



Press Release

London Stock Exchange Listing For Kuwait's Action Hotels

Dubai, December 23 2013: Action Hotels plc (AIM: AHCG), an owner, developer and asset manager of branded three and four star hotels in the Middle East and Australia, announced this morning the admission of its entire issued and to be issued ordinary share capital to trading on the AIM market of the London Stock Exchange. Dealing begins at 8.00am today, Monday 23 December 2013.

Action Hotels was established in 2005 to develop a leading economy and midscale hotel business focused on the Middle East's undersupplied and high growth markets.

The company's current operating portfolio consists of six hotels, of which five are in the Middle East and one in Australia, with a total of 1,004 rooms. A further two hotels are under construction and due to open by the end of 2014, which will add an additional 470 rooms. The Group also has a development pipeline of six hotels, which are expected to add 1,032 rooms, expanding its total portfolio to 2,516 rooms by 2016.

Commenting on Action Hotel's admission to AIM, Alain Debare, the Group's Chief Executive Officer, said: "Over the past eight years we have established a successful and profitable hotel business which is well-placed to take advantage of the significant growth opportunities for branded economy and midscale hotels across the Middle East."

The Group develops and actively manages its hotel portfolio, working with established international branded operators under long-term management agreements, including Accor SA (ibis), InterContinental Hotels Group (Holiday Inn and Staybridge Suites) and Whitbread (Premier Inn).

The management team has extensive hospitality industry experience and the Group's Founder and Chairman; HE Sheikh Mubarak A. M. Al Sabah has excellent relationships with key and influential decision makers across the region.

Debare said that the move to become a listed company was "the next logical step for Action Hotels." "The listing on the London Stock Exchange's AIM market will enable us to solidify Action Hotels' position in the region and to access capital markets for the development of our hotel pipeline.



“We have high aspirations for Action Hotels and this AIM listing will provide increased visibility and recognition with our global partners, driving opportunities for continued growth.”

Debare confirmed that Action’s focus remains on developing a leading economy and midscale hotel business in the Middle East’s undersupplied and high growth markets.

“Hotel room supply in the GCC (Gulf Cooperation Council) countries is principally geared towards the luxury end of the market, meaning that the penetration of branded economy and midscale hotels has been historically low.

“However, a number of factors are driving strong demand for quality affordable hotel accommodation, such as an emerging middle class within the GCC, an increase in intra-regional leisure and business travel and greater budget airline capacity in the region. This is the segment that Action Hotels knows well, and will continue to focus on,” he concluded.

Admission highlights:

- The Group has raised £30.5 million (before expenses) through a placing of 47,637,195 new ordinary shares at 64 pence per share;
- The total number of Ordinary Shares in issue at Admission is 147,637,195, giving the Group a market capitalisation of approximately £94.5 million at the Placing Price;
- Placing proceeds will be used to fund the hotel pipeline development;
- Pro forma net asset value at Admission is \$170.1 million (£103.7 million);
- The Company’s major shareholder, Action Group Holdings (‘AGH’), is not selling any ordinary shares; and
- Sanlam Securities is Nominated Adviser and sole Broker to the Company; Chrystal Capital acted as placing sub-agent under Sanlam Securities.

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About Action Hotels

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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 the GCC), one hotel expansion and another six Pipeline projects (one in Australia and the remainder in the GCC).

The business of Action Hotels was established as a wholly owned subsidiary of Action Group Holding Company (K.S.C.C.), a private Kuwait based conglomerate which has public and private interests across a range of sectors including energy, real estate, and hotels, in the Middle East, Australia and Europe. As at 31 December 2012, AGH held assets of \$968 million and produced an operating income of \$50 million.