



BABSON
COLLEGE



PUERTO RICO CONFERENCE

Entrepreneurship for Growth

2010

March 24, 2010 | Conrad San Juan Condado Plaza | 7:30 a.m. - 5:00 p.m.

P u e r t o R i c o C h a m b e r o f C o m m e r c e



Puerto Rico Conference 2010

Entrepreneurship for Growth

March 24, 2010



Interlinkgroup
Residential | Resorts | Hotels

- Real Estate development firm founded in 1977, and based in San Juan, Puerto Rico.
- Primarily focused on the development of high-end residential, resorts and hotels in the Caribbean basin.
- Interlink counts with an 80-member team with expertise in:
 - Financial Structuring
 - Planning & Design Coordination
 - Engineering & Permitting
 - Development Management
 - General Construction
 - Marketing, Sales & Leasing
 - Asset Management



Las Casitas Village, Infinity Edge Pool (Phase 2, 2005)



Bahía Beach Resort & Golf Club



The Interlink team



Hernand Méndez, Federico F. Sánchez, José Delgado, Federico J. Sánchez, Gladys Santana, Jorge Zequeira, Jorge Clivillés & Jerry Thoele

- Project Management
- Field Construction
- Architecture & Urban Planning
- Finance & Accounting
- Marketing, Sales & Leasing
- Asset Management



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El Convento Hotel (1997)



Bahía Beach Resort Golf Clubhouse (2007)



Las Casitas Village at El Conquistador (Phase I, 1995)



Sheraton Puerto Rico Hotel & Casino (2009)

Development Highlights

- Headquarters hotel to the Puerto Rico Convention Center
- First hotel development in Puerto Rico in over a decade.
- Developed by local entrepreneurs: Interlink Group, Commercial Centers Management & MB Holdings.
- Built within the original projected 36-month construction period.
- First LEED-certified hotel in the Caribbean and in the Sheraton brand worldwide.
- The project created 3,000 construction jobs, and 1,600 direct and indirect jobs in operations.

Development Program

- 503-key full service hotel operated by Starwood Hotels
- Amenities include:
 - Largest hotel ballroom in San Juan
 - 63,000 sf of meeting and pre-function area
 - Largest casino with the latest gaming technology
 - 7,000 sf Zen Spa Retreat
 - 70,000 sf for retail, restaurants and entertainment
 - 400-car garage





Project Description

- 60 condominium residences located in the exclusive sector of Miramar, overlooking the Condado Lagoon
- 18-story luxury residential building
- All glass floor-to-ceiling construction
- Designed by world renowned RTKL and CMA Architects
- Construction January 2007 – November 2009
- Sales started early this year with the PH closing
- Pricing from \$800k to \$4.65 mm
- Development Cost: \$75.2 million





BAHIA BEACH
RESORT & GOLF CLUB



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Project Description

- 663-acre luxury resort in Río Grande, PR
- Closest resort to San Juan International Airport, just 16 miles away
- Anchored by a *St. Regis* Resort
- *Robert Trent Jones II's* Championship golf course, managed by *Troon Golf*
- *Audubon International Gold Sanctuary*
- Nature & landscaping are the protagonist of the resort.
- 2-mile sandy beach; 70+ acres of lakes
- Low-density resort residential developments under construction and sales.
- Development horizon of 10-12 years
- Developed in partnership with Muñoz Holdings



Bahía Beach Resort & Golf Club



BAHIA BEACH
RESORT & GOLF CLUB



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Project Description

- 139 all-suite resort hotel
- St. Regis exclusive Remède Spa
- Jean-Georges Signature Restaurant
- Only 5-star resort slated to open in the Caribbean during 2010
- World-renown design team: Hill Glazier, SB-Architects, Nuhouse Design & EDSA
- Groundbreaking Summer 2008
- Opening October 2010
- Total development cost of \$157 million
- Financing arranged by Tourism Development Fund



ST REGIS

BAHIA BEACH, PUERTO RICO



ST REGIS

BAHIA BEACH, PUERTO RICO



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Bahía Beach, Río Grande
January 30, 2010

