

Morgan Stanley



Hugh Fraser
Morgan Stanley
Tel: +44 20 7425 3923
E-mail: hugh.fraser@morganstanley.com

Nellie Jeannin
Paris Inn Group
Tel: +33.1.44.70.81.09
E-mail: nellie.jeannin@paris-inn.com

Morgan Stanley Real Estate Investing and Paris Inn Group Form Joint Venture to invest in the Paris Hotel Sector and Complete First Transaction

03 April 2013 - A real estate fund managed by Morgan Stanley Real Estate Investing (MSREI) and Paris-based hotel investor and manager Paris Inn Group (Paris Inn) announced today that they have jointly acquired a portfolio of 4 hotels in central Paris with a total of more than 600 rooms, within the mid and upscale market. Terms of the transaction were not disclosed. Goldman Sachs provided acquisition financing for this transaction

The transaction was executed through a newly formed joint venture between MSREI and Paris Inn. The joint venture targets investments in well located, mid-market hotels in Paris and plans to continue to invest into this sector over the next years.

“We are pleased to have completed this acquisition together with Paris Inn,” said Brian Niles, EMEA Head of Real Estate Investing at Morgan Stanley. “We believe that the fundamentals of the Paris hotel sector are attractive, and this portfolio offers an opportunity to invest in well located hotels that have upside potential through active asset management and repositioning. We look forward to working together with Paris Inn on this investment and further opportunities.”

Paris Inn has a long-standing expertise in the hotel business, not only with regards to the ongoing management but also in successfully upgrading assets. Therefore, the joint venture targets investments with upside potential through substantial refurbishments in locations which allow for improved performance.

“We are very happy and proud to have formed a financially strong partnership with MSREI in order to acquire promising hotels in Paris”, said Jean-Bernard Falco, founder and president of Paris Inn. “We are currently seeing many attractive opportunities throughout Paris. Thanks to our respective knowledge and experience, this association will help us complete several high potential hotel projects linked to the dynamism of the Greater Paris area and generate value for our investors.”

About Morgan Stanley Real Estate Investing

Morgan Stanley Real Estate Investing (MSREI) is the global real estate investment management arm of Morgan Stanley. Established in the early 1990s, MSREI has been one of the most active real estate investors for more than two decades, acquiring over \$183 billion of assets in 36 countries. MSREI leverages the expertise, relationships and franchise of Morgan Stanley with dedicated real estate investing professionals located in 15 offices around the world providing acquisition, finance and asset management services. MSREI manages opportunistic and core investment strategies on behalf of its clients, including some of the largest pension funds, sovereign wealth funds and high net worth investors worldwide. For more information about Morgan Stanley Real Estate Investing, please visit www.morganstanley.com/realestate.

About Morgan Stanley

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 1,200 offices in 43 countries. For further information about Morgan Stanley, please visit www.morganstanley.com.

About Paris Inn Group

Paris Inn is an investor and asset manager specializing in the Paris hotel sector. The company is run by Jean-Bernard and Céline Falco and has its origins in a family business spanning four generations. Set up in its current form in 2005, Paris Inn now manages nine 3-star and nineteen 4-star hotels, with a total of 1,200 rooms and 400 employees. As at 31 December 2012, the company's annual consolidated turnover reached €42.3 million. For further information about Paris Inn, please visit www.paris-inn-group.com