



ACCOR HOTELS

Feel Welcome

Press Release

Paris - February 22, 2017

Strong growth in 2016 earnings with increased market share and international reach

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Revenue up 0.9% to €5,631 million (+2.2% LFL)

EBIT up 4.6% to €696 million (+3.8% LFL)

Net profit up 8.1% to €266 million

Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels, said:

AccorHotels has posted an excellent performance for 2016 in a challenging environment, in particular with record levels of EBIT and numbers of hotel rooms opened. Thanks to the efforts made by our teams around the world, we have implemented strong operational levers, which enabled growth in earnings to outpace that in revenue. We have ventured out to conquer new markets and offer new services thereby consolidating our leadership position and opening up new horizons for our clients. Carrying out our project to turn HotelInvest into a subsidiary in 2017 will give us significant headroom to seize the numerous opportunities provided by the rapid transformation of our industry."



Significant events and strategic transactions in 2016

- Robust growth in most of the Group's key markets
- Record development, with 81,042 rooms (347 hotels), of which 89% under management contracts (including 117 hotels and 43,481 rooms via Fairmont Raffles Hotels International) and franchise agreements
- Acquisition of the Fairmont Raffles Hotels International Group, with 98% support at the Shareholders' Meeting of July 12, 2016
- Acquisition of 100% of onefinestay, world leader in luxury serviced home rentals, and 79% of John Paul, world leader in concierge services

HotelInvest

- Continued rotation of assets, with 148 hotels, of which:
 - 85 hotels in Europe transferred to Grape Hospitality
 - 12 hotels in China transferred to Huazhu
- Launch of the Booster project to turn HotelInvest into a subsidiary and sell a majority of its capital
- Agreement with a subsidiary of the Abu Dhabi Investment Authority (ADIA) to restructure a portfolio of 31 hotels (4,097 rooms) in Australia

HotelServices

- Recruitment of 2,200 independent hotels, of which 1,800 integrated into the accorhotels.com marketplace
- Announcement of a strategic partnership with 25Hours Hotels
- Announcement of a strategic partnership with Banyan Tree
- Creation of the JO&JOE lifestyle brand
- Continued deployment of the five-year digital plan (€173 million committed out of €250 million since 2014)

Luxury private rentals

- Acquisition of onefinestay, the world leader in luxury serviced home rentals, of 49% of Squarebreak and of 28% of Oasis Collections
- In February 2017, start of exclusive negotiations with Travel Keys to create the world leader in the rental of luxury private villas



2016 results

On July 12, 2016, AccorHotels announced its intention to dispose of its real estate operations, united within HotelInvest, at the end of first-half 2017.

In accordance with IFRS 5, assets held for sale have been placed in a separate item on the balance sheet, in the income statement and in cash-flow statement.

However, to facilitate comparison with the previous year and the objectives announced by the Group, all comments in this press release regarding business trends and profitability are formulated on the basis of consolidated figures before separation of these operations in the income statement. The tables in the appendix show the reconciliation between the consolidated financial statements and the figures provided before application of IFRS 5.

Sustained revenue growth

<i>In €millions</i>	2015	2016	Change (as reported)	Change (LFL)
HotelServices	1,339	1,567	17.0%	6.2%
HotelInvest	4,815	4,617	-4.1%	0.6%
Holding & Intercos	(574)	(553)	3.5%	2.2%
Total	5,581	5,631	0.9%	2.2%

Consolidated 2016 revenue amounted to €5,631 million, up 2.2% from 2015 at constant scope of consolidation and exchange rates (like-for-like), and up 0.9% as reported. The increase resulted from healthy business levels in most of the Group's key markets: Asia-Pacific (+5.5%), Americas (+4.7%), Northern, Central and Eastern Europe (NCEE: +4.1%), and Mediterranean, Middle East and Africa (MMEA: +3.8%).

- Growth in the Asia-Pacific region was led by the development over the past three years of 252 hotels operated under franchise agreements or management contracts and by RevPAR growth of 4.9% in 2016.
- Despite a challenging business environment in Brazil (-2.4%), the Americas reported an improved performance, driven notably by RevPAR growth of 17.6% in Mexico.
- Eastern Europe, the United Kingdom and Germany were the main business drivers in Northern, Central and Eastern Europe, posting revenue growth of 7.6%, 4.3% and 3.7% respectively for the year.

Revenue was down 2.8% in France in 2016. Business was very challenging in Paris (RevPAR: -13.2%), where demand was affected by recent events, while hotels outside the capital put in a solid performance for the year (RevPAR: +4.2%).