AEROFOTO

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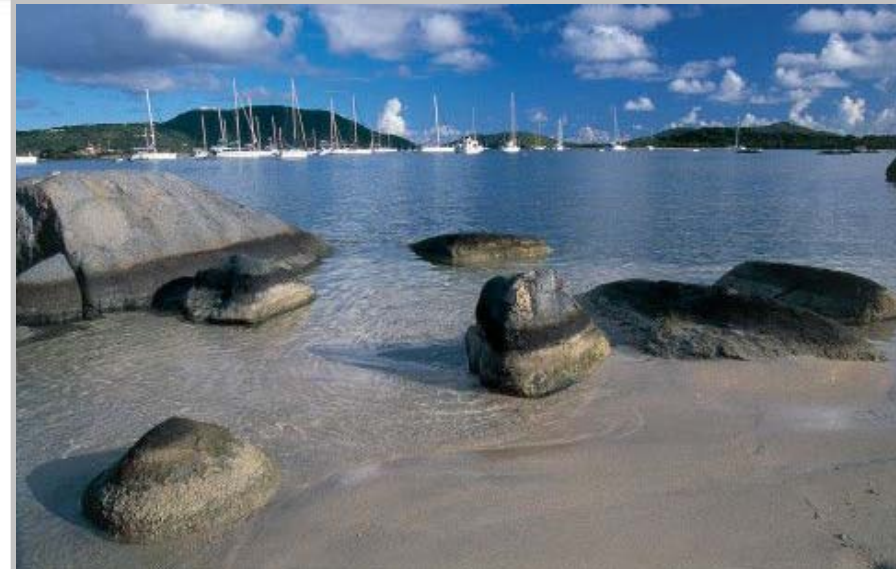




Beef Island, BVI

Project Description

- 650-acre master planned beachfront resort community
- Development Program includes:
 - Five-star hotel
 - Marina with village
 - Nicklaus golf course
 - 560 residential units of various types
- Hotel branding by Ritz-Carlton or One&Only
- Ownership
 - Interlink Group
 - Island Global Yachting (NYC)
 - Applied Properties, Ltd. (Hong Kong)
- Total projected land development cost of approximately \$150 million





Interlinkgroup

Residential | Resorts | Hotels



Legend

- | | | | |
|-----------------|-----------------------------------|---------------------------------------|-------------------------|
| 1 MAIN ENTRANCE | 11 TRELLIS BAY RESIDENTIAL | 21 MARINA RESIDENCES | A RESIDENCE FOUNDATIONS |
| 2 HOTEL ISLAND | 12 SPRAAT POINT RESIDENTIAL | 22 THE COVE RESIDENCES | B LIMESKUL |
| 3 MARINA BASIN | 13 MARINA VILLAGE | 23 THE BLUFF RESIDENCES | C QUAKER RUINS |
| 4 CARIBBEAN SEA | 14 MARINA VILLAGE AT BLUFF BAY | 24 LITTLE CAY RESIDENCES | D STORAGE FACILITY |
| 5 GOLF COURSE | 15 MARINA VILLAGE AT QUAKER RUINS | 25 LITTLE CAY PARCEL | E CATTLE PEN WALLS |
| 6 BELLAMY CAY | 16 GOLF VILLAS A AND B | 26 WELLS BAY | F BANANA WHARF CHANNEL |
| 7 COMMERCIAL | 17 GOLF VILLAS C | 27 MAINTENANCE UTILITIES | |
| 8 GOLF CLUB | 18 GOLF VILLAS D | 28 GREEN ZONE | |
| 9 SPA | 19 GOLF RESIDENCES | 29 POTENTIAL REVERSE OSMOSIS FACILITY | |
| 10 BEACH CLUB | 20 MOUNT ALMA ESTATE RESIDENCES | | |

Puerto Rico Competitive Advantages

- **Proximity & Ease of Access from the U.S.**
 - Direct flights from over 20 United States gateway cities with no passport/customs required
- **Stable Investment Climate**
 - Stable political, economical & social climate
- **Financing Alternatives & Incentive Programs (TDF)**
- **Infrastructure & Labor Pool**
 - Roads, utilities & telecommunications
 - Health, security legal & financing systems
 - Best labor pool in the Eastern Caribbean
- **Location**
 - Largest island & hub to the Eastern Caribbean
- **Unique Amenities in the Caribbean**
 - El Yunque Rainforest
 - Old San Juan
 - Year-round festivals
 - Great variety of restaurants & museums



