ACCOR

Open New Frontiers in Hospitality

2013 Results

February 20, 2014

SOFITEL LUXURY HOTELS pullman MGALLERY GRAND MERCURE NOVOTEL Suite NOVOTEL

Mercure adagio ibis ibis STYLES ibis budget hotelF1

Sébastien Bazin

Chairman and Chief Executive Officer

ACCOR
Open New Frontiers in Hospitality

2013 milestones

Strategy	New governance, structure & organization: **HotelServices** and **HotelInvest**	Recognize **Accor's dual expertise** to generate higher performance
Brands	**Success of the ibis Family** **Brands clustered in 3 segments**	**Leading global brands** to foster long term expansion
Distribution	**Mastered management of distribution channels**	**Increase performance** for our hotels
Expansion	**Consolidated market shares**	**A global leader** on the most promising geographies

2013 Takeaways

€536m

EBIT at December-end 2013

€248m

Recurring free cash flow
at December-end 2013

56%

of total room sales through Accor's central system

14m

LE CLUB ACCOR HOTELS

Loyalty members in 2013
+4m vs 2012

136,000

Rooms in pipeline

€0.80

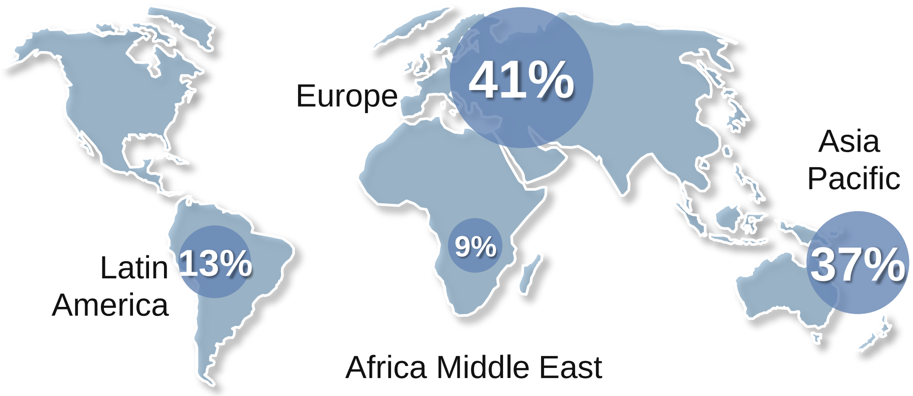
Ordinary dividend
proposed to the AGM (1)

(1) Payment method: option between 100% cash or 50% cash / 50% shares
50% shares with a 10% discount

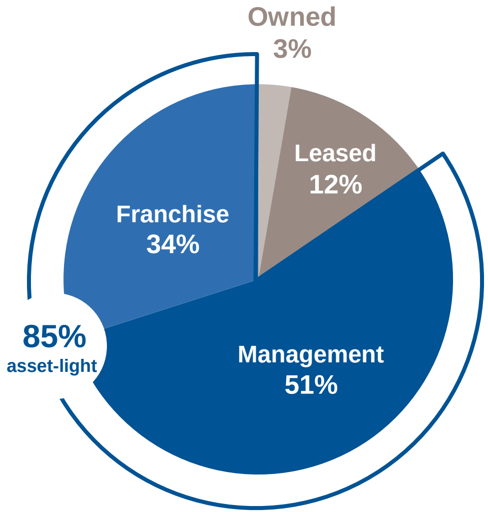
ACCOR
Open New Frontiers in Hospitality

Expansion in 2013: 22,637 rooms (170 hotels) opened

Room openings – 2013 by region



Room openings – 2013 by operating mode



461,719 rooms at year-end, of which 59% under management and franchise

Fast set up of the new strategy

August 27, 2013

Sébastien Bazin
appointed as Chairman and CEO

November 27, 2013

Presentation of the new strategy
Investor Day

December 2013

Accor Winter Academy
with 200 top managers

January 2014

€750m bond issued
oversubscribed 6 times

February 2014

FY 2013 Results

Q3 & Q4 2013

Internal reviews
Staff meetings around the world to test and finetune Accor's roadmap

November 2013

New ExCo
with regional heads of HotelServices

December 2013 / January 2014

Implementation of 2 businesses
HotelInvest
HotelServices

Geography-based organization
in place

January 2014

Vivek Badrinath
appointed (1) as Head of Marketing, Digital solutions, Distribution, and IT