Revenue by business and region in 2016

In € millions	HotelServices			HotellInvest		
	Revenue (€m)		LFL ⁽²⁾	Revenue (€m)		LFL ⁽²⁾
	2015	2016	Change	2015	2016	Change
France	348	346	-0.8%	1,545	1,398	-4.2%
NCEE	338	369	10.8%	2,227	2,082	2.8%
MMEA	137	164	4.4%	432	413	3.5%
Asia-Pacific	366	416	8.1%	274	344	0.4%
Americas	101	196	9.8%	337	380	3.8%
Worldwide structures	49	77	5.9%	N/A	N/A	N/A
Total⁽¹⁾	1,339	1,567	6.2%	4,815	4,617	0.6%

(1) Of which €553 million in intra-Group revenue and holding

(2) Like-for-like: at constant scope of consolidation and exchange rates

Reported revenue for the period reflected the following factors:

- Development, which added €418 million to revenue and 7.5% to growth, with 81,042 additional rooms (347 hotels), of which 89% under management contracts or franchise agreements. At December 31, 2016, the HotelServices portfolio comprised 4,144 hotels and 583,161 rooms, of which 31% under franchise agreements and 69% under management contracts, including the HotellInvest portfolio.
- Disposals, which reduced revenue by €355 million and growth by 6.4%.
- Currency effects, which had a negative impact of €136 million (-2.4%), resulting mainly from declines in the British pound (€72 million), the Argentine peso (€16 million), the Brazilian real (€12 million) and the Egyptian pound (€8 million).

Increase in net profit, Group share

In € millions	2015	2016	Change (as reported)	Change (LFL) ⁽¹⁾
Revenue	5,581	5,631	0.9%	2.2%
EBITDAR⁽²⁾	1,780	1,781	0.1%	1.5%
EBITDAR margin	31.9%	31.6%	-0.3 pt	-0.3 pt
EBITDA	986	1,037	5.2%	4.0%
EBITDA margin	17.7%	18.4%	0.7pt	+0.3pt
EBIT	665	696	4.5%	3.8%
Operating profit before tax and non-recurring items	605	571	-	-
Net profit before profit/(loss) from discontinued operations	246	266	-	-
Profit/(loss) from discontinued operations	(1)	(0)	-	-
Net profit, Group share	244	265	-	-

(1) Like-for-like: at constant scope of consolidation and exchange rates



(2) Earnings before interest, taxes, depreciation, amortization and rental expense.

Solid improvement in EBIT

Consolidated EBITDA amounted to €1,037 million in 2016, representing year-on-year increases of 4.0% like-for-like and 5.2% as reported. Up slightly at constant exchange rates, EBITDA margin increased 0.7 points to 18.4%.

EBIT totaled €696 million in 2016, compared with €665 million in 2015, an increase of 4.5% as reported and 3.8% like-for-like, thanks to a solid fourth quarter marked by some improvements in France. EBIT margin rose sharply to 12.4%, an increase of 0.5 points on a reported basis compared with 2015 (0.2 points on a like-for-like basis), thanks to tight control of operating costs.

Full-year 2016 results for HotelServices & HotelInvest

<i>In € millions</i>	HotelServices	HotelInvest	Holding & Intercos	Accor Hotels
Revenue	1,567	4,617	(553)	5,631
EBITDAR	484	1,376	(79)	1,781
<i>EBITDAR margin</i>	30.9%	29.8%	N/A	31.6%
EBITDA	450	663	(76)	1,037
<i>EBITDA margin</i>	28.7%	14.4%	N/A	18.4%
EBIT	393	385	(82)	696
<i>EBIT margin</i>	25.0%	8.3%	N/A	12.4%
2015 EBIT	359	378	(71)	665
<i>2015 EBIT margin</i>	26.8%	7.8%	N/A	11.9%

EBIT by region and business

<i>In € millions</i>	HotelServices		HotelInvest		AccorHotels ⁽¹⁾		
	2015	2016	2015	2016	2015	2016	Change LFL
France	114	109	58	42	171	150	-13%
NCEE	120	125	250	256	369	381	9%
MMEA	40	51	15	27	55	77	13%
Asia-Pacific	64	99	8	16	71	115	32%
Americas	23	26	6	6	29	31	-18%
Operations	360	409	336	346	696	754	5.0%
Worldwide structures	(1)	(16)	42	39	(31)	(59)	N/A
Total	359	393	378	385	665	696	3.8%

(1) Including holding and intercos



AccorHotels recorded healthy EBIT growth in most of its markets, with a growing contribution from the MMEA and Asia-Pacific regions, and less reliance on France.

