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ASX Announcement

11 October 2018

## Completion of Hotels, Tourism and Leisure Funds Management Initiative

Elanor Investors Group (“ENN”, “Elanor” or “Group”) is pleased to announce the successful completion of the acquisition of a portfolio of 6 Australian hotels by the Elanor Metro and Prime Regional Hotel Fund (“EMPR”).

EMPR was established in October 2017 to acquire strongly-yielding hotels with significant and high quality expansion or alternate use potential. EMPR, with a fund size of \$73.2 million, was established with an initial portfolio of 3 Australian hotels, the IBIS Styles Eaglehawk, NSW, the IBIS Styles Canberra, ACT, and the Byron Bay Hotel and Apartments, NSW. EMPR has a stated objective of growing to approximately \$200 million within 18 months of commencement.

EMPR has acquired a portfolio of 6 high investment quality hotel assets, at current independent valuations of \$103.9 million. The 6 hotels were previously owned by the Elanor managed Elanor Hospitality and Accommodation Fund (“EHAF”). The acquisition of the hotel portfolio is accretive to the EMPR fund, provides scale benefits, and includes inherent strong capital uplift opportunities.

Following completion of the acquisition of the hotel portfolio, the EMPR Fund will have a diversified portfolio of nine hotels, with 774 rooms, independently valued at over \$177 million. The portfolio comprises the following properties:

- Ibis Styles Eaglehawk, Sutton, NSW
- Ibis Styles Canberra, Canberra, ACT
- Byron Bay Hotel and Apartments, Byron Bay, NSW
- Mantra Wollongong, Wollongong, NSW
- Ibis Styles Port Macquarie, Port Macquarie, NSW
- Ibis Styles Tall Trees, Ainslie, ACT
- Mantra Pavilion Wagga Wagga, Wagga Wagga, NSW
- Parklands Resort Mudgee, Mudgee, NSW
- Peppers Cradle Mountain Lodge, Cradle Mountain, TAS

As a part of this transaction, ENN has formed a strategic partnership with the NRMA to co-invest alongside EMPR investors. This partnership with NRMA provides substantial strategic benefits for the EMPR portfolio of hotels. This initiative is strongly aligned to the NRMA strategy of providing a broad range of transport options and tourism services to its 2.3 million members and the almost 6 million Australians who engage with the NRMA each year. Accordingly, the NRMA has also committed additional capital to support the further growth of the EMPR fund.

ENN continues to hold a material co-investment in the EMPR fund following the transaction.

Marianne Ossovani, ENN’s Head of Hotels, Tourism and Leisure said: “The transaction provides the opportunity to grow revenue following the refurbishment of a number of the properties, particularly Peppers Cradle Mountain Lodge and Parklands Resort Mudgee. In addition, and core to the EMPR fund strategy, each of the properties in the fund benefits from expansion or alternative use potential.”

NRMA Chief Investment Officer, Rachel Wiseman, added: “This strategic partnership helps further position the NRMA on its path to becoming Australia’s largest transport and tourism provider and



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opens significant Member benefits at some of regional Australia's most sought after hotels. It will also open doors to further growth in the accommodation sector generating more value for our Members."

Glenn Willis, ENN's Managing Director and Chief Executive Officer, said: "Growing the EMPR fund through this transaction further reflects the Group's ability to initiate and complete strategic growth initiatives and originate strategic institutional capital relationships that provide significant benefits for ENN and our capital partners. We are excited by both the near-term and long-term prospects of this strategic partnership with NRMA."

ENDS.

For further information regarding this announcement please contact:

Glenn Willis Managing Director and Chief Executive Officer Elanor Investors Group Phone: (02) 9239 8400	Marianne Ossovani Head of Hotels, Tourism and Leisure Elanor Investors Group Phone: (02) 9239 8400	Peter Khoury Head of Media  NRMA Phone: 0439 133 115
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