

CONFERENCE CALL  
Q3 2013 REVENUE

October 17, 2013





### **Gross revenue up 4.2% as reported over 9M in 2013**

- ▶ o/w +4.3% for hotels, despite negative Forex effects in Q3

### **Strong increase in L/L revenue across most key markets**

- ▶ +3.8% L/L revenue increase at Group level in Q3

### **Strong increase in fee revenue, up 18.2% L/L in Q3**

### **Expansion: 14,100 rooms added at the end of September**

- ▶ 82% asset-light, 52% in emerging markets

### **Asset-management: binding agreements for 43 hotels**

- ▶ €251m positive impact on Adjusted Net Debt



Q3 2013 Revenue: €1,440m, up 3.8% L/L

**+3.8%**

**Like-for-Like**  
€56m

### Like-for-like growth

- ▶ Hotels: +3.8%
  - Owned & leased: +2.4%
  - Fees: +18.2%\*

**+2.1%**

**Expansion**  
+€31m

### Impact of expansion

- ▶ Openings: 4,160 new rooms (36 hotels) in Q3, of which
  - 1,708 rooms in Franchise (41% of openings)
  - 1,995 rooms in Management (48% of openings)

**-5.2%**

**Disposals**  
€(78)m

### Impact of disposals

- ▶ Asset Light Strategy: €(64)m
- ▶ Other disposals: €(14)m

**-3.7%**

**Currency**  
€(54)m

### Currency effect

- ▶ AUD: -1.4%, €(21)m
- ▶ BRL: -0.9%, €(14)m
- ▶ GBP: -0.6%, €(9)m

**-3.1%**

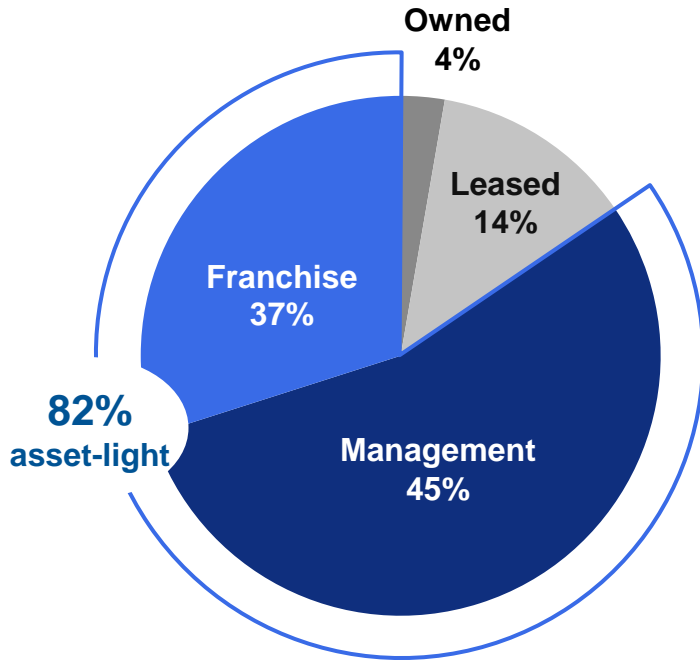