The Asia-Pacific region performed particularly well, with a like-for-like increase of 32%, reflecting strong demand in Southeast Asia and very active development over the past three years.

The MMEA region delivered like-for-like growth of 13%, driven by the continuation of a strong recovery in the Iberian Peninsula (+201%).

The NCEE region, which represents 55% of 2016 Group EBIT, posted an increase of 9% thanks to solid business levels in key markets Germany and the United Kingdom.

The decline in EBIT continued in France (-13%), notably following events in Paris and Nice.

Performances in the Americas were dampened by Brazil, which is still plagued by major economic difficulties despite the beneficial impact of the Olympic Games.

HotelServices

HotelServices' business volume was up 20% on a like-for-like basis following the acquisition of the FRHI Group, which generated gross volume of €1.9 billion in the second half of the year.

Detailed 2016 results for HotelServices

<i>In €millions</i>	2015	2016
Business volume (in €bn)	12,9	15,2
Revenue	1,339	1,567
EBITDA	399	450
<i>EBITDA margin</i>	29,8%	28,7%
EBIT	359	393
<i>EBIT margin</i>	26,8%	25,0%

HotelServices' EBITDA rose to €450 million.

This trend reflects, in particular, commitments related to the pursuit of the digital roadmap and transactions carried out in new businesses. As a result, HotelServices recorded EBIT of €393 million, an increase of 4.6% like-for-like. The EBIT margin narrowed by 1.8 points to 25.0%.



HotellInvest

HotellInvest's EBITDAR improved by 0.3% like-for-like to €1,376 million.

Detailed 2016 results for HotellInvest

<i>In €millions</i>	2015	2016
Revenue	4,815	4,617
EBITDAR	1,424	1,376
<i>EBITDAR margin</i>	29.6%	29.8%
EBITDA	654	663
<i>EBITDA margin</i>	13.6%	14.4%
EBIT	378	385
<i>EBIT margin</i>	7.8%	8.3%

Despite a complex business environment, HotellInvest posted record EBIT of €385 million, a sharp 3.9% increase like-for-like. This result means that the EBIT margin has doubled in the space of three years, from 4.1% in 2013 to 8.3% in 2016 (up 0.5 points compared with 2015). The increase is attributable to sustained hotel business, notably in the United Kingdom and Germany, and to HotellInvest's transformation.

In 2016, 148 hotels were restructured, of which 96 leased hotels and 52 owned hotels. The Group sold 85 hotels to Eurazeo in Europe as part of the creation of Grape Hospitality, and secured the restructuring of a portfolio of 31 hotels (4,097 rooms) in Australia with a subsidiary of the Abu Dhabi Investment Authority (ADIA).

These transactions had the effect of reducing adjusted net debt by €320 million.



Gross asset value

HotellInvest's gross asset value was €7.6 billion at December 31, 2016, versus €6.9 billion at December 31, 2015, driven by acquisitions and development in the amount of €0.6 billion. HotellInvest's gross asset value has increased by nearly 70% since the end of 2013.

On January 16, 2017, the Group announced that the gross asset value of the Booster portfolio was €6.6 billion at December 31, 2016.

Record recurring cash flow and a solid financial position

In the year ended December 31, 2016, funds from operations amounted to €868 million, versus €816 million in 2015. Recurring development expenditure amounted to €245 million in 2016, while renovation and maintenance expenditure came to €297 million, versus €269 million in 2015.

The Group's recurring cash flow amounted to €326 million, versus €341 million in 2015, due to strong business levels (+€48 million) and an €87 million increase in development expenditures.

Consolidated net debt totaled €1,488 million at December 31, 2016, an increase of €1,682 million year-on-year, resulting mainly from the acquisitions of FRHI, onefinestay and John Paul.

At December 31, 2016, the cost of the Group's debt was at a record low of 2.85%, versus 2.89% at December 31, 2015. In January 2017, AccorHotels issued a €600 million 7-year bond with a coupon of 1.25%, thereby further lowering the cost of the Group's debt to 2.57%.

AccorHotels also has an unused €1.8 billion confirmed long-term line of credit.

Dividend

Operating profit before non-recurring items, net of tax amounted to €469 million, representing earnings per share of €1.81. Based on these earnings, AccorHotels will submit for the approval of shareholders the payment of a dividend of €1.05 per share at the May 5, 2017 Annual Shareholders' Meeting, with payment 100% in cash or 100% in shares at a discount of 5%.

