

Press Release – Quarterly Information

Paris – October 16, 2012

**2012 Q3 Revenue:
Up 1.3%¹ at €1,485m despite
unfavorable bases of comparison**

€510-530 million FY 2012 EBIT target confirmed

- **Solid third-quarter business levels:** revenue up **1.0%** as reported and **1.3%** like-for-like, despite unfavorable calendar effects in several key European markets.
- **Nine-month revenue up 0.3%** as reported and **2.8%** like-for-like.
- **Management and franchise fees up 12.9% in the third quarter**, thanks to the fast development, with 26,400 rooms added over the first nine months of the year, 87% of which under management and franchise contracts.
- **2012 targets confirmed**, with EBIT of €510 million to €530 million and a more than 35,000-unit increase in the room base.

Revenue for the first nine months of 2012 broke down as follows:

<i>(in € millions)</i>	Q3 2011 restated ⁽¹⁾	Q3 2012 reported	Change	Change L/L ⁽²⁾	Sept-end YTD 2011 restated ⁽¹⁾	Sept-end YTD 2012 reported	Change	Change L/L ⁽²⁾
Upscale & Midscale	907	914	+0.8%	+1.6%	2,605	2,624	+0.7%	+2.9%
Economy	516	524	+1.6%	+0.5%	1,427	1,476	+3.5%	+2.8%
Hotels	1,422	1,438	+1.1%	+1.2%	4,032	4,100	+1.7%	+2.8%
Other activities ⁽³⁾	48	47	-1.6%	+2.7%	158	102	-35.7%	+2.3%
Total Group	1,470	1,485	+1.0%	+1.3%	4,190	4,202	+0.3%	+2.8%

⁽¹⁾Following the sale of Motel 6 to Blackstone, consolidated revenue for the two periods presented has been adjusted for the reclassification of Motel 6 in Assets Held For Sale.

⁽²⁾ At comparable scope of consolidation and exchange rates.

⁽³⁾ Impact of the Lenôtre disposal

¹ Like-for-like

First nine-months 2012 revenue up 2.8% like-for-like and 0.3% as reported

Revenue for the first nine months of 2012 amounted to €4,202 million, shaped by the following factors:

- Development, which added €83 million or 2.0% to reported growth, led by the opening of 189 hotels representing nearly 26,400 rooms over the period.
- Changes in the scope of consolidation, which reduced reported growth by €233 million or 5.6%, primarily as a result of the asset disposal strategy and the €76 million impact of the Lenôtre sale.
- The positive €44 million currency effect, which added 1.1% to reported growth, mainly due to gains in the Australian dollar and British pound against the euro.

At constant scope of consolidation and exchange rates, revenue rose by 2.8% like-for-like over the first nine months, lifted by the firm improvement in average room rates in every segment.

Third-quarter revenue up 1.3% like-for-like and 1% as reported

Third-quarter 2012 revenue amounted to €1,485 million, reflecting the following factors:

- The growth in RevPAR, led by the improvement in average room rates across every segment and the sharp increase in management and franchise fees. This performance was delivered in a mixed environment.
- Development, which added €46 million or 3.1% to reported growth. This reflected the opening of 48 hotels representing more than 5,600 rooms during the quarter, as well as the consolidation of Mirvac over the entire quarter after its acquisition closed on May 22.
- Changes in the scope of consolidation, which reduced reported revenue by €73 million or 5.0%. Of this, €47 million was related to the asset management program and €21 million corresponded to the Lenôtre disposal.
- The positive currency effect, which increased reported revenue by €23 million or 1.6%, primarily as a result of gains in the Australian dollar and the British pound against the euro.

At constant scope of consolidation and exchange rates, the like-for-like increase was **1.3%** for the quarter.

❖ **Upscale & Midscale Hotels: third-quarter revenue up 1.6% like-for-like to €914 million**

Revenue in the Upscale & Midscale segment rose by **0.8%** as reported and by **1.6%** like-for-like in the third quarter, as the improvement in average room rates offset a slight decrease in occupancy rates in several markets. At the same time, conditions continued to worsen in Southern Europe. On the upside, the Group is still benefiting from a buoyant environment outside Europe, with revenue gains of 4.1% in the Asia Pacific region and 8.5% in Latin America.