**Reported**  
€(45)m

\* Restated from fees related to the Posadas acquisition



# Expansion & Asset management to date in 2013

## Room openings - 9M 2013 by operating mode



## Asset Management

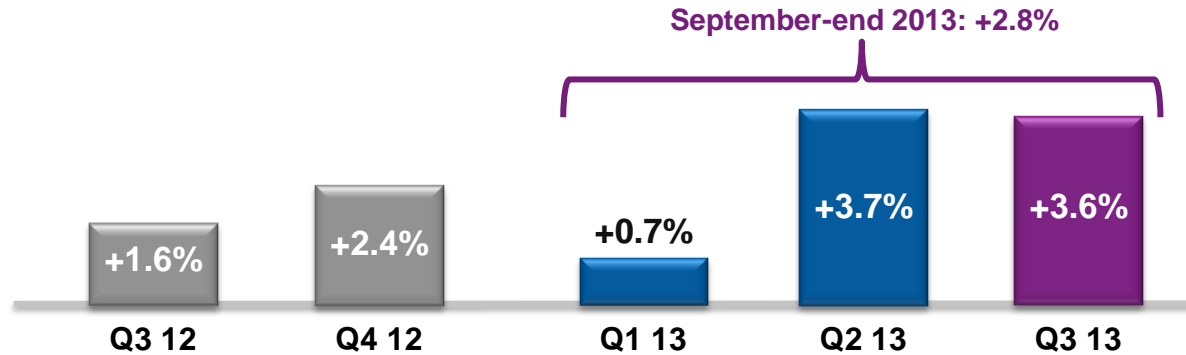
	2013 to-date
Conversions into Variable Lease contracts	9
Conversions into Management contracts	7
Conversions into Franchise contracts	20
Outright Sales or Termination of Lease	7
<b>Total hotels</b>	<b>43</b>
<b>Impact on adj. net debt<sup>(1)</sup></b>	<b>€251m</b>

(1) Net debt adjusted for NPV of minimum lease payments discounted at 7% (Standard & Poor's methodology)

**58% of room portfolio under asset-light at the end of September 2013**



# Up & Midscale – Q3 2013 Revenue: €879m, up 3.6% L/L



## L/L Revenue growth (in %)

Owned & Leased  
Management & Franchise fees

	Q3 12	Q4 12	Q1 13	Q2 13	Q3 13
Owned & Leased	+0.7	+1.3	-1.4	+2.6	+2.4
Management & Franchise fees	+10.6	+10.5	+17.8	+12.8	+14.1

- ▶ Strong demand levels from both leisure and business travelers across the quarter
- ▶ Solid performance recorded notably in Paris, north-European gateways and most Emerging markets
- ▶ Fast growth for upscale brands lifted by the re-opening of key flagships