* * *



Events during second-half 2016

On July 1, 2016, AccorHotels announced the sale of a portfolio of 85 hotels to Grape Hospitality, a European hotel platform 70% owned by Eurazeo and 30% by AccorHotels, for €504 million. The portfolio consists of 1 Pullman, 19 Novotel, 13 Mercure, 35 ibis, 3 ibis Styles and 14 ibis budget hotels, all of which will continue to be operated under franchise contracts and will benefit from an ambitious renovation program over the coming months.

On July 12, 2016, AccorHotels finalized the acquisition of the Fairmont Raffles Hotels International Group. This acquisition positions AccorHotels as a leading player in the global luxury hotel market, giving it 156 facilities of the highest quality, 39 of which are under development, and providing the Group with solid expertise in luxury hotel management and marketing, and a substantial footprint in the North American market. A global luxury/upscale division has been created within AccorHotels, and Chris Cahill – a specialist in luxury hospitality who spent part of his career heading up Operations at FRHI – has been appointed to its helm. The deal resulted in an investment by the Qatar Investment Authority and Kingdom Holding Company of Saudi Arabia funds, and the allocation of seats on the AccorHotels Board of Directors to three of their representatives, as well as three independent directors.

On July 12, 2016, AccorHotels announced plans to turn HotelInvest into a subsidiary, with the aim of strengthening its financial resources in order to accelerate its growth, while also providing a legal structure that will ultimately enable third-party investors to hold the majority of HotelInvest's capital. AccorHotels will use the additional financial leeway to develop its two business lines and seize new growth opportunities, thereby maximizing the Group's overall value.

On September 27, 2016, AccorHotels launched its new JO&JOE brand with the aim of revolutionizing the traditional codes of hospitality by blending the best aspects of private renting, youth hostels and hotels. Its objective is to offer its guests a completely revisited and disruptive experience in terms of design, food & beverage, service and customer experience. A total of 50 venues in destinations popular with Millennials are to open mid-term.

On November 7, 2016, AccorHotels and 25hours Hotels sealed a strategic partnership to create the conditions for global development for the brand. AccorHotels is to acquire 30% of 25hours and will be able to exercise a call option on up to 100% of the Company's stock over the next few years.



On November 16, 2016, AccorHotels acquired 79% of John Paul for US\$120 million. World leader in concierge services, John Paul today has more than 1,000 concierges with experience built in the most prestigious luxury hotels, available 24/7 to cater to their customers' every request anywhere around the world. John Paul's global network of more than 50,000 partners and its powerful CRM software will allow AccorHotels to provide an even broader choice of services to treat all travelers to the best experience before, during and after their stays.

On December 7, 2016, AccorHotels and Banyan Tree Holdings announced the signing of an agreement for a long-term partnership. AccorHotels will invest an initial sum of SDG 24 million (around €16 million) in Singapore-based Banyan Tree. The two parties undertake to co-develop and manage Banyan Tree hotels around the world. Banyan Tree will also have access to the AccorHotels booking and sales platform and its loyalty program, Le Club AccorHotels.

On December 21, 2016, AccorHotels announced the signing of an agreement with a wholly owned subsidiary of the Abu Dhabi Investment Authority (ADIA) to restructure a portfolio of 31 hotels (4,097 rooms) in Australia.

- AccorHotels is to convert 15 triple-net leases into 50-year management agreements and extend the management terms of an additional hotel to 50 years (i.e. a total of 16 hotels);
- AccorHotels (HotelInvest) will acquire the real estate of the remaining 15 ibis and ibis Budget branded properties for around AUD\$200 million (€137 million).

Subsequent events

On January 18, 2017, Accor successfully placed €600 million in seven-year bonds with a coupon of 1.25%. This allowed AccorHotels to take advantage of favorable conditions in the credit market to optimize its financing costs and extend the average maturity of its debt.

On February 5, AccorHotels announced that it had begun exclusive negotiations for the acquisition of 100% of Travel Keys, one of the world's leading players in the luxury private rental market, with a collection of over 5,000 luxury villas spread across more than 100 destinations in the Caribbean, Mexico, Hawaii, the United States, Europe, Asia and Africa. The combination of Travel Keys with onefinestay and Squarebreak will provide AccorHotels with a unique, carefully selected addresses in the luxury private rental market, in both vacation and urban settings.



