

Group Germain Hotels Expands Alt Hotels Brand with Second Investment of \$80 Million
New Investors from Quebec and Europe Join Financial Partners

“The success of Alt Hotels and the interest from investors are clear indications that we have hit the mark.”

- Jean-Yves Germain, Co-President, Group Germain Hotels

Montreal (Quebec) - December 2, 2014 – Group Germain Hotels today announced a transaction valued at more than \$80 million in share capital, to be added to the Alt Canada Investment Fund L.P. The transaction, [the second of this value in three years](#), is a testament to the confidence of institutional and private financial partners regarding both the company’s performance and the growth potential of Alt Hotels. The private and institutional partners who participated in the financing announced in 2011 are back at the table, including La Caisse de dépôt et placement du Québec as lead investor, Investissement Québec, La Capitale Financial Group and Industrial Alliance. New partners include the Fonds de solidarité FTQ and DNA Capital, which acted as a financial broker for the Alt Canada Investment Fund L.P. by bringing together private investors from Quebec and Europe. The new investment will allow Group Germain Hotels to develop the Alt Hotels brand in Canadian markets where it does not currently have a presence.

“The stature of the group of investors that we have brought together is a point of pride for us,” said Jean-Yves Germain, Co-President, Group Germain Hotels. “Our partners from 2011 continue to believe in us, while several renowned new partners, including some from overseas, have joined the group. This demonstrates not only that we meet their criteria for profitability, but that the hotel industry represents fertile ground for growth.”

“Through this \$15-million reinvestment, this key player in the hospitality industry will be able to continue expanding into Canada’s hotel market,” said Christian Dubé, Executive Vice-President, Québec, of La Caisse de dépôt et placement du Québec. “This financial support reflects our commitment to help successful companies grow outside Québec.”

"Investissement Québec is proud to partner again with Group Germain Hotels, a flagship player in Québec’s hospitality industry. Our new participation will reinforce our initial commitment and enable Group Germain Hotels to continue growing outside Québec. With this investment, the Corporation will fully assume its complementary role, working with institutional and private investors", according to Yves Lafrance, interim President and Chief Executive Officer of Investissement Québec.

“With a promising formula based on beautiful hotels and an avant-garde concept, the growth of Alt Hotels will have important economic benefits for Québec suppliers of the banner. By investing in this family-run company, the Fonds de solidarité FTQ is not only encouraging the consolidation of ALLt Hotel jobs, but also of Québec SMEs in the hotel service sector”, declared Janie Béique, Senior Vice-President, Industries, Entertainment and Consumer Goods of the Fonds de solidarité FTQ.

The Alt concept was officially launched in 2007 with the opening of the brand's first hotel in the Quartier DIX30, followed by a second property in Quebec City in 2008. The brand then experienced a swift expansion across Canada, with the opening of properties at Toronto's Pearson International Airport (2012), Halifax's Stanfield International Airport (2013) and in Montreal (2014). Three new Alt Hotels will welcome guests in the coming years, including in Winnipeg (2015), Ottawa (2016) and Calgary (2017).

"When we launched Alt Hotels, we challenged ourselves to offer something new, a hotel where design, atmosphere and decor go hand in hand while offering the customer the best-possible price. Seven years later, the success of the Alt brand and today's announcement are proof that we were on target. We will therefore pursue our development plan in order to bring our vision to even more people across the country," added Mr. Germain.

About DNA Capital

Based in Montreal, DNA Capital is a Canadian investment bank that specializes in corporate mergers and acquisitions, private placements of debt and equity securities. The firm was founded in 2009 by Daniel Labrecque (previously the President of Rothschild Canada, the Chief Operating Officer of Lazard Canada and the Managing Director of Schroder Canada). The company employs nine investment bankers. For more information, visit www.dnacapital.ca.

About Group Germain Hotels

Ranked as one of Canada's 50 best managed companies, Group Germain Hotels is a family-run business, founded in Quebec City, which owns and operates Le Germain Hotels and the no-frills-chic Alt Hotels across Canada. The company is renowned for its exceptional approach to hospitality and the unique style that characterizes its hotels. Every year, its staff of about 700 people welcome guests for a total of 325,000 overnight stays, bringing the total overnight stays to nearly 2.6 million, since the first hotel opened in 1988. For more information, visit www.groupegermain.com.

About Investissement Québec

Investissement Québec's mission is to foster the growth of investment in Québec, thereby contributing to economic development and job creation in every region. The Corporation offers businesses a full range of financial solutions, including loans, loan guarantees and equity investments, to support them at all stages of their development. It is also responsible for administering tax measures and prospecting for foreign investment. For more information: www.investquebec.com.

About La Capitale Financial Group

La Capitale Financial Group has a strong presence across Quebec and, since 2006, throughout Canada. The company has assets of \$4.9 billion and more than 3,000 employees and partners across the country. La Capitale offers insurance products and financial services to public and parapublic sector employees and individual clients from Quebec and other provinces.

About the Fonds de solidarité FTQ

The Fonds de solidarité FTQ helps drive our economy. With net assets of \$10.1 billion as of May 31, 2014, the Fonds is a development capital fund that channels the savings of Quebecers into investments in all sectors of the economy to help create and maintain jobs and further Québec's

development. The Fonds is a partner, either directly or through its network members, in more than 2,450 companies. With 613,958 shareholder-savers, the Fonds helps create, maintain and protect more than 172,000 jobs. For more information, visit www.FondsFTQ.com.

About Industrial Alliance

Founded in 1892, Industrial Alliance Insurance and Financial Services Inc. operates throughout Canada as well as in the United States. The Company offers life and health insurance products, mutual and segregated funds, savings and retirement plans, securities, auto and home insurance, mortgage and car loans and other financial products and services for both individuals and groups. Ranked among the top four life and health insurance companies in Canada, Industrial Alliance is one of Canada's largest public companies and trades on the Toronto Stock Exchange under the ticker symbol IAG.

About La Caisse De Dépôt et placement du Québec

La Caisse de dépôt et placement du Québec is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at June 30, 2014, it held \$214.7 billion in net assets. As one of Canada's leading institutional fund managers, La Caisse invests in major financial markets, private equity, infrastructure and real estate, globally. For more information: www.lacaisse.com.

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Source: Group Germain Hotels

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