(1) Appointment effective as of March 1st, 2014

HotelInvest – End 2013

1,387 hotels o/w 278 owned

189,525 rooms

> 85% of hotels in Europe

> 95% of hotels in Budget / Economy / Midscale segments

54% of Net Operating Income (1) generated by owned hotels

Novotel München Airport
Full ownership / 257 rooms

Ibis Krakow Centrum
Full ownership / 175 rooms

Ibis Guimaraes
Full ownership / 67 rooms

Ibis, Ibis Budget Berlin Kurfuerstendamm
Full ownership / 348 rooms

Ibis, Ibis Budget Bern Expo
Full ownership / 198 rooms

Novotel Montréal Aeroport
Full ownership / 120 rooms

(1) Defined as EBITDA less renovation & maintenance capex

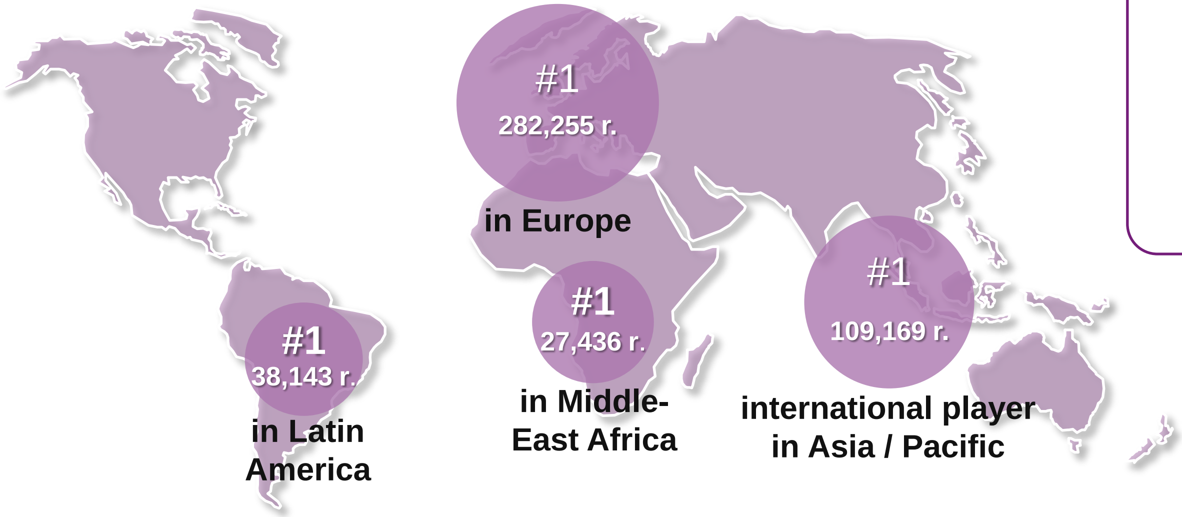
ACCOR
Open New Frontiers in Hospitality

HotelServices – End 2013

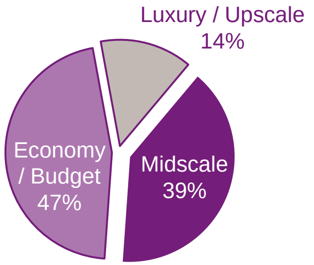
3,576 hotels

461,719 rooms

136k rooms in pipeline



Unique & wide portfolio



Strong achievements in marketing & distribution

56% of rooms sold through Accor's central system, representing **€5.2bn**, **up 20%** vs. 2012

€2.9bn of total room sales through Internet in 2013

- 55% through Accor's websites
- 45% through third-parties websites

LE CLUB ACCOR HOTELS

14m members, o/w **4m recruited in 2013**

2 Freddie Awards (Best earning promotion, Program of the Year)

A full range of apps for fast growing **Smartphones & tablets sales (+150%)**

ACCOR Open New Frontiers in Hospitality

Strengthened Economy brands

1 hotel opened each 3 days

300 new lobbies - 100,000 Sweet Beds by ibis

Guest satisfaction up 5 bps on Comfort (to 90%)

New restaurant concept: ibis Kitchen

- 400 by 2015

New ibis room concept

Higher awareness translating into higher operating performance

ACCOR
Open New Frontiers in Hospitality

Strengthened Midscale brands

Renewed brand positioning

- Development of new concepts including new Food & Beverage concepts and innovative nomadic workers offer, “Easywork”
- Worldwide advertising campaign (12 countries)