Upcoming events in 2017

April 20, 2017: Publication of first-quarter 2017 revenue

Other information

The Board of Directors met on February 21, 2017 and approved the financial statements for the year ended December 31, 2016. The consolidated financial statements have been audited and the Auditors' report is being issued. The consolidated financial statements and notes related to this press release are available from the www.accorhotels-group.com website.



ABOUT ACCORHOTELS

AccorHotels is a world-leading travel & lifestyle group and digital innovator offering unique experiences in more than 4,100 hotels, resorts and residences, as well as in over 3,000 of the finest private homes around the globe. Benefiting from dual expertise as an investor and operator through its HotelServices and HotelInvest divisions, AccorHotels operates in 95 countries. Its portfolio comprises internationally acclaimed luxury brands including Raffles, Fairmont, Sofitel Legend, SO Sofitel, Sofitel, onfinestay, MGallery by Sofitel, Pullman, and Swissôtel; as well as the popular midscale and boutique brands of 25hours, Novotel, Mercure, Mama Shelter and Adagio; the much-prized economy brands including JO&JOE, ibis, ibis Styles, ibis budget and the regional brands Grand Mercure, The Sebel and hotelF1. AccorHotels provides innovative end-to-end services across the entire traveler experience, notably through the recent acquisition of John Paul, world leader in concierge services.

With an unmatched collection of brands and rich history spanning close to five decades, AccorHotels, along with its global team of more than 240,000 dedicated women and men, has a purposeful and heartfelt mission: to make every guest Feel Welcome. Guests enjoy access to one of the world's most rewarding hotel loyalty programs - Le Club AccorHotels.

AccorHotels is active in its local communities and committed to sustainable development and solidarity through PLANET 21, a comprehensive program that brings together employees, guests and partners to drive sustainable growth.

Accor SA is publicly listed with shares trading on the Euronext Paris exchange (ISIN code: FR0000120404) and the OTC marketplace (Code: ACRFY) in the United States.

For more information and reservations visit accorhotels.group or accorhotels.com. Or become a fan and follow us on [Twitter](#) and [Facebook](#).

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APPENDICES

Fourth-quarter 2016 revenue

<i>In € millions</i>	Q4 2015	Q4 2016	Change (as reported)	Change (LFL)
HotelServices	351	467	33.0%	6.1%
HotelInvest	1,147	1,166	1.6%	1.5%
Holding & Intercos	(137)	(137)	-0.3%	2.4%
Total	1,361	1,496	9.9%	3.1%

At constant scope of consolidation and exchange rates (like-for-like), fourth-quarter 2016 revenue rose by 3.1%.

Reported revenue for the period reflected the following factors:

- Development, which added €200 million to revenue and 14.7% to growth, with the opening of 10,212 rooms (69 hotels).
- Disposals, which reduced revenue by €86 million and growth by 6.3%.
- A negative currency effect of €22 million, which reduced growth by 1.6%, resulting mainly from the decline in the pound sterling (€29 million) partly offset by the rise in the Brazilian real (€13 million).

As a result, fourth-quarter 2016 revenue amounted to €1,496 million, an increase of 9.9% as reported.

Revenue by business and region in fourth-quarter 2016

<i>In € millions</i>	HotelServices			HotelInvest		
	Revenue (€m)		LFL ⁽²⁾	Revenue (€m)		LFL ⁽²⁾
	Q4 2015	Q4 2016	Change	Q4 2015	Q4 2016	Change
France	86	82	-6.0%	364	322	-2.2%
NCEE	87	102	17.6%	539	524	4.3%
MMEA	35	47	4.4%	100	91	4.2%
Asia-Pacific	101	125	7.6%	70	126	0.6%
Americas	24	80	3.0%	75	102	-3.9%
Worldwide structures	17	31	7.9%	N/A	0	N/A
Total⁽¹⁾	351	467	6.1%	1,147	1,166	1.5%

(1) Of which €136.9 million in intra-Group revenue and holding

(2) Like-for-like: at constant scope of consolidation and exchange rates



HotelServices: fourth-quarter revenue up 6.1% like-for-like¹ to €467 million

HotelServices reported business volume² of €4.3 billion in fourth-quarter 2016, an increase of 33.5% at constant exchange rates, driven by the combined impact of development and growth in RevPAR.

Revenue was up 6.1% on a like-for-like basis compared with fourth-quarter 2015, with notable increases in the NCEE (+17.6%), Asia-Pacific (+7.6%), MMEA (+4.4%) and Americas (+3.0%) regions, and a decline of 6.0% in France.

