



ACCORHOTELS

Feel Welcome

Press Release
Paris, April 19, 2016

Sound revenue growth in first-quarter 2016 Like-for-like increase of 1.9%

First-quarter 2016 demand was strong in the majority of the Group's markets with revenue totaling €1,161 million, up 1.9% at constant scope of consolidation and exchange rates (LFL), and down 5.2% as reported.

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

“Overall, we got off to a good start in a majority of our regions in 2016. Only France and Brazil remain complicated, but the operational teams have been working for the past few months to implement the measures necessary to overcome these difficulties and are steadfastly focused on achieving growth and profits.

The Group is also carrying out more value-creating initiatives and is moving ahead with its transformation project. The recent acquisition of onefinestay, the accelerated recruitment of independent hoteliers for our AccorHotels platform and the announced acquisition of FRHI demonstrate our agility and our determination. These strengths give us the means to consolidate our position as the world's leading hotel operator and to once again achieve record performances in 2016.”

First-quarter 2016 highlights:

- Favorable trends in the vast majority of the Group's markets
- France continued to be impacted by the terrorist attacks in November 2015, with Paris the worst affected while other regions showed a clear improvement
- Buoyant business in Europe, with the exception of Belgium and Germany
- HotelInvest: stable like-for-like revenue (+0.2%) despite its heavy exposure to France
- HotelServices: solid comparable revenue growth (+5.6%) particularly thanks to rapid development with the record opening of 8,961 new rooms (46 hotels) in the first quarter



Sound first-quarter 2016 revenue growth

Revenue by business

<i>in €million</i>	Q1 2015	Q1 2016	Reported Change	L/L Change
HotelServices	290	300	3.3%	5.6%
HotellInvest	1,055	973	-7.8%	0.2%
Holding & Intercos	-120	-112	7.4%	3.8%
Total	1,225	1,161	-5.2%	1.9%

Revenue by business and region

<i>in € million</i>	HotelServices			HotellInvest		
	Revenue (€m)		Change	Revenue (€m)		Change
	Q1 2015	Q1 2016	Comp.	Q1 2015	Q1 2016	L/L
France	70	70	0.6%	336	318	-3.2%
NCEE	68	72	8.3%	475	441	1.6%
MMEA	32	33	5.3%	86	86	6.1%
Asia-Pacific	87	91	8.2%	66	54	-0.7%
Americas	25	23	10.8%	92	73	0.7%
Worldwide Structures	8	11	-14.0%	N/A	N/A	N/A
Total⁽¹⁾	290	300	5.6%	1,055	973	0.2%

(1) Of which €112 million in intra-Group and holding revenue

First-quarter 2016 revenue amounted to €1,161 million, a 1.9% like-for-like increase year-on-year (-5.2% as reported). This growth reflected sound demand in the majority of the Group's key markets, particularly those situated in the Mediterranean, Middle East, Africa region (MMEA, +5.3% LFL) and, to a lesser extent, in Central, Northern and Eastern Europe (NCEE, +2.8% LFL), where demand stabilized in the United Kingdom and Germany, as expected.

The environment remained challenging in France, where overall revenue dropped 1.6%, despite the occupancy rate holding up well (-0.5 pts). In line with trends observed since the terrorist attacks of November 2015, demand remained mixed, with Paris still experiencing difficulties and other regions seeing improvements in RevPAR, especially in February and March.

Revenue in the Americas climbed 2.8% like-for-like, despite the decline in Brazil (-3.7% LFL). North America and the Caribbean continued to perform well (+10.2% LFL), as did the rest of Latin America (+1.6% LFL), in an environment shaped by high inflation.



Reported revenue for the period reflected the following factors:

- Development, which added €19 million to revenue and 1.5% to growth, with the opening of 8,961 rooms (46 hotels), of which 94% under management and franchise agreements.
- Disposals, which reduced revenue by €66 million and growth by 5.4%.
- Currency effects, which had a negative impact of €40 million, mainly related to the decline of the Brazilian real (-€19 million), the Australian dollar (-€6 million) and the British pound (-€5 million).

HotellInvest: first-quarter revenue up 0.2% like-for-like at €973 million

HotellInvest's revenue in **France** decreased by 3.2% like-for-like, with a slowdown in demand in the Economy (-2.9% LFL) and Midscale (-4.3%) segments, reflecting the high proportion of owned and leased hotels in the Paris region. The Luxury & Upscale segment held up slightly better (-1.4%).