❖ Economy Hotels: third-quarter revenue up 0.5% like-for-like to €524 million

In a mixed environment in Europe, where a majority of countries saw a slight slowdown in demand, revenue in the Economy segment demonstrated firm resistance, rising by **1.6%** as reported and **0.5%** like-for-like. Business remained strong in the leading European cities, supporting an efficient pricing policy. Revenue growth was led by strong performances in the Asia-Pacific region, up 2.3%, and Latin America, up 11.3%.

❖ Sustained growth in management and franchise fees

As a result of the Group's robust development dynamic and the evolution of its business model, management and franchise fees rose by 12.9% to **€125 million** in the third quarter, reflecting gains of 10.6% in the Upscale & Midscale segment and of 20.5% in Economy Hotels. In the first nine months of the year, Accor added 26,400 rooms to the network (excluding Motel 6), of which 87% under asset-light structures.

❖ Geographic focus

In **France**, the third quarter like-for-like revenue **decreased by 2.4%** in the Upscale & Midscale segment and was **down 1.7%** in the Economy segment. This slight decline was primarily due to the fact that the Cardiology Congress was held in Paris in August 2011, causing a nearly 15% increase in local RevPAR (down 11% in August 2012). Paris recorded solid performances in July and September and continues to fare better than the rest of France, where results were more mixed.

Unlike in the third quarter, the end of the year will benefit from more favorable comparatives and from the Paris Motor Show, which derived preliminary positive impacts.

Germany remains the most performing market in Europe. Thanks to a favorable trade show calendar, third-quarter revenue was up **4.1%** like-for-like in the Upscale & Midscale segment and **3.6%** like-for-like in the Economy segment. High-yield trade show guests helped to drive a significant improvement in average room rates (in particular, a 9.0% increase in the Upscale & Midscale segment).

In the **United Kingdom**, third quarter like-for-like revenue growth stood at **4.9%** in the Upscale & Midscale segment and **6.0%** in the Economy segment. With its extensive presence in London, the Group benefited highly from the Olympic and Paralympic Games, with in particular 100% occupancy rates during the former. This performance was partially offset, however, by the closure before and after the Games of several major convention centers, notably the ExCel international exhibition center.

Business outside Europe remained robust. Revenue in the Asia-Pacific region rose by **4.1%** in the Upscale & Midscale segment and by **2.3%** in Economy Hotels, with demand still growing very quickly in all of the region's leading markets except China. In **Latin America**, revenue was up **8.5%** in the Upscale & Midscale segment and **11.3%** in Economy. In Brazil, the strong growth in demand, at a time when the hotel supply remained stable, drove a **sharp increase in average room rates** in both the Upscale & Midscale and the Economy segments.

Outlook for 2012: Targets confirmed

In an economic environment which is difficult in Europe and still robust in Asia Pacific and Latin America, Accor continued to expand and remains reasonably optimistic about the end of the year. At the same time, the Group is pursuing a **sustained development strategy**, opening 26,400 rooms during the first nine months of the year, of which over 5,600 in the third quarter, as well as **the transformation of its business model**.

In that context and in light of the following factors:

- **Sustained robust demand in the fourth quarter**, which will be supported by several positive events in key European markets (the Paris Motor Show, an upturn in convention activity in London and a still favorable trade show calendar in Germany) and by dynamic growth in International markets;
- A targeted revenue to EBITDAR **flow-through ratio** confirmed at **50%** in markets where revenue is increasing and a **40% reactivity ratio** in markets where it is contracting;

Accor confirms its 2012 full-year EBIT target of **€510-530 million**.

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Significant transactions and events in the third quarter

Sale of the stake in Mirvac Wholesale Fund and the Novotel/ibis Sanyuan in Beijing to A-HTRUST for a total of €110 million

As part of its asset management strategy, Accor sold on July 30, 2012 its interests in two separate entities to A-HTRUST:

- The **21.9% stake in Ascendas Australia Hospitality Fund, formerly known as Mirvac Wholesale Fund**, was **sold for €56 million**, in line with the intention announced during the Mirvac acquisition. The Fund holds seven properties, of which six are operated by Accor in Australia and New Zealand.

- The **Novotel (305 rooms) and ibis (401 rooms) properties in Beijing Sanyuan**, sold under a sale and management back contract **for a total of €54 million**.¹

In addition, as part of the creation of A-HTRUST, one of the largest publicly listed hotel investment trusts in the Asia-Pacific region, **Accor purchased a 6.9% stake** in the new entity **for an investment of €32 million**.