HotellInvest: fourth-quarter revenue up 1.5% like-for-like to €1,166 million

At December 31, 2016, the HotellInvest portfolio comprised 1,182 hotels, of which 80%³ in Europe and 92% in the Economy and Midscale segments.

HotellInvest's performance in France (-2.2% like-for-like in Q4, after -6.9% in Q3 and -4.0% in Q2) reflects the slump in business following the November 2015 and Nice terrorist attacks. These declines affected all segments in comparable proportions.

Operations in Northern, Central and Eastern Europe (NCEE), which account for 45% of HotellInvest's revenue, rose by 4.3% like-for-like, with business remaining strong in Poland (+6.2%), the United Kingdom (+5.7%) and Germany (+2.7%).

The MMEA region (+4.2%) continued to do well thanks to the Iberian Peninsula (+5.9%).

HotellInvest's overall revenue in the Asia-Pacific region rose by 0.6% at constant scope of consolidation and exchange rates despite sluggish activity in Australia (-3.9%) and China (-1.1%).

Lastly, revenue in the Americas was down 3.9% compared with fourth-quarter 2015 due to the persistently challenging economic environment in Brazil (-14.7%).

¹ For HotelServices, like-for-like revenue includes development-related fees, at constant exchange rates.

² Business volume corresponds to revenue from owned, leased and managed hotels and to room revenue from franchised hotels. Change is as reported, excluding the currency effect.

³ Based on number of rooms.



2016 results in accordance with IFRS 5

<i>In € millions</i>	2015	2016	2016 reported
Revenue	5,581	5,631	1,603
EBITDAR⁽²⁾	1,780	1,781	604
<i>EBITDAR margin</i>	31.9%	31.6%	37.7%
EBITDA	986	1,037	494
<i>EBITDA margin</i>	17.7%	18.4%	30.8%
EBIT	665	696	389
Net financial expense	(71)	(125)	(117)
Share of profit of associates after tax	10	0	6
Operating profit before tax and non-recurring items	605	571	278
Non-recurring items	(196)	(193)	(110)
Income tax expense	(136)	(79)	4
Minority interests	(27)	(33)	(30)
Net profit before profit/(loss) from discontinued operations	246	266	143
Profit/(loss) from discontinued operations	(1)	(0)	123
Net profit, Group share	244	265	265

- (1) Like-for-like: at constant scope of consolidation and exchange rates
(2) Earnings before interest, taxes, depreciation, amortization and rental expense.

2016 cash flow in accordance with IFRS 5

<i>In € millions</i>	2015	2016	2016 reported
EBITDA	986	1,037	494
Net financial expense	(71)	(74)	(70)
Income tax expense	(139)	(142)	(79)
Non cash revenue and expense included in EBITDA	40	47	35
Funds from operations before non-recurring transactions	816	868	379
Renovation and maintenance expenditure	(269)	(297)	(95)
Recurring development expenditure	(205)	(245)	(90)
Recurring free cash flow	341	326	194
Cash conversion rate (recurring cash flow/EBITDA)	35%	31%	39%



2016 net debt in accordance with IFRS 5

<i>In €millions</i>	2015	2016	2016 reported
Recurring free cash flow	341	326	194
Acquisitions	(161)	(3,523)	(3,019)
Proceeds from disposals of assets	356	328	158
Dividends	(174)	(182)	(176)
Change in operating working capital	72	(89)	2
Hybrid instrument issuance (net of issue expenses) ⁽¹⁾	(37)	(37)	(37)
Capital increase related to FRHI		1,726	1,726
Other	(43)	(231)	(244)
Cash flow from discontinued operations	1	0	(479)
(Increase)/decrease in net debt	354	(1,682)	(1,876)

⁽¹⁾Includes the issuance of the hybrid instrument in the amount of €887 million in 2014 and the coupon of €37 million paid in 2016



