

## **PRIME MINISTER DAVID THOMPSON LENDS CRITICAL SUPPORT TO PARADISE BEACH PROJECT**

Prime Minister David Thompson confirmed that the Government of Barbados will support refinancing efforts to ensure the completion of the Four Seasons Resort and Private Residences Barbados, located at Paradise Beach.

After two failed attempts by the developer to refinance the project using private investors, Professor Avinash Persaud, with the support of the Government of Barbados and existing project shareholders, has been successful in negotiating a refinancing plan with Lenders, creditors, Private Residence owners, shareholders and developers. This plan will secure the future of the project and construction will resume early next year.

The plan includes a US\$60m facility from Ansa McAL Merchant Bank and its Barbadian affiliate, Consolidated Finance, that allows for a repayment of the Bank of Scotland loan, the acquisition of the Esso land to complete the site, a settlement with creditors, and the recommencement of construction in early 2010.

A new management board for the project will be appointed under the Executive Chairmanship of Prof. Persaud, which has the support of the new Lenders, Private Residence owners, existing shareholders and the Government. Prime Minister David Thompson said

"I am pleased to support an initiative where Barbadians pull together to put an iconic project back on track, one that will help the shape the future of tourism in Barbados."

"In a world overshadowed by the global financial crisis, this success is a timely reminder that it is the immeasurable depth of Barbadian resourcefulness that will see us through these difficult times."

"The resumption of this project will boost investor confidence and provide substantial local employment, allow for skill transfer, and generate foreign exchange revenues."

"The Government of Barbados must use its limited resources intelligently and sparingly. Under Professor Persaud's plan, the Government of Barbados will guarantee repayment of the loan under certain conditions and will in return be awarded an equity stake in the project, a "golden share" to guarantee our interests and a charge on the assets of the most significant development to occur in Barbados for some time."

"When these dark days of global economic challenge are behind us, we will come to see this moment as one of our finest hours."

Prof Persaud, who was born in Barbados, has over 20 years of experience in investment banking before becoming an advisor to governments and institutions around the world.

Professor Persaud said, "Barbados and Four Seasons Hotels and Resorts are independently great brands in the luxury vacation sector, and the discerning individuals that have already purchased Private Residences are a testament to the project's quality of design and finish."

"The problem was insufficient liquidity at a time when banks were pulling out of property investments around the world and villa sales had slowed, it was never a question of solvency".

"Residence owners must be complimented for their refusal to panic amid a global financial crisis and their long-term commitment to Barbados - a commitment that I know the Barbadian people will repay through their warm welcome and friendship for many years to come."

"Tenders are being prepared and will be released shortly and work will resume on the site around the end of the first quarter of 2010."

"Prime Minister Thompson must be congratulated for his bold and strategic support of this project."