

## Saudis, Singapore check into AccorHotels

PARIS, France - AccorHotels announced on Tuesday the sale of a 55% stake in the subsidiary that owns its hotels to a group of international investors including the sovereign wealth funds of Saudi Arabia and Singapore for 4.4 billion euros (\$5.4 billion).



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The deal will give the French firm, which includes the Pullman, Raffles, Novotel and Mercure brands, resources to expand while it will continue to manage the properties under long-term contracts.

"The entry of new shareholders and the deconsolidation of AccorInvest will provide AccorHotels with substantial leeway to enhance our dynamic growth and innovation strategy and create value for shareholders," AccorHotels chief executive Sebastien Bazin said in a statement.

Accor separated AccorInvest into a separate legal entity last year in order to bring in new investors. According to the statement the new investors include the Public Investment Fund and GIC, which are the sovereign wealth funds of Saudi Arabia and Singapore respectively. Institutional Investors include Credit Agricole Assurances, Colony NorthStar and Amundi among others.

Bazin said: "AccorInvest will take advantage of its new powerful shareholders' support, as well as a strengthened financial structure to execute its roadmap and continue to reinforce its portfolio of assets."

AccorInvest currently has a portfolio of 891 hotels, the majority of which are located in Europe.

AccorHotels will operate the hotels under contracts that will last for up to 50 years for luxury properties, with possibilities for extensions.

The group posted a net profit of 441 million euros last year.

*Source: AFP*

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