



ACCORHOTELS

Feel Welcome

Press Release

December 21st, 2016

AccorHotels restructures major lease portfolio in Australia

AccorHotels is pleased to announce that it has successfully reached agreement with a wholly-owned subsidiary of the Abu Dhabi Investment Authority (“ADIA”) to restructure a **portfolio of 31 hotels (4,097 rooms) in Australia**.

The agreement involves a portfolio which was purchased by the ADIA subsidiary in 2013 and operated by AccorHotels.

Under the restructure of the portfolio of 31 hotels:

- AccorHotels will **convert 15 triple-net leases into 50 year management agreements** and extend the management term of one hotel also to 50 years (total 16 hotels);
- AccorHotels (HotellInvest) will **acquire the real estate of the remaining 15 ibis and ibis Budget** branded properties for AUD\$200 million (€137 million);

“ This deal is in line with our stated strategy to optimise cash flow generation, reduce earnings volatility and restructure lease contracts into owned and managed hotels”, said John Ozinga, COO of HotellInvest. *“ The acquisition of the economy hotels in key locations is a signal of our continued focus on supporting the Group’s growth strategy by holding a selective portfolio of profitable hotel property assets,”* he added said.

The hotels are located in **prime locations** including Sydney’s Darling Harbour, Sydney Olympic Park and in Canberra, Australia’s Capital City. The portfolio is also spread across city and regional locations in New South Wales, Victoria, Northern Territory, Western Australia and Queensland and encompasses the Pullman, Novotel, Mercure, ibis, ibis *Styles* and ibis Budget brands.

The acquisition will be accretive to AccorHotels’ EBIT in 2017 and will further strengthen its market leadership position in Australia by securing tenure on key



assets. Completion of the acquisitions is subject to the usual conditions for this type of transaction, as well as regulatory approvals.

List of hotels involved:

Hotels Purchased	Rooms	Hotels Converted to Long Term Management Contracts	Rooms
Ibis Budget Brisbane Airport	93	Ibis Styles Alice Springs	102
Ibis Budget Canberra	75	Ibis Styles Geraldton	60
Ibis Budget Coffs Harbour	70	Ibis Styles Karratha	60
Ibis Budget <u>Dubbo</u>	65	Ibis Styles Katherine	100
Ibis Budget Melbourne <u>Dandenong</u>	71	Ibis Styles <u>Kununurra</u>	60
Ibis Budget Melbourne Fawkner	103	Ibis Styles Mt Isa	57
Ibis Budget Newcastle	79	Ibis Styles Plaza <u>Kalgoorlie</u>	98
Ibis Budget Sydney <u>Campbelltown</u>	72	Ibis Styles Port Hedland	65
Ibis Budget Sydney <u>Casula</u>	74	Ibis Sydney Darling Harbour	256
Ibis Budget Sydney Enfield	80	Ibis Sydney Olympic Park	144
Ibis Budget Sydney Olympic Park (currently managed)	156	Mercure Broome	136
Ibis Budget Sydney St Peters	105	Mercure Melbourne Treasury Gardens	164
Ibis Budget Sydney <u>Wentworthville</u>	102	Novotel Canberra	286
Ibis Melbourne	250	Novotel Sydney Darling Harbour	525
Ibis Sydney Airport	200	Novotel Sydney Olympic Park	177
		Pullman Sydney Olympic Park (currently managed)	212
TOTAL	1,595	TOTAL	2,502



ABOUT ACCORHOTELS

AccorHotels is a world-leading travel & lifestyle group and digital innovator offering unique experiences in more than 4,000 hotels, resorts and residences, as well as in over 2,500 of the finest private homes around the globe. Benefiting from dual expertise as an investor and operator through its HotelServices and HotelInvest divisions, AccorHotels operates in 95 countries.

Its portfolio comprises internationally acclaimed luxury brands including Raffles, Fairmont, Sofitel Legend, SO Sofitel, Sofitel, onefinestay, MGallery by Sofitel, Pullman and Swissôtel; as well as the popular midscale and boutique brands of Novotel, Mercure, Mama Shelter and Adagio; the in-demand economy brands including ibis, ibis Styles, ibis budget and the regional brands Grand Mercure, The Sebel and hotelF1. With an unmatched collection of brands and a rich history spanning close to five decades, AccorHotels, along with its global team of more than 240,000 dedicated women and men, has a purposeful and heartfelt mission: to make every guest Feel Welcome. Guests enjoy access to one of the world's most rewarding hotel loyalty programs - Le Club AccorHotels.

AccorHotels is active in its local communities and committed to sustainable development and solidarity through PLANET 21, a comprehensive program that brings together employees, guests and partners to drive sustainable growth.

Accor SA is publicly listed with shares trading on the Euronext Paris exchange (ISIN code: FR0000120404) and the OTC marketplace (Code: ACRY) in the United States.

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