-class destination resorts, attractions and fine hotels, Orlando solidifies and strengthens its position as the U.S.’s premier travel destination. We look forward to sharing the exciting news of the InterContinental Resort with our meeting planners and attendee clients.”

Palazzo del Lago is a family-friendly destination, which draws both the leisure and business traveler by virtue of its central location near all the popular visitor attractions, the Orange County Convention Center, abundant shopping, and varied nightlife. Virtually in its backyard is Walt Disney World® with its renowned theme parks and attractions. In fact, the nightly fireworks can be seen from the property. SeaWorld and Orlando Premium Outlets® are within a five-minute drive; Universal Orlando Resort is approximately 10 minutes away and the designer boutiques of The Mall at Millenia are 15 minutes away. There are 37 signature and premier golf courses within a 15- mile radius of Palazzo del Lago. Palazzo del Lago is also convenient to all major Orlando roadways, with The Orlando International Airport approximately 15 minutes by car.

For more information, visit palazzodellago.com or call 866-680-4742.

About Hospitality Development Group, Inc.

The principals of Hospitality Development Group, Inc. are Ralph Holden, chairman; Jerrold R. Krystoff, CEO; and Daniel E. Adache, president. In addition, the company includes a diverse team of industry-leading professionals and consultants. Mr. Holden, Mr. Krystoff and Mr. Adache are seasoned developers with over 60 years combined experience in commercial and residential development and thousands of units to their credit. Mr. Adache brings 35 years of hospitality design and architectural experience as well, including more than 150 hotels and resorts and 20,000 condominium units worldwide.

Mr. Holden holds a B.S. Degree in Business Management. He founded and developed the largest home warranty company in the U.S. in addition to successfully developing thousands of residential units in various locations in the U.S. Both Mr. Krystoff and Mr. Adache are cofounders and principals of Colonial Development Group, LLC, developers of such recent prestigious projects as the ‘W’ Fort Lauderdale Hotel and Residences, Infinity at Brickell in Miami, and Europa-by-the-Sea in Lauderdale by-the-Sea, all of which generated more than \$600 million in hotel condominium and residential condominium sales over the past two years.





About InterContinental Hotels Group

InterContinental Hotels Group PLC of the United Kingdom [LON:IHG, NYSE:IHG (ADRs)] is the world's largest hotel group by number of rooms. InterContinental Hotels Group owns, manages, leases or franchises, through various subsidiaries, over 3,600 hotels and 537,000 guest rooms in nearly 100 countries and territories around the world. The Group owns a portfolio of well recognised and respected hotel brands including InterContinental® Hotels & Resorts, Crowne Plaza® Hotels & Resorts, Holiday Inn® Hotels and Resorts, Holiday Inn Express®, Staybridge Suites®, Candlewood Suites® and Hotel Indigo™, and also manages the world's largest hotel loyalty programme, Priority Club® Rewards.

InterContinental Hotels Group offers information and online reservations for all its hotel brands at www.ichotelsgroup.com and information for the Priority Club Rewards programme at www.priorityclub.com.

For the latest news from InterContinental Hotels Group, visit our online Press Office at www.ihgplc.com/media.

About InterContinental Hotels & Resorts

InterContinental Hotels & Resorts was the first truly international hotel brand in the world, and quickly become the symbol of glamour, sophistication and success that years later, continue to define global travel. The brand is committed to providing its guests with memorable and unique experiences that enrich their lives and broaden their outlook. InterContinental offers services and amenities specifically designed for the international business traveler, while maintaining the delicate balance of luxury expectations with authentic local experiences that enhance the leisure stay as well. InterContinental is located in more than 60 countries, operating 140 hotels worldwide and 45 hotels in the Americas region. The brand continues to expand in key destinations around the globe. For reservations, visit www.intercontinental.com or call 1-800-IC-HOTELS.

InterContinental Hotel and Residences at Palazzo del Lago is or will be owned, developed, offered and sold by Palazzo Del Lago LLC. Neither IHG Management (Maryland) LLC nor any of its affiliates is the owner, seller, broker, developer or offeror of InterContinental Hotel and Residences at Palazzo del Lago or is an affiliate, partner, sales representative or agent of Palazzo Del Lago LLC.

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