S O F I T E L  
LUXURY HOTELS

pullman  
HOTELS AND RESORTS

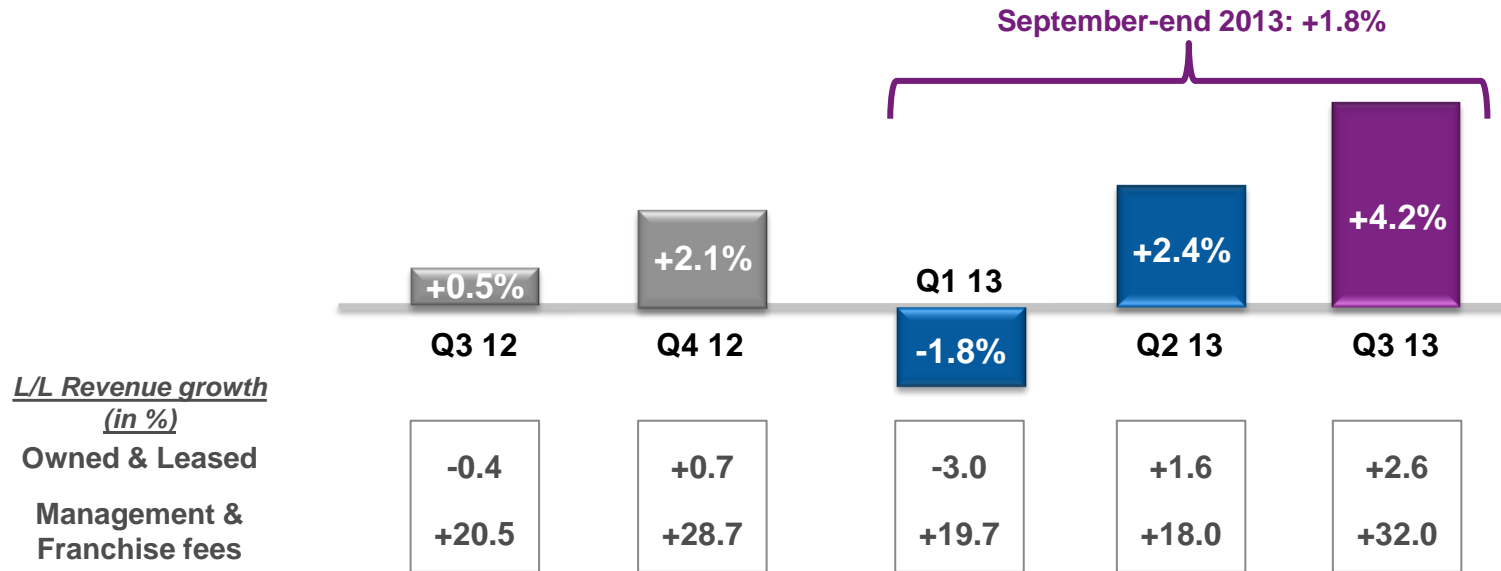


Mercure

adagio  
aparthotel

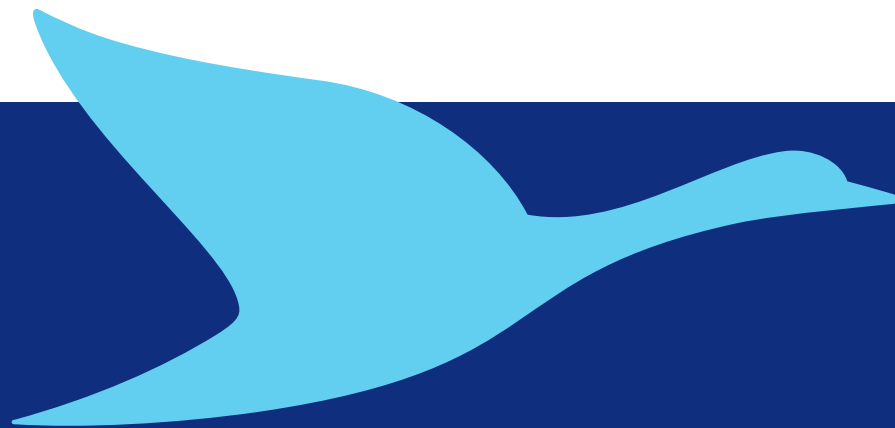


# Economy – Q3 2013 Revenue: €531m, up 4.2% L/L



- ▶ Positive impact from innovative and opportunistic distribution & marketing policies
- ▶ Clear improvement in French Provinces, continued trend in the UK
- ▶ Strong demand levels across all key geographies, with fast increase in MEA





## CONCLUSION



# Conclusion

- ▶ Solid business trends across all segments and geographies
- ▶ Progressive improvement in European Provinces, especially in France
- ▶ Strong fee-based income increase with positive impact of the asset light strategy
- ▶ Ongoing trend expected for Q4 2013
- ▶ Negative currency effects in H2 to be offset by favorable environment

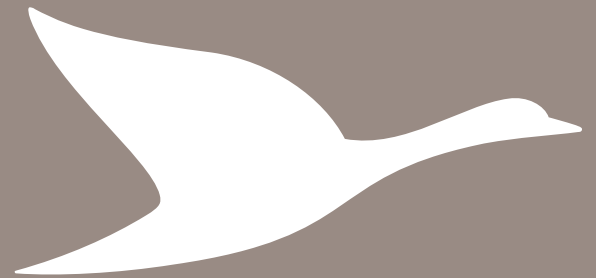
**2013 EBIT target confirmed: between €510m and €530m**

## Agenda

*Investor Day – November 27, 2013 (Paris)  
Q4 and FY 2013 Revenue – January 16, 2014*



