

INNISBROOK

A SALAMANDER GOLF & SPA RESORT



Innisbrook® is a private gated condominium resort which opened in 1970 and soon became known as one of the top golf destinations in the country. For nearly a quarter of a century, the Innisbrook brand enjoyed great acclaim and financial success. However, in the early 1990s, the resort's ownership changed and the property became flagged first by Hilton and then by Westin. By the mid-2000s, the resort, suffering from neglect and poor management, had lost its market share. During Salamander® Hospitality's due diligence process prior to purchasing the resort, we determined that Innisbrook could be successfully repositioned as an independent brand by executing a 24-month plan. The plan consisted of four key components which had to be executed simultaneously: Capital Improvements, Operations (implementing the Salamander Service Culture), Sales and Marketing and Public Relations.

Our Capital Plan strategy: create new revenue opportunities and the highest return on investment by enhancing existing facilities and infrastructure which would compliment one of the largest condominium rental pools in the country. Renovation highlights:

- Expansion of an existing golf clubhouse to create a new welcome center with guest registration, casual dining and market, sports bar, golf pro shop and offices
- Redeveloping two administrative buildings in a high traffic area into the 18,000 square feet IndabaSM Spa and fitness center
- Renovation of the resort's 65,000 square feet of meeting space
- Renovation of three golf clubhouse facilities and reconcepting of three restaurants
- Renovation of six swimming pools and family recreation areas
- Resort-wide redesign of landscaping and signage
- Extensive improvements to four golf courses utilizing our management team for all redesign work without assistance from outside consultants

We completed our renovation plan within 20 months slightly below the budget of \$25 million. All work was project managed by our internal team, including design development, construction and procurement.

As a result, Innisbrook's facilities now compare favorably to those of our competitors in group, golf and family markets.

During due diligence, we identified an extensive list of opportunities to significantly reduce costs and immediately implemented our plan upon takeover. This included the elimination of over 100 management and hourly positions, overhaul of the entire purchasing and cost control process, renegotiation of all outside service contracts, and restructuring all housekeeping, food and beverage and transportation standards.





Through intensive training, we implemented our Salamander® Hospitality Service Culture, the objective of which is to provide our guests and members with a “Sincerely caring and uniquely friendly experience” without the formality and mechanical service delivery found in other luxury branded resorts. As a result of the physical and service enhancements, Innisbrook® was accepted as a member of Preferred Hotels and Preferred Golf in 2009.

Salamander Hospitality employs an aggressive Sales and Marketing plan to reposition the resort during this challenging economic downturn, distributing all marketing dollars directing to the property rather than supporting brand marketing initiatives. As a result, Innisbrook has steadily gained market share against its chief competitors, particularly Saddlebrook Resort in the Tampa area. With renovations completed by summer 2009 and a new Sales and Marketing plan in place, 2011 is expected to be an exciting year, with current group booking pace ahead of 2010 by 31%. Unique to Salamander’s marketing efforts is what we refer to as “the Sheila Factor.” Because of Ms. Johnson’s extensive relationships and involvement in various business sectors including sports, entertainment, associations and corporations, Innisbrook has gained a competitive edge in our efforts to attract meetings and events.



Of course, golf remains a vital segment of Innisbrook's overall business. Physical improvements throughout the resort have significantly elevated the golf experience, and our successful effort to secure a strong PGA TOUR event, the Transitions Championship, results in worldwide exposure on NBC and Golf Channel for the Innisbrook brand and our famed course, the Copperhead. Through Ms. Johnson's efforts, Innisbrook has also secured the LPGA's Legends Championship on the Island Course with the promise of more events to come.



The transformation of the resort also benefits Innisbrook's lucrative club membership program. At a time when many resorts have lost members and dropped pricing, we continue to add new members in all categories.