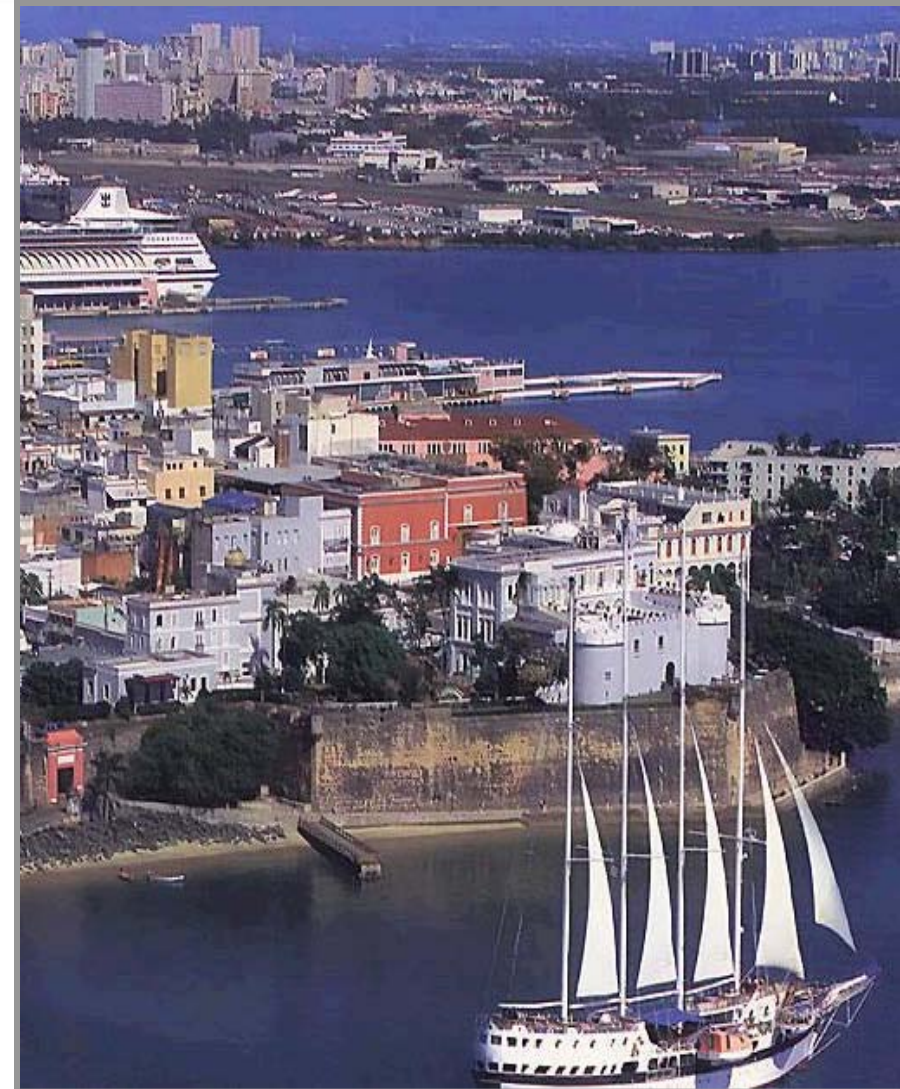
Hospitality Opportunities in Puerto Rico

- **Develop the luxury leisure segment**
 - Five-star resort properties are major economic drivers, as demonstrated in smaller islands in the Caribbean.
 - Leverage the power of known brands as St. Regis, Ritz-Carlton, Mandarin Oriental, Four Seasons & others.
- **Opportunity to exploit the Corporate & Group market segments**
 - New Convention Center
 - Hotel room supply needed to support conventions
 - Expand the limited-service segment to better compete in this price-sensitive market
- **Develop new markets**
 - Own title of “Caribbean Capital of Golf”
 - Develop European & South America markets.
 - Offer new experiences: nature, wellness, sports, dining, adventure, cultural.



CONCLUSIONS

- Puerto Rico has great potential to become the dominant destination in the Caribbean
- Fundamentals are here to foster world-class developments
- Challenges to tackle:
 - Lower and simplify corporate tax structure
 - Lower energy costs
 - Casinos are critical to the success of urban hotels
 - Raise awareness of destination
- Establish Puerto Rico brand and stick to it
- Need more success stories





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