



Media Release

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## STELLA GROUP RESTRUCTURE AND RECAPITALISATION

Australia-based travel and hospitality company Stella Group today announced it has completed a comprehensive corporate restructure and recapitalisation to position its businesses for future performance, long-term stability and growth.

Stella Group has demerged its travel and hospitality operations to create two separately managed, financed and independently operated businesses.

Stella Hospitality Group continues to operate its portfolio of more than 140 resorts, hotels and apartments encompassing the Peppers, Mantra and Breakfree brands. The Stella Travel Services Group will be run as two separate business units - Stella Travel Services Australia/New Zealand, and Stella Travel Services UK.

Each of the businesses will operate as a separate entity with its own dedicated P&L, capital structure, customer base, Board of Directors and management team. Stella Hospitality Group and the Stella Travel Services Group will continue to be majority owned and controlled by funds advised by CVC Asia Pacific.

Each company will focus on building distinct identities in its respective market, with a further announcement regarding a rebranding of Stella Hospitality Group's business-to-business operations in the coming weeks.

The restructure and recapitalisation ensures the long-term stability of each business, significantly enhancing liquidity through a combination of additional equity capital, access to working capital facilities as well as the appropriate allocation of long-term debt consistent with the current trading conditions.

As a result of the recapitalisation, Stella Hospitality Group has assumed A\$245 million of long-term debt. Stella Travel Services Australia/New Zealand has assumed A\$40 million of long-term debt, and Stella Travel Services UK will have no debt other than existing bonding.

Stella Group Chairman, Andrew Cummins, said: "We have reached a significant milestone in our long-term plan to strengthen the Stella Group of companies.

"We have completed the restructuring and recapitalisation of the group, ensuring each of Stella Hospitality Group and the Stella Travel Services Group has a solid balance sheet, access to substantial liquidity and most importantly, a solid and stable platform to grow as the hospitality and travel markets recover, following challenging market conditions over the past 12 months."

Stella Hospitality Group's Chief Executive Officer, Bob East, said: "Whilst the market continues to be challenging, our business has proven to be very resilient, with strong support for our business model from our stakeholders.

The separation and recapitalisation sets the foundation for the years ahead and provides us with a fantastic platform to grow Stella Hospitality Group's position in the Australasian market."

Peter Lacaze, Chief Executive Officer of Stella Travel Services Australia/New Zealand, said the restructure was a very positive move.

"As a focused travel business, we can now manage our operations according to the specific needs of our franchisees, suppliers and customers," he said. "Importantly, this restructure and recapitalisation has a significant positive impact on our balance sheet, and has been welcomed by regulators, industry bodies and key trading partners. It will also provide certainty and confidence for the 2500 franchisees and members who are connected to Stella Travel Services through our various retail brands."

Mr Cummins said: "This is a fundamental and positive change for Stella Group - the restructure significantly strengthens the financial position of each of the businesses and provides long term stability for all key stakeholders. It will enable us to maintain our focus on delivering a high level of service to our clients and customers while providing opportunities for our staff and associates."

### **About Stella Hospitality Group**

Stella Hospitality Group is one of the largest leisure and corporate accommodation providers in Australasia, owning and/or operating a network of more than 140 resorts, retreats, hotels and apartments through its highly regarded Peppers, Mantra and Breakfree brands in Australia and New Zealand.

[www.stellaresorts.com.au](http://www.stellaresorts.com.au)

### **About Stella Travel Services Group**

Stella Travel Services Group is a leading integrated travel network comprising Stella Travel Services Australia/New Zealand, and Stella Travel Services UK. With operations in Australia, New Zealand, the United States, South Africa and the United Kingdom, Stella Travel Services operates a network of more than 2500 retail and corporate travel outlets, online travel platforms, airline representation and ticketing agencies and wholesale holiday brands.

Key brands include Harvey World Travel, Travelscene American Express, BestFlights, Travel 2, Travel Indochina and ATS Pacific in Australia; United Travel, Harvey World Travel, Go Holidays, and Atlantic Pacific American Express in New Zealand; Qantas Vacations, Travel 2 and Islands in the Sun in the USA; Harvey World Travel in South Africa, as well as Travelbag, Travel 2 and the Global Travel Group in the United Kingdom.

[www.stellatravel.com](http://www.stellatravel.com)

### **Contact:**

**Sue Cato - 02 9212 4666 / 0419 282 319**

**Kristin Silva – 02 9212 4666 / 0411 110 953**