Operations in Northern, Central and Eastern Europe (**NCEE**), which account for 45% of HotellInvest's revenue, continued to gain ground (+1.6% LFL) thanks to sustained demand particularly in the United Kingdom (+3.2%) and Poland (+5.0%). Germany had a mixed first quarter, as anticipated, with a 1.2% decline in like-for-like revenue, reflecting the unfavorable trade fair and exhibitions calendar, which is expected to vastly improve for the rest of the year. The decline in reported revenue in the region (-6%) is exclusively due to the disposal of 29 hotels in 2015.

The **MMEA** region (+6.1% LFL) remained very healthy, thanks to the continued recovery of countries in the Iberian Peninsula (+12.5%), as well as resilient demand in Africa (+4.8%), which largely escaped the effects of economic and political difficulties in the region.

HotellInvest's business in **Asia-Pacific** dipped slightly by 0.7% like-for-like, with a 1.0% decline in Australia and stable revenue in China (+0.3% in Q1).

Revenue in the **Americas** region was stable (+0.7%), with the strong performance in North America and the Caribbean (+8.1%) offsetting the 6.0% decrease in Brazil, in an environment still shaped by strong inflation in the main South American countries.

At March 31, 2016, HotellInvest's portfolio included 1,264 hotels, of which 87% in Europe and 96% in the Economy and Midscale segments. Since the beginning of the year, 28 hotels have been restructured by HotellInvest, including 12 ibis hotels in China, which have been transferred to Huazhu, and 3 Sofitel hotels in Tahiti. As announced in January, a portfolio of 85 hotels in Europe, currently owned outright (28 hotels) or operated under variable leases (57 hotels), will be sold to a new franchisee created in partnership with Eurazeo in June 2016.



HotelServices: first-quarter revenue up 5.6% like-for-like¹ at €300 million

At 31 March 2016, HotelServices reported **business volume²** of €3 billion, an **increase of 4.6%** at constant exchange rates, driven by the combined impact of new openings and growth in RevPAR.

Like-for-like revenue rose by 5.6% versus first-quarter 2015, with significant increases in most markets: Europe excluding France and Mediterranean (NCEE: +8.3%), Mediterranean, Middle East, Africa (MMEA: +5.3%), Asia-Pacific (+8.2%), and the Americas (+10.8%). HotelServices' revenue in France was stable (+0.6%).

Fees paid by HotelInvest to HotelServices amounted to **€103 million** in the first quarter, or 34% of HotelServices' revenue for the period.

AccorHotels opened 46 hotels or 8,961 rooms during the period, of which 94% under franchise agreements and management contracts. **At March 31, 2016, the HotelServices portfolio comprised 3,900 hotels and 517,680 rooms**, of which 31% under franchise agreements and 69% under management contracts, including the HotelInvest portfolio.

First-quarter 2016 key market review

Excluding France, the Group's main markets achieved good performances in the first quarter of 2016.

In **Germany**, first-quarter demand remained robust, despite an unfavorable trade fair and exhibitions calendar and the renovation of the Group's main flagship hotel, the Sofitel Bayerpost in Munich. Against this backdrop, like-for-like revenue dipped slightly by 1.2% for HotelInvest and by 0.6% for HotelServices. The events calendar will be more favorable for the rest of the year.

In the **United Kingdom**, business trends were mixed, with RevPAR down 3% in London and sustained growth in other regions (RevPAR +5%). Like-for-like revenue for HotelInvest and HotelServices climbed 3.2% and 18.5% respectively, with the latter greatly benefiting from rapid development in 2015. The increases were driven by high, stable demand, with a 71.1% occupancy rate in the quarter, facilitating the optimization of average prices (+1.3%) and RevPAR (+0.7%).

Belgium suffered from the effects of the terrorist attacks in Brussels, with revenue significantly weighed down towards the end of the quarter, resulting in a 5.8% decline like-for-like.

The 2.8% like-for-like growth in revenue in the **Americas** region reflects both the still difficult situation in Brazil (-3.7%) and a strong performance in the North America and Caribbean markets (+10.2%).

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.



The **MMEA** region delivered a satisfactory performance (LFL revenue: +5.3%), led by countries in Southern Europe, and more particularly in the Iberian Peninsula (+14.4%).

