



# ACCOR HOTELS

Feel Welcome



Press release  
Paris, July 12, 2016

## ACCORHOTELS ADDS GLOBAL LUXURY BRANDS WITH LANDMARK ACQUISITION OF FAIRMONT, RAFFLES AND SWISSÔTEL

### AND STANDS AMONG THE LEADERS OF THE LUXURY HOTEL MARKET

Following the approval of shareholders at the General Shareholders Meeting on July 12, 2016, AccorHotels Group officially announces the acquisition of FRHI Hotels & Resorts (FRHI) and its three prestigious luxury hotel brands: Fairmont, Raffles and Swissôtel. This addition of three remarkable brands instantly positions AccorHotels as a leading player in the global luxury hotel market, increases long term growth potential and profitability, and significantly expands the company's footprint in North America, the world's largest and most influential consumer market.

"Today is a great day for our Group. The acquisition of these three emblematic luxury hotel brands is a historical milestone for AccorHotels. It will open up amazing growth prospects, lift our international presence to unprecedented heights, and build value over the long term," says Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels.



Joining AccorHotels' global network is a portfolio of globally admired brands, which includes management of many of the world's most iconic and historic hotels located in key strategic cities around the world, including: The Savoy in London, Raffles Singapore, Fairmont San Francisco, New York's The Plaza, Fairmont Le Château Frontenac in Quebec City, and Le Royal Monceau Raffles Paris.

Combining FRHI's proven track record and deep expertise in operating and marketing luxury hotels, with AccorHotels robust global operating platform, extensive loyalty base and industry leading digital capabilities, means the Group is uniquely positioned to deliver the most profitable returns and best growth potential across all market segments.

"We remain committed to providing guests with unparalleled service, while also keeping the ambition to deliver exceptional return on investment for our shareholders and hotel owners," added Bazin. "By leveraging the operational synergies between FRHI and AccorHotels, we are well-positioned to accelerate the growth of our luxury brands and offer guests even more exciting hotel choices and destinations to explore."

#### **Chris Cahill appointed as the Group's CEO Luxury Brands**

In support of the acquisition, and as part of AccorHotels' larger strategy to strengthen its luxury and upscale business, the company has appointed Chris Cahill as the Group's Chief Executive Officer, Luxury Brands. In this newly created role, Chris, who will also become a member of AccorHotels' Executive Committee, will lead the FRHI integration process and be responsible for the strategy and global operations of AccorHotels Luxury Brands. This new structure will include Raffles, Fairmont, Sofitel Legend, So Sofitel, Sofitel, MGallery by Sofitel, Pullman and Swissôtel.

Chris is an experienced hotelier who has led several successful integrations, is familiar with multi-brand management and brings an extensive background in luxury operations, sales and marketing. With more than 30 years of hospitality industry experience, including 19 years working with FRHI and its predecessor companies, Chris is ideally positioned to lead the integration of the Fairmont, Raffles and Swissôtel brands into the AccorHotels portfolio, and will ensure AccorHotels' luxury brands grow and prosper. He most recently served as Executive Vice President Global Operations at Las Vegas Sands Corp.

#### **Closing Details**

Following the approval of shareholders at the General Shareholders Meeting on July 12, 2016, the transaction with Qatar Investment Authority (QIA) and Kingdom Holding Company (KHC) of Saudi Arabia provided \$840 million (€768 million) cash payment and the issuance of 46.7 million AccorHotels shares in consideration for the contributed FRHI shares. The transaction gives QIA and KHC respective stakes of 10.4% and 5.8% in Accor's share capital. Ali Bouzarif and Aziz Aluthman Fakhroo from QIA and Sarmad Zok from KHC will now join AccorHotels' Board of Directors.

AccorHotels plans to generate approximately €65 million in revenue and cost synergies thanks to the combination of brands, the maximization of hotel earnings, the increased efficiency of marketing, sales and distribution channel initiatives, and the optimization of support costs. Significant enhancements will also be made in terms of customer data, thanks to the integration of FRHI's customer base that includes three million loyalty members, of which 75 percent are in North America.

The vast majority of Fairmont, Raffles and Swissôtel's 154 hotels and resorts (of which 40 are under development) and 56,000 rooms spanning 34 countries and five continents are operated under long-term management contracts, with an average term of nearly 30 years; six hotels are leased and one hotel is owned. The Fairmont, Raffles and Swissôtel brands employ more than 45,000 colleagues worldwide.



## 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 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: ACRYF) in the United States.

For more information and reservations visit [accorhotels.group](http://accorhotels.group) or [accorhotels.com](http://accorhotels.com). Or become a fan and follow us on [Twitter](https://twitter.com/accorhotels) and [Facebook](https://facebook.com/accorhotels).

## Important Disclaimers

This press release contains forward-looking statements that are by their nature subject to risks and uncertainties. Although the Company believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance.

## **Media Relations**

**Anne-France Malrieu**  
Image 7  
Phone: +33 (0)1 53 70 74 66  
[afmalrieu@image7.fr](mailto:afmalrieu@image7.fr)

**Carina Alfonso Martin**  
Vice President Media Relations Worldwide  
Phone: +33 (0)1 45 38 84 84  
[carina.alfonsomartin@accor.com](mailto:carina.alfonsomartin@accor.com)

## **Investor and Analyst Relations**

**Sébastien Valentin**  
Senior Vice President, Investor Relations  
and Financial Communication  
Phone: +33 (0)1 45 38 86 25

**Marie Niel**  
Investor Relations  
Phone: +33 (0)1 45 38 86 94  
[marie.niel@accor.com](mailto:marie.niel@accor.com)