# APPENDICES





# Hotels September-end 2013 RevPAR by segment – Worldwide

<i>Excl. VAT</i>	Owned & leased									Owned & leased + managed
	Occupancy rate			Average Room Rate			RevPAR			
	(in %)	(chg in pts, rep.)	(chg in pts, L/L)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(chg in %, reported)
<b>Up &amp; Midscale (in €)</b>	<b>67.9</b>	<b>+2.0</b>	<b>+1.6</b>	<b>98</b>	<b>-1.7</b>	<b>-0.3</b>	<b>67</b>	<b>+1.2</b>	<b>+2.1</b>	<b>+1.5</b>
<b>Economy (in €)</b>	<b>70.5</b>	<b>+0.6</b>	<b>+0.6</b>	<b>55</b>	<b>-1.3</b>	<b>+0.3</b>	<b>39</b>	<b>-0.5</b>	<b>+1.1</b>	<b>+0.2</b>



# Hotels Q3 2013 RevPAR by segment – Worldwide

<i>Excl. VAT</i>	Owned & leased									Owned & leased + managed
	Occupancy rate			Average Room Rate			RevPAR			
	(in %)	(chg in pts, rep.)	(chg in pts, L/L)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(chg in %, reported)
<b>Up &amp; Midscale (in €)</b>	<b>74.0</b>	<b>+2.3</b>	<b>+2.2</b>	<b>95</b>	<b>-3.5</b>	<b>-0.3</b>	<b>70</b>	<b>-0.4</b>	<b>+2.7</b>	<b>-2.4</b>
<b>Economy (in €)</b>	<b>75.9</b>	<b>+2.1</b>	<b>+2.2</b>	<b>54</b>	<b>-2.9</b>	<b>+0.1</b>	<b>41</b>	<b>-0.2</b>	<b>+3.0</b>	<b>-0.1</b>



# Q3 2013 RevPAR & Revenue – Key markets

<b>Up &amp; Midscale</b>	<b>Occupancy*</b>		<b>Net ARR*</b>		<b>Net RevPAR*</b>		<b>Revenue</b>	
	<b>%</b>	<b>Δ (L/L, pts)</b>	<b>€</b>	<b>Δ (L/L, %)</b>	<b>€</b>	<b>Δ (L/L, %)</b>	<b>€m</b>	<b>Δ (L/L, %)</b>
France	73.8	+3.1	114	-1.1	84	+3.1	288	+3.5
Germany	73.4	+2.4	89	-2.4	65	+1.0	136	+0.1
UK (£)	86.7	+3.9	87	-1.8	75	+2.7	67	+2.5

\* For owned & leased only

<b>Economy</b>	<b>Occupancy*</b>		<b>Net ARR*</b>		<b>Net RevPAR*</b>		<b>Revenue</b>	
	<b>%</b>	<b>Δ (L/L, pts)</b>	<b>€</b>	<b>Δ (L/L, %)</b>	<b>€</b>	<b>Δ (L/L, %)</b>	<b>€m</b>	<b>Δ (L/L, %)</b>
France	76.2	+1.7	53	+0.3	41	+2.7	182	+4.2
Germany	76.1	+0.1	57	+0.1	43	+0.3	74	-0.3
UK (£)	86.1	+3.5	53	-0.0	46	+4.2	57	+3.7

\* For owned & leased only



# Up & Midscale Hotels September-end 2013 RevPAR by Country

Excl. VAT <i>(in local currency)</i>	Owned & leased								Owned & leased + managed
	Number of rooms	Occupancy Rate		Average Room Rate		RevPAR			(reported)
		(in %)	(chg in pts, rep.)	(in €)	(chg in %, rep.)	(in €)	(chg in %, rep.)	(chg in %, L/L)	
France	24,341	67.4	+2.3	117	-1.9	79	+1.5	+3.0	+3.1
Germany	16,441	69.1	+2.5	91	+2.5	63	+6.3	+1.9	+6.4
Netherlands	3,314	69.3	+0.9	87	-0.6	61	+0.6	-0.7	+1.6
Belgium	1,599	76.7	+4.0	98	+1.2	75	+6.8	+5.7	+3.2
Spain	2,283	59.6	+0.4	70	-2.9	42	-2.3	-4.7	+2.3
Italy	3,565	62.5	+2.1	92	-0.4	58	+3.1	+0.7	+1.8
UK (in £)	5,850	80.7	+2.0	85	+2.4	69	+5.1	+3.9	+5.6