Brand consistency

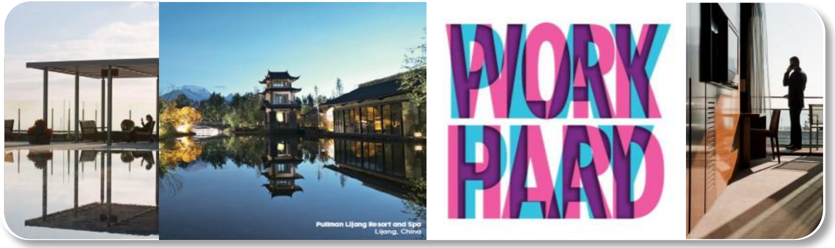
- Dedicaces: 60% of the network renovated by the end of 2013
- Launch of Mercure Quality guarantee, fully implemented by end of 2014

Strengthened Upscale & Luxury brands

pullman
HOTELS AND RESORTS

New Pullman spirit, “Work Hard Play Hard”

- New lobby, new F&B concept, new meeting room concept, development of design and contemporary art



Flagship developments and renovations

- Brussels, London, Bangkok, New Delhi, Sydney
- Renovation of 5 Paris Pullman hotels, largest hotel renovation program in Europe

ACCOR
Open New Frontiers in Hospitality

2013 Results

SOPHIE STABILE – Global Chief Financial Officer

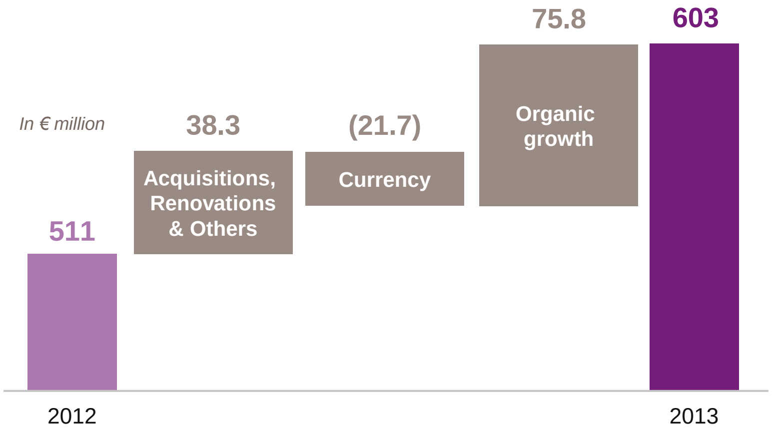
ACCOR
Open New Frontiers in Hospitality

FY 2013 Revenue: €5,536m

Total Group

2012 €5,649m	→	2013 €5,536m
+2.7%		*Like-for-Like* *+€153m*
+2.3%		*Expansion* *+€130m*
(4.6%)		*Disposals* *€(258)m*
(2.4%)		*Currency* *€(138)m*
(2.0%)		*Reported* *+€(113)m*

- **Reported revenue of owned & leased hotels stable, up 1.5%**
- **14.7% increase in Management & Franchise fees**



- **Solid performance across key markets**

Stable EBITDAR margin

Total Group

2012		2013
€1,788m	→	€1,759m
31.7%		31.8%

0.0pt	*Like-for-Like* *+€47m*
(0.1pt)	*Expansion* *+€36m*
+0.2pt	*Disposals* *€(69)m*
0.0pt	*Currency* *€(43)m*
+0.1pt	*Reported* *€(29)m*

- **Tangible positive impact of cost-cutting measures in H2**
- **Globally steady business levels fostered by marketing actions**
- **Improved pricing power in H2**
- **Increase in tax and energy costs weighing on margin**

Sharp operating improvement in H2

	EBITDAR			EBIT		
	H1-13	H2-13	FY-13	H1-13	H2-13	FY-13
Up & Midscale	€446m	€518m	€964m	€71m	€153m	€224m
L/L growth (1)	(3.2%)	4.7%	1.0%	(25.0%)	13.2%	(1.3%)
Economy	€351m	€401m	€752m	€115m	€160m	€275m
L/L growth (1)	(1.4%)	3.7%	1.3%	(3.6%)	9.1%	3.4%

(1) Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

Continuous increase in EBIT, up 5.3% L/L

In € millions	2012	2013	% change	% change L/L(1)
EBITDAR	**1,788**	**1,759**	**(1.7%)**	**2.6%**
Rents	(938)	(894)	4.7%	(1.4%)
Depreciation & amortization	(324)	(329)	(1.4%)	(1.9%)
EBIT	**526**	**536**	**1.9%**	**5.3%**
EBIT margin	*9.3%*	*9.7%*	*0.4pt*	*0.2pt*

