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Action Hotels PLC
("Action Hotels", "Action", "the Group" or "the Company")

Sheikh Mubarak A M Al-Sabah, Chairman of Action Hotels and Sebastien Bazin, Chairman and CEO of Accor meet in London to discuss hotel opportunities in the Middle East and Australia

Sheikh Mubarak A M Al-Sabah, Founder and Chairman of Action Hotels, the AIM London Stock Exchange-listed, leading owner, developer and asset manager of branded three- and four-star hotels in the Middle East and Australia met with Accor's Chairman and CEO Sebastien Bazin in London today to discuss their growing partnership in the Middle East and Australia.

Accor and Action Hotels have been working together since 2005 to address the substantial gap in the economy and midscale hotel sector across the Middle East. Action Hotels has pioneered with Accor the development of the economy and mid-market hotel segment in the Middle East and have a current portfolio of ibis hotels trading well in very attractive markets.

The economy and midscale hotel market within the Middle East remains noticeably undersupplied, with less than 20% of the announced pipeline of hotels in the region falling within the economy and midscale sector as the focus remains on upscale and luxury hotel development.

The demand for consistent value for money accommodation is escalating as a result of the growing economic fundamentals driving the increasing number of intra-regional business and tourism travellers.

With more than 45 years of experience, Accor is one of the world's leading hotel operators, with properties across **92 countries** comprising **more than 3,600 hotels** and **470,000 rooms**. The extensive collection of Accor brands ranges from economy to luxury, with both international and regional brands.

Meanwhile, Action Hotels own and develop three- and four-star hotels either on a freehold or long leasehold basis, partnering with global operators with strong brands who are looking to expand their portfolio on an asset light model. Action works closely on the day-to-day management of all of its hotels in conjunction with the Operator under a long term management agreement.

Action and Accor currently partner-on five operating hotels currently all under the ibis brand. The two companies have also announced an additional four hotels due to open by the end 2016, three under the ibis brand in Bahrain, Oman and Australia (which will be the largest ibis hotel in Australasia) and a Novotel expected to open in Kuwait in 2017. The Novotel Kuwait is the first time Action has partnered on a four-star product in the Accor stable and sees Action Hotels and Accor in on-going discussions for new partnership opportunities.

Sebastien Bazin, Chairman and CEO of Accor stated: “The meeting today underpins the importance of our long-partnership with Action Hotels, especially in the Middle East. Action Hotels are leading the way to own and develop economy and midscale across the region, addressing the growing demand for this type of hotel accommodation whilst the majority of hotel developers are still focusing on the luxury sector.

“Our strategy within the region is to expand our rooms by using an asset light model, which in addition with the requirements to work with local partners make Action Hotels a great partner for us. We look forward to a continued partnership.”

Sheikh Mubarak Al Sabah, Founder and Chairman of Action Hotels stated: “I first approached Accor in 2005 with a plan to bring the first economy business hotel to Kuwait. Since then we have worked to achieve five operating hotels with a further four in our committed pipeline. Myself and Action are privileged to be partnering with Accor under the three star ibis and four star Novotel brands and we look forward to growing and strengthening our partnership.”

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About Action Hotels

www.actionhotels.com

Action Hotels is an owner, developer and asset manager of branded three and four star economy and midscale hotels in the Middle East and Australia. The Group's objective is to become a leading owner, developer and asset manager of branded economy and midscale hotels in key Middle East markets and Australia. Action Hotels has completed six hotels, of which five are in the Middle East and one is in Australia, with a further two hotels under construction (both in GCC), one hotel expansion and another seven Pipeline projects (one in Australia and the remainder in the GCC).