Sale and variable leaseback of two MGallery hotels in Germany and the Netherlands for €44 million

As part of its asset management strategy, Accor sold and leased back on August 27, 2012 the **MGallery Mondial Am Dom in Cologne** (207 rooms) **for €20.5 million** and the **MGallery Convent Hotel in Amsterdam** (148 rooms) **for €23.5 million**. The transaction includes a €12.4-million renovation program, €7.3 million of which will be financed by the buyer.

June 2017 bond issue increased by €100 million

On September 21, 2012, a new €100 million tranche was successfully added to the original €600 million issue of bonds maturing June 2017. The new bonds were priced to offer a yield of 2.406%.

The issue enabled Accor to lengthen the average maturity of its debt, while optimizing its average cost of funding.

Transaction carried out since September 30, 2012

Completion of the sale of Motel 6

On October 2, Accor announced the completion of the sale of its Motel 6/Studio 6 hotels in North America to an affiliate of Blackstone Real Estate Partners VII, for \$1.9 billion.

This transaction enabled Accor to reduce its adjusted net debt by around €780 million.

Following the divestment, Accor now operates seventeen Sofitel and Novotel hotels in North America, of which nine in the United States and eight in Canada.

¹ The sale of the ibis Beijing Sanyuan to A-HTRUST is subject to approval by Chinese authorities.

The Pullman Paris Tour Eiffel, a future flagship for the brand, refinanced through a management contract

As part of its asset management and restructuring strategy, Accor announced on October 3 that the **Pullman Paris Tour Eiffel** has been refinanced through a management contract. The Group, which took over the hotel in early 2009 under a fixed lease agreement, will continue to operate it under a **long-term management contract**.

Located near the Eiffel Tower, the Pullman Paris Tour Eiffel opened in 1967 and is one of the most famous hotels of the city. It currently offers 460 rooms and 13,993 sq. ft. of fully equipped meeting rooms. In 2013/2014, the hotel will benefit from a refurbishment program representing a €47 million investment, of which financing arrangement and syndication were assigned to Natixis Lease by the owner, Elliott Aintabi (Jesta Group). The hotel will remain open throughout the renovation works.

Acquisition of Grupo Posadas' South American hotel portfolio

Announced last July 30, the acquisition of Mexico-based Grupo Posadas' South American hotel portfolio for \$275 million closed on October 10. The transaction concerned **2,600 rooms** in four owned hotels, four hotels under variable-rent leases and seven hotels under management contracts, as well as **a secured pipeline of 2,000 rooms in 14 hotels**. It was fully in line with both the Group's acquisitions strategy and the ambitious development program launched last September, which reflects Accor's commitment to strengthening its leadership in emerging markets through selective acquisitions.

Upcoming events:

- January 17, 2013: Fourth-quarter 2012 revenue



Accor, the world's leading hotel operator and market leader in Europe, is present in **92 countries** with **nearly 3,500 hotels** and **440,000 rooms**. Accor's broad portfolio of hotel brands – **Sofitel, Pullman, MGallery, Novotel, Suite Novotel, Mercure, Adagio, Ibis, Ibis Styles, Ibis budget** and **hotelF1** – provides an extensive offer from luxury to budget. With more than **160,000 employees** in Accor brand hotels worldwide, the Group offers its clients and partners nearly 45 years of know-how and expertise.

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Revenue

<i>in € thousands</i>	Quarter 1		Quarter 2		First-Half		Quarter 3		September-end YTD	
	2011 ⁽¹⁾	2012	2011 ⁽¹⁾	2012	2011 ⁽¹⁾	2012	2011 ⁽¹⁾	2012	2011 ⁽¹⁾	2012
Upscale & Midscale	769,857	780,820	928,165	928,978	1,698,022	1,709,798	906,662	914,220	2,604,685	2,624,018
Economy	411,764	436,733	499,506	515,756	911,271	952,489	515,766	523,818	1,427,036	1,476,307
Hotels	1,181,622	1,217,553	1,427,671	1,444,734	2,609,293	2,662,287	1,422,428	1,438,038	4,031,721	4,100,325
Other Activities	51,580	24,528	58,973	30,352	110,552	54,880	47,590	46,810	158,142	101,690
Total Group	1,233,201	1,242,080	1,486,644	1,475,086	2,719,845	2,717,166	1,470,018	1,484,849	4,189,863	4,202,015