(1) Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

Fast implementation of the cost-saving plan protected margins

ACCOR
Open New Frontiers in Hospitality

Net profit up at €126m

In € millions	2012	2013
EBIT	**526**	**536**
Net financial expense	(75)	(92)
Share of profits/(losses) of associates	17	2
Operating profit before tax and non-recurring items	**468**	**446**
Non-recurring items	(229)	(187)
Income tax expense	(143)	(121)
Minority interests	(15)	(13)
Net profit/(loss) before discontinued operations	**80**	**125**
Profit or loss from discontinued operations	(679) [1]	1
Net profit/(loss) attributable to shareholders	**(599)**	**126**

(1) Loss linked to the sale of Motel 6 / Studio 6 to Blackstone closed on October 1st 2012

ACCOR
Open New Frontiers in Hospitality

Positive recurring free cash flow at €248m

In € millions	2012	2013
Funds from operations	**694**	**713**
Renovation & maintenance capex	(299)	(265)
Recurring expansion capex	(245)	(200)
Recurring free cash flow	**150**	**248**

Disciplined capex policy to drive strong cash flow generation

Net Debt

In € millions	2012	2013
Recurring free cash flow	**150**	**248**
Acquisitions & ibis megabrand[(1)]	(469)	(8)
Proceeds from disposals	371	334
Dividends	(269)	(189)
Capital increase, net	3	12
Change in working capital	(158)	133
Precompte Accor SA	-	(185)
Others	(65)	(157)
Cash flow from discontinued operations	242	2
(Increase) / Decrease in net debt	**(195)**	**190**

(1) In 2012 → Mirvac: €193m // Posadas: €217m // Sofitel Los Angeles: €21m // ibis megabrand: €38m

Strong decrease of net debt thanks to optimized working capital

ACCOR
Open New Frontiers in Hospitality

Credit ratios:
in line with the investment grade status

In € millions	**2012**	**2013**
Gross debt	**2,381**	**2,232**
Current financial assets	(1,960)	(2,001)
Net debt	**421**	**231**
Adjusted Funds from operations / Adjusted net debt[1]	28.5%	**31.3%**

(1) Net debt adjusted for NPV of minimum lease payments discounted at 7%

A sound financial position backed by €1.5bn in unused and confirmed credit lines

ACCOR
Open New Frontiers in Hospitality

ROCE flat at 14.0%

In € millions	2012 Capital employed	2012 ROCE	2013 Capital employed	2013 ROCE
Upscale & Midscale	4,142	11.4%	3,947	11.0%
Economy	2,050	19.5%	2,185	18,7%
Others	163	13.0%	218	21.7%
Total Group	**6,355**	**14.0%**	**6,350**	**14.0%**

ROCE lifted in H2 by solid business trends and cost-savings

ACCOR
Open New Frontiers in Hospitality

Proposed dividend for 2013

	2013
Operating profit before non-recurring items, net of tax[1] *(in € millions)*	**362**
Operating profit before non-recurring items, net of tax per share *(in €)*	**1.60**
Ordinary Dividend per share[2] (50% payout ratio) *(in €)*	**0.80**
Ordinary Dividend *(in € millions)*	**183**

(1) Operating profit before tax and non-recurring items, less operating tax, less minority interests

(2) Subject to shareholder approval at the Annual General Meeting on April 29, 2014

Payment method: option between 100% cash or 50% cash / 50% shares[3]

(3) 50% shares with a 10% discount

ACCOR
Open New Frontiers in Hospitality

A new way to monitor our business model

Open New Frontiers in Hospitality

HotelServices & HotelInvest: two core competencies

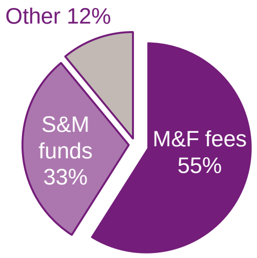
2013 figures	Hotel Services	Hotel Invest	Corporate & Intercos	Accor Group
Revenue	**1,219**	**4,940**	**(624)**	**5,536**
EBITDAR	**432**	**1,376**	(49)	**1,759**
EBITDAR margin	*35.5%*	*27.8%*		*31.8%*
EBITDA	**418**	**491**	(44)	**865**
EBITDA margin	*34.3%*	*9.9%*		*15.6%*
EBIT	**388**	**196**	(48)	**536**
EBIT margin	*31.8%*	*4,0%*		*9.7%*
EBIT 2012 (restated)	**371**	**208**	**(53)**	**526**
EBIT margin (restated)	*32.4%*	*4.1%*		*9.3%*