Favorable outlook maintained

Performance was sound in first-quarter 2016 and remained in line with the trends observed at the end of 2015.

AccorHotels continued to benefit from good overall momentum, with growth in RevPAR in a number of markets, such as the United Kingdom, Southern Europe, Central Europe, the Middle East and the majority of markets in the Asia-Pacific region.

Demand in France was hampered by a drop in France's appeal as a destination in the wake of the November terrorist attacks. Trends are encouraging in other areas of the country and reveal a slow but sure improvement in the Paris region. A favorable calendar in May and the start of the Euro 2016 football tournament in June should put growth back in positive territory in the second quarter. Germany, the Group's second biggest market, should also see a clear upward shift in the second quarter of 2016, after a stable first quarter in line with expectations.

The development of the hotel portfolio is continuing apace, with a record first quarter and a development pipeline of more than 158,000 rooms. Similar momentum has been generated by the AccorHotels marketplace, with more than 1,100 independent hotels joining the Group's booking systems since the initiative was launched in autumn 2015.

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Material transactions and events since the beginning of 2016

On January 27, 2016, a strategic alliance was finalized with Huazhu. This unprecedented partnership creates a hospitality giant in China whose strength lies in a newly formed joint distribution system and the combination of two ambitious loyalty programs, which together boast over 75 million members worldwide.

Also on January 27, AccorHotels also announced that it had entered into exclusive negotiations for the **sale of a portfolio of 85 hotels** in Europe to a new franchisee hotel operator, 70% owned by Eurazeo.

On February 18, 2016, AccorHotels announced that it had acquired stakes in SquareBreak (30%) and Oasis Collection (49%), two digital platforms specialized in serviced property rentals.

On April 5, 2016, AccorHotels announced the acquisition of onefinestay, a high-end hospitality pioneer specializing in luxury serviced home rental in key worldwide gateways, for €148 million (£117 million).

As of March 31, 2016, Jin Jiang International Holdings held, through three wholly owned subsidiaries, 35,250,000 Accor shares, representing 14.98% of the share capital and 13.07% of the voting rights.



Significant openings

A total of 8,961 rooms (46 hotels) were opened in the first quarter of 2016. The most significant openings included the Sofitel Sanya Leeman Resort in China, the Pullman Zamzam Madina in Saudi Arabia, the Novotel Phu Quoc Resort in Vietnam, the Mercure Ribeirao Preto in Brazil, the ibis Chennai City Centre in India and the ibis Styles Osaka in Japan.

Upcoming events

- April 22, 2016: Annual Shareholders' Meeting.
- July 28, 2016 First-half 2016 results

ABOUT ACCORHOTELS

AccorHotels is a Group united by a shared passion for hospitality and driven by a shared promise to make everyone Feel Welcome.

Over 190,000 women and men in 3,900 AccorHotels establishments look after thousands of guests every day in 92 countries.

AccorHotels is the world's leading hotel operator and offers its customers, partners and employees:

- its dual expertise as a hotel operator and franchisor (HotelServices) and a hotel owner and investor (HotelInvest);
- a large portfolio of internationally renowned brands covering the full spectrum, with luxury (Sofitel, Pullman, MGallery, Grand Mercure, The Sebel), midscale (Novotel, Suite Novotel, Mercure, Adagio) and economy (ibis, ibis Styles, ibis budget, adagio access and hotelF1) establishments;
- the strength of its marketplace and its Le Club AccorHotels loyalty program;
- almost half a century of commitment to corporate citizenship and solidarity with the PLANET 21 program.

Accor SA shares are listed on the Euronext Paris stock exchange (ISIN code: FR0000120404) and traded in the USA on the OTC market (Code: ACRYF)

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RevPAR excluding tax by segment and market - first-quarter 2016

