



Press Release

Travel Charme terminates management contract with owners of the hotel Is Arenas on Sardinia

The hotel introduced under the name "Travel Charme Hotel Is Arenas" will no longer be managed by Travel Charme Hotels & Resorts AG. This step was taken due to a risk to the company's image as well as a divergence in standards and quality

Berlin, 9 March 2009* Travel Charme Hotel & Resorts AG announces today that it has terminated the management contract with the owners and operators of the real estate development for the area of Is Arenas on Sardinia. A key factor in this decision was a complaint by the European Union against the Republic of Italy with regard to a violation of the EU Habitat Directive in the course of real estate development within the EU protected zone Is Arenas. The complaint regarding the Is Arenas protected zone and the associated negative press coverage threaten to severely damage the image of the hotel group.**

In addition, major differences arose during the construction and opening phase of the hotel between the Travel Charme Group and the owners of the real estate project. From the perspective of the Travel Charme Group, delays in the construction of the holiday resort, differing views in regard to quality standards, philosophy and strategic orientation endangered the economic success and competitiveness of the hotel. The issues with the environmental legislation as well as the insurmountable differences motivated the Travel Charme Group to withdraw from the Is Arenas project.

"The separation was a necessary step. We exhausted all conceivable alternatives, but a satisfactory agreement was not in sight. Our priority currently lies on communication with our esteemed business partners who were involved in this hotel project and are engaged in cooperation with us. We will have to explain to them that we were unwilling to accept any compromises to our high quality standards and were forced to hit the emergency brake. Even after the withdrawal, Travel Charme will continue to stand by its partners wherever this is necessary and desired," says Giuliano Guerra, delegate of the Administrative Board of Travel Charme Hotels & Resorts AG.

Travel Charme Hotel Is Arenas was opened on June 1st, 2008 as a five-star hotel in the heart of a 750-hectare pine forest on the west coast of Sardinia, on the Sinis peninsula. In addition to the 61 rooms and suites, a large spa area and a beach club were to round out the offering.

Travel Charme Hotels & Resorts AG, with head office in Zurich (Switzerland), currently operates eleven hotels and resorts in the four- to five-star superior category under the brand Travel Charme. More information is available at www.travelcharme.com

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