ACCOR Open New Frontiers in Hospitality

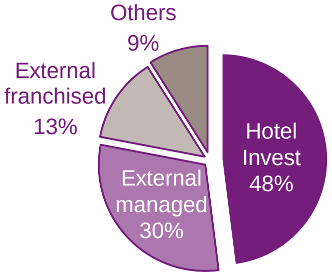
Detailed P&L of HotelServices

2013 Figures	**Managed & franchised**	**Sales & Marketing Fund**	**Other activities**	**Hotel Services**
Revenue	**670**	**399**	**150**	**1,219**
EBITDAR	**358**	**9**	**65**	**432**
EBITDAR margin	*53.4%*	*2.4%*	*43.5%*	*35.5%*
EBITDA	**352**	**4**	**62**	**418**
EBITDA margin	*52.5%*	*0.9%*	*41.5%*	*34.3%*
EBIT	**341**	**(3)**	**50**	**388**
EBIT margin	*50.9%*	*(0.7)%*	*33.3%*	*31.8%*

Breakdown of revenues



Breakdown of fees [1] by counterparty



High EBITDA margin excl. Sales & Marketing Fund

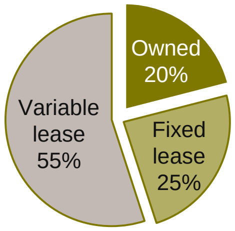
1 Fees comprising revenues from Management, Franchise and S&M

"S&M" : Sales & Marketing / "M&F" : Management & Franchise

Detailed P&L of HotelInvest

2013 Figures	Owned & Leased	Others	HotelInvest
Revenue	**4,761**	**179**	**4,940**
EBITDAR	**1,374**	**2**	**1,376**
EBITDAR margin	*28.9%*	*1.0%*	*27.8%*
EBITDA	**500**	**(9)**	**491**
EBITDA margin	*10.5%*	*(5%)*	*9.9%*
EBIT	**219**	**(23)**	**196**
EBIT margin	*4.6%*	*(12.7%)*	*4.0%*

Breakdown of hotels by operating mode



Roadmap will strongly improve key metrics

2013 HotelInvest P&L by detention mode

2013 Figures	Owned	Fixed lease	Var. lease	Total
Number of hotels	278	345	764	1,387
Revenue	876	1,320	2,565	4,761
EBITDAR	201	413	760	1,374
EBITDAR margin	*22.9%*	*31.3%*	*29.6%*	*28.9%*
Rents	(12)	(332)	(530)	(874)
Depreciations & amortization	(116)	(61)	(104)	(281)
EBIT	73	19	127	219
EBIT margin	*8.3%*	*1.4%*	*4.9%*	*4.6%*
2012 EBIT margin	*8.0%*	*1.2%*	*5.3%*	*4.6%*

Strong room for improvement through assets rotation and decrease of leases

ACCOR
Open New Frontiers in Hospitality

2014 roadmap

SEBASTIEN BAZIN - Chairman and Chief Executive Officer

ACCOR
Open New Frontiers in Hospitality

Five priorities in 2014

1	Keep the momentum of a simple and cost-conscious organization	Effective / ongoing
2	Place guests and partners on top of mind	1st semester 2014
3	Respond to the digital and distribution challenges	1st and 2nd semesters 2014
4	Engage HotelInvest transformation	1st and 2nd semesters 2014
5	Strengthen brands and market shares	2nd semester 2014

Financial policy

Excess-cash allocation

Committed to investment grade status

Cash to support HotelInvest strategy

Available cash reinvested in:

- potential acquisitions when value creative
- exit costs for termination of leases

Cash to support HotelServices strategy

Investments in distribution and brands

Return to shareholders

Payout ratio = 50%

Cash flow allocation to create value

Ready to deliver sustainable growth

Sound 2013 results have strengthened Accor's financial situation

We have a bit of tailwind going forward, despite uncertainty weighing on some markets

Accor is now ready to roll out its strategy, following the very fast implementation of the new model

All teams are now aligned and ready to execute the strategy

Open New Frontiers in Hospitality

2013 Results

February 20, 2014

Appendices

Open New Frontiers in Hospitality

2014 Trends

L/L – excl. VAT O&L	Up & Midscale Worldwide Nov.	Up & Midscale Worldwide Dec.	Up & Midscale Worldwide Jan.	Economy Worldwide Nov.	Economy Worldwide Dec.	Economy Worldwide Jan.
OR (pts)	+0.8	+2.0	+0.1	+1.0	+1.4	+1.1
ARR (%)	+2.0	+1.6	-0.4	+2.3	+2.2	-0.9
RevPAR (%)	+3.3	+5.3	-0.3	+3.8	+4.6	+1.0