# Up & Midscale Hotels Q3 2013 RevPAR by Country

<i>Excl. VAT</i>  <i>(in local currency)</i>	Owned & leased								Owned & leased + managed
	Number of rooms	Occupancy Rate		Average Room Rate		RevPAR			(reported)
		(in %)	(chg in pts, rep.)	(in €)	(chg in %, rep.)	(in €)	(chg in %, rep.)	(chg in %, L/L)	
France	24,341	73.8	+3.2	114	-3.6	84	+0.8	+3.1	+3.6
Germany	16,441	73.4	+3.7	89	+0.0	65	+5.4	+1.0	+5.5
Netherlands	3,314	74.2	+3.0	84	+3.6	63	+8.1	+6.8	+8.6
Belgium	1,599	82.2	+3.7	90	+5.1	74	+10.0	+8.5	+3.3
Spain	2,283	68.1	+0.5	69	-0.7	47	+0.1	-1.1	+6.4
Italy	3,565	70.0	+1.4	98	+1.1	69	+3.1	+0.8	+1.8
UK (in £)	5,850	86.7	+3.3	87	-0.0	75	+4.0	+2.7	+4.1



# Economy Hotels September-end 2013 RevPAR by Country

	Owned & leased								Owned & leased + managed
<i>Excl. VAT</i>  <i>(in local currency)</i>	Number of rooms	Occupancy Rate		Average Room Rate		RevPAR			
		(in %)	(chg in pts, rep.)	(in €)	(chg in %, rep.)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(reported)
France	35,796	71.0	+0.3	55	+0.7	39	+1.1	+0.1	+1.9
Germany	15,708	70.5	-0.3	57	+0.9	40	+0.5	+0.8	+0.7
Netherlands	2,289	77.1	+3.8	72	-2.5	56	+2.5	+2.5	+2.5
Belgium	2,821	77.5	+2.7	63	+0.4	49	+4.1	+3.8	+5.2
Spain	4,973	54.5	+1.7	46	-5.1	25	-1.9	-4.2	-1.8
Italy	1,740	71.0	+2.3	55	-1.4	39	+1.8	+1.8	-1.1
UK (in £)	10,076	80.1	+1.9	51	+6.0	40	+8.6	+3.6	+7.5



# Economy Hotels Q3 2013 RevPAR by Country

	Owned & leased								Owned & leased + managed
Excl. VAT <i>(in local currency)</i>	Number of rooms	Occupancy Rate		Average Room Rate		RevPAR			
		(in %)	(chg in pts, rep.)	(in €)	(chg in %, rep.)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(reported)
France	35,796	76.2	+2.1	53	+0.7	41	+3.6	+2.7	+3.8
Germany	15,708	76.1	-0.3	57	+0.1	43	-0.3	+0.3	-0.1
Netherlands	2,289	84.9	+8.0	73	+1.6	62	+12.2	+12.2	+12.2
Belgium	2,821	82.1	+3.2	61	+4.6	50	+8.9	+8.9	+9.8
Spain	4,973	64.1	+7.8	46	-5.2	30	+8.0	+5.5	+7.5
Italy	1,740	74.9	+1.3	55	+2.7	41	+4.4	+4.4	+1.9
UK (in £)	10,076	86.1	+3.9	53	+4.7	46	+9.6	+4.2	+7.8





# Reconciliation: September-end 2013 L/L RevPAR vs Revenue

<b>Worldwide</b>	<b>RevPAR O&amp;L and Managed Reported</b>	<b>RevPAR O&amp;L Only Like-for-like</b>	<b>Like-for-like room revenues</b>	<b>Total Like-for-like revenues</b>
<b>Up &amp; Midscale</b>	<b>+1.5%</b>	<b>+2.1%</b>	<b>+1.5%</b>	<b>+2.8%</b>
<b>Economy</b>	<b>+0.2%</b>	<b>+1.1%</b>	<b>+0.8%</b>	<b>+1.8%</b>