<i>in %</i>	Quarter 1		Quarter 2		First-Half		Quarter 3		September-end YTD	
	Change reported	Change L/L ⁽²⁾	Change reported	Change L/L ⁽²⁾	Change reported	Change L/L ⁽²⁾	Change reported	Change L/L ⁽²⁾	Change reported	Change L/L ⁽²⁾
Upscale & Midscale	+1.4%	+3.6%	+0.1%	+3.5%	+0.7%	+3.5%	+0.8%	+1.6%	+0.7%	+2.9%
Economy	+6.1%	+5.4%	+3.3%	+2.8%	+4.5%	+4.0%	+1.6%	+0.5%	+3.5%	+2.8%
Hotels	+3.0%	+4.2%	+1.2%	+3.3%	+2.0%	+3.7%	+1.1%	+1.2%	+1.7%	+2.8%
Other Activities	-52.4%	+5.9%	-48.5%	-1.0%	-50.4%	+2.2%	-1.6%	+2.7%	-35.7%	+2.3%
Total Group	+0.7%	+4.3%	-0.8%	+3.1%	-0.1%	+3.6%	+1.0%	+1.3%	+0.3%	+2.8%

(1) Following the sale of Motel 6 to Blackstone, consolidated revenue for the two periods presented has been adjusted for the reclassification of Motel 6 in Assets Held For Sale.

(2) At comparable scope of consolidation and exchange rates.

RevPAR excluding tax Worldwide by segment (September-end)

	Occupancy Rate			Average room rate			RevPAR			Subsidiaries & managed (reported)
	Subsidiaries			Subsidiaries			Subsidiaries	Subsidiaries		
	(in %)	(chg in pts reported)	(chg in pts L/L (1))	(chg in % reported)	(chg in % L/L (1))	(chg in % reported)	(like-for-like(1))			
Upscale and Midscale (in €)	65.9%	-0.5	-0.6	100	+3.9%	+3.0%	66	+3.1%	+2.1%	+7.8%
Economy (in €)	69.9%	-1.6	-1.6	56	+5.8%	+4.1%	39	+3.5%	+1.8%	+4.1%

(1) at comparable scope of consolidation and exchange rates.

RevPAR excluding tax Worldwide by segment (3rd quarter)

	Occupancy Rate			Average room rate			RevPAR			Subsidiaries & managed (reported)
	Subsidiaries			Subsidiaries			Subsidiaries	Subsidiaries		
	(in %)	(chg in pts reported)	(chg in pts L/L (1))	(chg in % reported)	(chg in % L/L (1))	(chg in % reported)	(like-for-like(1))			
Upscale and Midscale (in €)	71.7%	-0.7	-0.9	98	+4.4%	+3.0%	71	+3.4%	+1.8%	+9.5%
Economy (in €)	73.8%	-2.9	-2.9	56	+5.9%	+3.7%	41	+1.9%	-0.2%	+2.3%

(1) at comparable scope of consolidation and exchange rates.

RevPAR excluding tax by country (September-end)

UPSCALE AND MIDSCALE HOTELS (in local currency)	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			Subsidiaries & managed (reported)
		Subsidiaries			Subsidiaries			Subsidiaries	Subsidiaries		
		(in %)	(chg in pts reported)	(chg in pts L/L (1))	(chg in % reported)	(chg in % L/L (1))	(chg in % reported)	(like-for-like(1))			
France	26,022	65.1%	-2.9	-2.7	119	+2.8%	+2.7%	78	-1.6%	-1.4%	-0.1%
Germany	18,075	66.6%	-0.0	+0.0	89	+6.2%	+5.6%	59	+6.2%	+5.6%	+6.0%
Netherlands	3,536	68.4%	-2.0	-2.0	88	-1.4%	-1.4%	60	-4.2%	-4.2%	-2.9%
Belgium	1,676	72.7%	+2.0	+1.9	97	-3.1%	-2.9%	70	-0.3%	-0.3%	+0.3%
Spain	2,434	59.2%	-0.8	-1.7	73	-2.7%	-3.2%	43	-4.0%	-6.0%	-1.4%
Italy	3,772	60.4%	-2.6	-2.9	93	+1.4%	+1.2%	56	-2.8%	-3.4%	-1.8%
UK (in £)	5,542	78.7%	-1.5	-1.5	83	+3.3%	+3.3%	66	+1.3%	+1.3%	+2.1%

(1) at comparable scope of consolidation and exchange rates.