RevPAR excluding tax by segment and market - Q4 2016

Q4 2016	Managed & Franchised						HotelInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
	chg pts LFL	€	chg % LFL	€	chg % LFL	€	%	chg pts LFL	€	chg % LFL	€	chg % LFL	€	%	chg pts LFL	€	chg % LFL	€
Luxury & Upscale	63.7	+4.6	202	-10.0	128	-3.2	65.6	+0.7	158	-1.3	104	-0.2	64.4	+2.8	184	-6.0	119	-1.8
Midscale	58.1	+2.8	99	-2.7	58	+2.2	63.4	-1.5	110	-2.3	70	-4.8	60.0	+1.1	103	-2.6	62	-0.8
Economy	60.4	+1.9	60	-0.7	36	+2.5	65.2	+0.9	54	-3.8	35	-2.4	62.0	+1.5	58	-1.8	36	+0.7
France	59.8	+2.3	78	-2.0	47	+1.8	64.7	+0.2	77	-3.5	50	-3.2	61.5	+1.5	78	-2.6	48	-0.2
Luxury & Upscale	67.1	+1.9	162	-0.2	109	+2.5	72.9	+0.8	139	+2.7	101	+3.8	69.1	+1.5	154	+0.9	106	+3.0
Midscale	68.2	+1.7	81	+0.7	55	+3.2	74.0	+2.1	89	+1.0	66	+4.0	71.1	+1.9	85	+0.9	60	+3.6
Economy	69.6	+2.4	64	+0.9	45	+4.5	76.8	+1.1	65	+2.0	50	+3.4	74.2	+1.5	65	+1.6	48	+3.7
NCEE	68.6	+2.0	86	+0.4	59	+3.3	75.4	+1.5	79	+1.7	59	+3.7	72.3	+1.7	82	+1.2	59	+3.5
Luxury & Upscale	59.2	+1.3	178	-2.9	105	-0.7	61.3	-4.1	138	+25.2	84	+17.2	59.3	+0.7	176	-0.1	104	+1.1
Midscale	62.6	+2.2	79	-4.5	49	-1.1	65.8	+1.3	72	-1.0	47	+1.0	63.5	+1.9	77	-3.4	49	-0.4
Economy	63.0	+0.8	59	-8.5	37	-7.3	71.2	+1.1	51	-3.4	36	-1.9	66.5	+0.9	55	-6.2	37	-4.9
MMEA	61.0	+1.6	113	-4.9	69	-2.3	68.5	+0.7	64	+1.6	44	+2.8	62.9	+1.3	100	-3.1	63	-1.0
Luxury & Upscale	66.3	+3.5	111	-0.5	74	+4.7	84.9	+1.3	189	+1.9	160	+3.6	67.2	+3.4	116	-0.5	78	+4.7
Midscale	68.8	+0.1	81	+2.2	56	+2.3	81.7	-0.2	136	+3.3	111	+3.0	69.4	+0.0	84	+2.3	59	+2.3
Economy	70.1	+0.7	48	-0.9	33	+0.1	71.9	-2.0	82	+1.7	59	-2.3	70.3	+0.3	51	-1.1	36	-0.6
AsPac	68.3	+1.5	86	+0.6	58	+2.8	78.7	-1.2	133	+3.4	105	+1.4	68.9	+1.3	88	+0.7	60	+2.7
Luxury & Upscale	61.0	-1.5	228	-1.0	139	-3.3	55.9	-9.1	189	+7.8	106	-7.5	60.6	-3.4	225	+1.6	136	-3.7
Midscale	59.7	-1.6	91	-0.8	54	-3.5	50.0	-5.1	76	+3.7	38	-5.5	57.6	-2.4	88	+0.1	51	-3.9
Economy	54.6	-4.6	46	+1.1	25	-6.5	55.3	-4.4	47	+2.8	26	-4.4	54.9	-4.5	47	+1.9	26	-5.4
Americas	58.9	-2.9	146	+2.8	86	-1.9	54.3	-5.0	68	+2.9	37	-5.3	57.6	-3.6	126	+3.1	73	-2.8
Luxury & Upscale	63.8	+2.7	155	-1.9	99	+2.2	69.7	-1.5	161	+5.0	112	+2.8	64.4	+2.2	156	-1.0	101	+2.3
Midscale	64.9	+1.1	85	-0.1	55	+1.5	69.0	+0.5	94	-0.1	65	+0.7	66.1	+0.9	88	-0.1	58	+1.2
Economy	63.8	+1.0	56	-0.8	36	+0.8	69.2	+0.2	59	+0.1	41	+0.4	66.0	+0.6	57	-0.4	38	+0.6
Total	64.1	+1.4	94	-0.6	61	+1.5	69.2	+0.2	79	+0.5	55	+0.8	65.6	+1.0	90	-0.2	59	+1.3

NCEE: Northern, Central and Eastern Europe (does not include France or Southern Europe)