Q1 2016	Managed & Franchised						HotellInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
	chg pts L/L	€	chg % L/L	€	chg % L/L	€	%	chg pts L/L	€	chg % L/L	€	chg % L/L	€	%	chg pts L/L	€	chg % L/L	€
Luxury & Upscale	53.1	-2.0	182	-1.6	97	-5.0	57.8	-2.4	149	+0.4	86	-3.6	55.3	-2.2	166	-0.6	92	-4.3
Midscale	52.7	+0.2	101	-0.3	53	+0.2	54.8	-3.1	106	-2.1	58	-7.4	53.6	-1.3	103	-1.2	55	-3.5
Economy	56.1	+0.5	59	-0.5	33	+0.5	59.4	-0.8	53	-3.3	32	-4.7	57.3	+0.0	56	-1.5	32	-1.5
France	54.9	+0.4	76	-0.7	42	-0.0	57.8	-1.7	75	-3.0	43	-5.7	56.1	-0.5	75	-1.7	42	-2.5
Luxury & Upscale	63.8	-1.0	146	+1.8	93	+0.2	64.3	-2.1	134	-1.0	86	-4.3	64.0	-1.5	141	+0.7	90	-1.6
Midscale	60.7	+1.0	81	+1.6	49	+3.4	63.3	-0.1	86	+0.6	55	+0.4	62.1	+0.3	84	+0.9	52	+1.5
Economy	61.9	+2.4	63	-0.1	39	+3.8	68.3	-0.3	62	+1.9	43	+1.5	66.2	+0.4	63	+1.4	42	+2.1
NCEE	61.5	+1.3	82	+0.6	50	+2.8	65.9	-0.3	75	+0.9	50	+0.5	64.1	+0.3	78	+0.8	50	+1.3
Luxury & Upscale	59.4	-0.4	168	-5.0	100	-5.8	61.0	-8.1	139	+10.0	84	-3.0	59.6	-1.4	165	-3.3	98	-5.4
Midscale	57.7	-4.2	90	-4.0	52	-10.4	58.9	+1.4	68	+2.5	40	+5.0	58.1	-2.0	82	-2.6	48	-5.8
Economy	60.4	-1.1	65	-6.2	39	-7.9	65.0	+4.1	50	+1.1	32	+8.1	62.6	+1.6	58	-3.4	36	-0.9
MMEA	58.7	-2.0	107	-4.3	63	-7.4	62.5	+2.2	62	+0.9	39	+4.7	60.0	-0.4	91	-3.6	55	-4.2
Luxury & Upscale	62.4	+2.7	106	+0.3	66	+4.7	67.5	+3.7	198	-0.9	134	+5.1	62.4	+2.7	107	+0.3	67	+4.7
Midscale	70.9	+2.9	80	-0.1	57	+4.1	79.5	-0.5	122	+0.4	97	-0.3	71.3	+2.7	83	-0.2	59	+3.6
Economy	61.9	+1.8	45	-0.5	28	+2.3	64.4	-2.0	68	+0.5	44	-3.8	62.2	+1.3	48	-0.6	30	+1.6
AsPac	65.4	+2.7	80	+0.7	53	+4.8	69.7	-1.3	94	+1.1	66	-1.2	65.6	+2.5	81	+0.7	53	+4.5
Luxury & Upscale	67.8	+0.2	168	+8.4	114	+8.4	64.6	-3.0	163	+20.5	105	+15.1	67.0	-0.8	166	+11.6	112	+10.1
Midscale	58.4	-0.4	74	-4.1	43	-4.7	52.4	-3.1	70	+4.1	36	-1.4	57.1	-0.9	73	-2.4	42	-4.0
Economy	57.3	-2.3	41	+3.4	24	-0.5	57.3	-8.8	41	+4.9	23	-8.8	57.3	-5.6	41	+4.3	23	-4.9
Americas	59.4	-1.5	77	+4.1	46	+1.6	57.0	-7.2	59	+10.8	34	-1.4	58.5	-3.7	71	+6.8	41	+0.6
Luxury Upscale	61.9	+1.5	128	-0.6	79	+1.7	61.9	-3.1	146	+5.5	90	+0.3	61.9	+0.9	130	+0.1	81	+1.5
Midscale	61.9	+0.8	85	-0.8	52	+0.5	60.3	-1.0	91	-0.3	55	-2.0	61.4	+0.1	87	-0.6	53	-0.4
Economy	58.9	+0.7	55	-0.6	32	+0.5	63.4	-1.1	56	+0.5	35	-1.2	60.8	-0.1	55	-0.1	34	-0.3
Total	60.7	+0.9	82	-0.2	50	+1.3	62.1	-1.2	73	+0.5	45	-1.4	61.2	+0.1	79	+0.2	48	+0.4

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

MMEA: Mediterranean, Middle East and Africa (includes Southern Europe)

AsPac: Asia-Pacific

Americas: North America, Central America and South America