ECONOMY HOTELS (in local currency)	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			Subsidiaries & managed (reported)
		Subsidiaries			Subsidiaries			Subsidiaries	Subsidiaries		
		(in %)	(chg in pts reported)	(chg in pts L/L (1))	(chg in % reported)	(chg in % L/L (1))	(chg in % reported)	(like-for-like(1))			
France	36,471	70.7%	-2.5	-3.1	54	+3.0%	+2.3%	38	-0.5%	-2.0%	-0.8%
Germany	15,378	70.9%	-0.6	-0.5	57	+3.8%	+4.1%	40	+2.9%	+3.4%	+2.5%
Netherlands	2,289	73.3%	-2.4	-3.3	74	+0.3%	-1.3%	54	-3.0%	-5.7%	-3.0%
Belgium	2,744	74.7%	+1.3	+1.1	63	-2.9%	-2.2%	47	-1.2%	-0.8%	-1.3%
Spain	4,761	52.8%	-6.6	-7.1	49	+0.2%	-0.7%	26	-10.9%	-12.6%	-11.2%
Italy	1,740	68.8%	-4.2	-1.8	56	-2.4%	-0.7%	39	-8.1%	-3.2%	-8.1%
UK (in £)	9,363	78.2%	+0.5	+0.5	48	+3.8%	+3.5%	37	+4.4%	+4.2%	+5.1%

(1) at comparable scope of consolidation and exchange rates.

RevPAR excluding tax by country (3rd quarter)

UPSCALE AND MIDSCALE HOTELS (in local currency)	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			Subsidiaries & managed (reported)
		Subsidiaries			Subsidiaries			Subsidiaries	Subsidiaries		
		(in %)	(chg in pts reported)	(chg in pts L/L (1))	(chg in % reported)	(chg in % L/L (1))	(chg in % reported)	(like-for-like(1))			
France	26,022	70.6%	-3.2	-3.3	118	+3.3%	+3.1%	83	-1.1%	-1.4%	-0.3%
Germany	18,075	69.7%	-0.9	-1.0	89	+9.5%	+9.0%	62	+8.1%	+7.4%	+7.9%
Netherlands	3,536	71.2%	-4.1	-4.1	81	-4.9%	-4.9%	58	-10.2%	-10.2%	-7.2%
Belgium	1,676	78.5%	+2.8	+2.8	85	-4.2%	-4.2%	67	-0.7%	-0.7%	-1.0%
Spain	2,434	67.6%	-1.1	-1.5	70	-3.5%	-4.0%	47	-5.1%	-6.1%	-2.9%
Italy	3,772	68.6%	-1.7	-2.6	97	+1.7%	+1.6%	67	-0.8%	-2.2%	+0.5%
UK (in £)	5,542	83.4%	-2.9	-2.9	87	+9.6%	+9.6%	72	+5.9%	+5.9%	+6.8%

(1) at comparable scope of consolidation and exchange rates.

ECONOMY HOTELS (in local currency)	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			Subsidiaries & managed (reported)
		Subsidiaries			Subsidiaries			Subsidiaries	Subsidiaries		
		(in %)	(chg in pts reported)	(chg in pts L/L (1))	(chg in % reported)	(chg in % L/L (1))	(chg in % reported)	(like-for-like(1))			
France	36,471	74.1%	-3.1	-3.5	53	+1.8%	+1.2%	39	-2.3%	-3.4%	-1.7%
Germany	15,378	76.4%	-1.0	-1.0	57	+4.6%	+4.7%	44	+3.2%	+3.4%	+3.1%
Netherlands	2,289	76.8%	-4.3	-5.1	72	-5.4%	-7.1%	55	-10.4%	-13.2%	-10.4%
Belgium	2,744	78.9%	-1.8	-2.3	59	-3.9%	-2.3%	46	-6.1%	-5.0%	-5.5%
Spain	4,761	56.3%	-12.1	-11.9	49	-1.1%	-2.0%	28	-18.6%	-19.2%	-18.2%
Italy	1,740	73.6%	-2.9	-1.0	53	-7.5%	-5.8%	39	-11.0%	-7.0%	-11.0%
UK (in £)	9,363	82.2%	-2.1	-2.0	51	+8.8%	+8.6%	42	+6.0%	+6.0%	+7.1%

(1) at comparable scope of consolidation and exchange rates.