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AsPac: Asia-Pacific

Americas: North America, Central America and South America



RevPAR excluding tax by segment and market - full-year 2016

2016	Managed & Franchised						HotelInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
	chg pts LFL	€	chg % LFL	€	chg % LFL	%	chg pts LFL	€	chg % LFL	€	chg % LFL	%	chg pts LFL	€	chg % LFL	€	chg % LFL	
Luxury & Upscale	63.6	-2.7	214	-3.2	136	-7.0	67.0	-4.8	169	+2.0	113	-4.8	65.0	-3.7	194	-0.6	126	-5.9
Midscale	61.4	-1.0	103	+0.3	63	-1.3	63.6	-5.3	112	+0.5	71	-7.5	62.3	-2.8	107	+0.3	66	-4.1
Economy	64.4	+0.2	61	+0.4	39	+0.8	66.7	-1.1	54	-2.5	36	-4.1	65.2	-0.3	59	-0.6	38	-1.0
France	63.5	-0.2	80	-0.4	51	-0.7	65.7	-2.7	79	-1.8	52	-5.7	64.3	-1.2	80	-1.0	51	-2.8
Luxury & Upscale	70.7	-1.0	161	+2.2	114	+0.9	73.5	-0.9	143	+3.4	105	+2.1	71.7	-0.9	155	+2.7	111	+1.4
Midscale	69.5	+1.9	82	+2.5	57	+5.3	74.3	+0.3	89	+2.6	66	+3.1	72.0	+1.0	86	+2.5	62	+4.0
Economy	70.7	+1.6	65	+1.3	46	+3.6	77.1	-0.3	66	+2.9	51	+2.5	74.9	+0.3	66	+2.5	49	+2.8
NCEE	70.1	+1.5	86	+1.6	60	+3.8	75.7	-0.1	79	+2.8	60	+2.8	73.3	+0.5	82	+2.4	60	+3.2
Luxury & Upscale	61.0	-0.2	174	-4.1	106	-4.3	62.3	-6.0	152	+14.5	95	+4.4	61.1	-0.9	172	-1.9	105	-3.3
Midscale	61.6	-1.2	81	-4.3	50	-6.1	69.9	+0.7	74	+0.9	51	+2.0	64.1	-0.5	78	-2.6	50	-3.4
Economy	63.5	+0.6	58	-6.6	37	-5.9	72.9	+1.8	51	-1.0	37	+1.6	67.7	+1.2	55	-3.9	37	-2.2
MMEA	61.6	-0.2	109	-4.8	67	-5.1	71.0	+0.8	67	+1.0	47	+2.1	64.3	+0.1	95	-3.2	61	-3.0
Luxury & Upscale	65.0	+3.6	104	-0.1	68	+5.5	85.4	+7.1	187	-1.7	159	+6.4	65.5	+3.6	107	-0.1	70	+5.4
Midscale	69.8	+2.0	78	+1.2	55	+4.1	82.1	+0.5	125	+1.3	102	+1.9	70.5	+1.9	81	+1.1	57	+3.8
Economy	67.9	+2.7	45	+0.1	31	+4.3	69.0	-2.2	72	+1.6	50	-2.7	68.0	+2.1	48	+0.0	33	+3.3
AsPac	67.7	+2.9	80	+0.9	54	+5.2	76.1	-1.0	114	+2.3	87	+0.6	68.1	+2.7	82	+0.9	56	+4.9
Luxury & Upscale	68.9	-0.3	222	+4.9	153	+4.4	60.6	-5.2	203	+34.2	123	+23.3	67.9	-1.6	220	+11.0	149	+8.3
Midscale	60.5	-1.1	85	-1.5	51	-3.3	54.1	-2.6	76	+6.7	41	+2.1	59.2	-1.4	83	+0.1	49	-2.3
Economy	57.5	-2.6	46	+8.1	26	+3.7	58.2	-5.6	44	+2.9	26	-5.8	57.8	-4.1	45	+5.5	26	-1.2
Americas	62.4	-1.6	125	+5.0	78	+2.4	57.6	-5.0	67	+11.0	39	+2.4	60.9	-2.9	108	+7.2	66	+2.4
Luxury & Upscale	65.3	+2.0	145	-1.2	95	+1.9	69.6	-3.5	165	+8.5	115	+3.1	65.8	+1.3	148	+0.1	97	+2.1
Midscale	66.1	+0.6	85	+0.2	56	+1.1	69.9	-1.4	95	+1.5	66	-0.6	67.3	-0.1	88	+0.6	59	+0.4
Economy	65.4	+0.7	56	+0.6	37	+1.6	70.4	-1.1	59	+1.0	41	-0.5	67.4	-0.1	57	+0.8	39	+0.6
Total	65.6	+1.0	89	+0.3	58	+1.8	70.1	-1.3	78	+1.8	55	-0.1	67.1	+0.2	85	+0.9	57	+1.1

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