# Reconciliation: Q3 2013 L/L RevPAR vs Revenue

<b>Worldwide</b>	<b>RevPAR O&amp;L and Managed Reported</b>	<b>RevPAR O&amp;L Only Like-for-like</b>	<b>Like-for-like room revenues</b>	<b>Total Like-for-like revenues</b>
<b>Up &amp; Midscale</b>	<b>-2.4%</b>	<b>+2.7%</b>	<b>+2.5%</b>	<b>+3.6%</b>
<b>Economy</b>	<b>-0.1%</b>	<b>+3.0%</b>	<b>+2.9%</b>	<b>+4.2%</b>



# September-end 2013 Exchange Rates

<b>1€ = X foreign currency</b>	<b>September-end 2012 average rate</b>	<b>September-end 2013 average rate</b>	<b>2013 vs. 2012 Change</b>
<b>Australian dollar (AUD)</b>	<b>1.24</b>	<b>1.35</b>	<b>-8.6%</b>
<b>Brazilian real (BRL)</b>	<b>2.46</b>	<b>2.79</b>	<b>-13.4%</b>
<b>Sterling (GBP)</b>	<b>0.81</b>	<b>0.85</b>	<b>-4,9%</b>
<b>Swiss Franc (CHF)</b>	<b>1.20</b>	<b>1.23</b>	<b>-2.2%</b>
<b>US Dollar (USD)</b>	<b>1.28</b>	<b>1.32</b>	<b>-2.7%</b>
<b>Chinese Yuan (CNY)</b>	<b>8.12</b>	<b>8.12</b>	<b>-0.1%</b>



# Q3 2013 Exchange Rates

<b>1€ = X foreign currency</b>	<b>Q3 2012 average rate</b>	<b>Q3 2013 average rate</b>	<b>2013 vs. 2012 Change</b>
<b>Australian dollar (AUD)</b>	<b>1.20</b>	<b>1.45</b>	<b>-20.1%</b>
<b>Brazilian real (BRL)</b>	<b>2.54</b>	<b>3.03</b>	<b>-19.3%</b>
<b>Sterling (GBP)</b>	<b>0.79</b>	<b>0.85</b>	<b>-7.9%</b>
<b>Swiss Franc (CHF)</b>	<b>1.20</b>	<b>1.23</b>	<b>-2.6%</b>
<b>US Dollar (USD)</b>	<b>1.25</b>	<b>1.32</b>	<b>-5.8%</b>
<b>Chinese Yuan (CNY)</b>	<b>7.95</b>	<b>8.11</b>	<b>-2.1%</b>



# Management & Franchise Fees by Segment

Revenue (in €m)	September-end 2012			September-end 2013			Change, at constant exchange rates *
	Managed	Franchised	Total	Managed	Franchised	Total	
Up & Midscale	214.7	65.3	280.0	262.0	71.3	333.3	14.7%
Economy	28.9	49.3	78.1	37.0	57.5	94.5	23.7%
<b>TOTAL</b>	<b>243.6</b>	<b>114.6</b>	<b>358.1</b>	<b>299.0</b>	<b>128.8</b>	<b>427.8</b>	<b>16.7%</b>

Revenue (in €m)	Q3 2012			Q3 2013			Change, at constant exchange rates *
	Managed	Franchised	Total	Managed	Franchised	Total	
Up & Midscale	69.3	26.8	96.1	82.7	25.7	108.4	14.1%
Economy	8.8	20.1	28.9	12.4	24.4	36.8	32.0%
<b>TOTAL</b>	<b>78.1</b>	<b>46.9</b>	<b>125.0</b>	<b>95.1</b>	<b>50.1</b>	<b>145.2</b>	<b>18.2%</b>

\* Restated from Mirvac and Posadas acquisitions