ACCOR HOTELS

Feel Welcome

Press release
October 11, 2017

AccorHotels signs an agreement to acquire Mantra Group Limited

AccorHotels today announced the signature of an agreement with Mantra Group Limited with the view to acquire all of the issued capital in Mantra by way of a scheme of arrangement to be approved by Mantra shareholders. Under the terms of the agreement AccorHotels would offer AUD3.96 in cash for each Mantra share including any potential special dividend.

Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels said, "*We are delighted to have come to an agreement to acquire the Mantra Group. This operation will underpin our long-term growth in the Asia Pacific region. Mantra's portfolio would offer AccorHotels additional accommodation formats and a strong customer base to complement our successful hotel portfolio in Australia. We are confident that the transaction terms are attractive for shareholders of both groups*".

Chairman of Mantra, Peter Bush, said, "*The AccorHotels offer represents an attractive proposition for Mantra and for our shareholders and the Board unanimously recommends AccorHotels' proposal. AccorHotels is one of the world's leading hotel operators and we trust that our business will be in good hands. Mantra's strong expertise in apartments, in particular, and our presence in resort locations are very complementary to the AccorHotels operations in Australia and New Zealand. The combined business will be an important part of Australia's strong and growing tourism market and its customers will benefit from the market leading expertise of both groups*".

Mantra is one of Australia's largest hotel and resort marketers and operators with 127 properties and over 20,000 rooms in hotels, resorts and serviced apartments across Australia, New Zealand, Indonesia and Hawaii.

Properties in Mantra's portfolio range from luxury accommodations and coastal resorts to serviced apartments in city and key leisure destinations, under three key brands: Peppers (28 properties), Mantra (75 properties) and BreakFree (24

properties). Mantra also manages core accommodation services including guest relations and reception areas, restaurants and bars, conference and function centres, pool and entertainment facilities and offices. Mantra has more than 5,500 employees.

AccorHotels and Mantra's combined geographic footprint, together with enhanced distribution and systems, would form a favorable base from which AccorHotels can expand further in the region. Mantra's expertise in apartment management, in particular, will offer a new opportunity for growth.

The Offer Price represents:
- A 23% premium to the last close price of AUD3.23 as at 6 October, 2017
- An implied EV / 2018e EBITDA (including transaction costs) multiple of 12.4x pre-synergies and high single-digit post-synergies.

The acquisition will be accretive to earnings per share in the first year of ownership pre-synergies. AccorHotels will pay AUD1.3 billion, equivalent to €0.9billion [1].

Besides, AccorHotels confirms it is in discussion with potential investors in relation to the sale of part of the Share Capital of AccorInvest. The Group aims at signing an agreement before year-end 2017. At this stage, the Group has no certainty to reach an agreement.

The transaction is subject to regulatory approvals, including from the Australian Foreign Investment Review Board, the Federal Court of Australia and the Australian Competition and Consumer Commission, as well as the approval of Mantra shareholders and other customary conditions. It is anticipated that subject to regulatory and shareholder approvals, the transaction should be completed by the end of the first quarter 2018.

[1] Assumes AUD1.49/€ as exchange rate

ABOUT ACCORHOTELS

AccorHotels is a world-leading travel & lifestyle group and digital innovator offering unique experiences in more than 4,200 hotels, resorts and residences, as well as in over 10,000 of the finest private homes around the globe. Benefiting from dual expertise as an investor and operator, AccorHotels operates in 95 countries. Its portfolio comprises internationally acclaimed luxury brands including Raffles, Sofitel Legend, Fairmont, SO Sofitel, Sofitel, onefinestay, MGallery by Sofitel, Pullman, Swissôtel and 25hours Hotels; as well as the popular midscale brands Novotel, Mercure, Mama Shelter and Adagio; the much-prized economy brands including JO&JOE, ibis, ibis Styles, ibis budget and the regional brands Grand Mercure, The Sebel and hotelF1. AccorHotels provides innovative end-to-end services across the entire traveler experience, notably through the acquisition of John Paul, world leader in concierge services.

With an unmatched collection of brands and rich history spanning close to five decades, AccorHotels, along with its global team of more than 250,000 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: ACRFY) in the United States.

For more information and reservations visit accorhotels.group or accorhotels.com.
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