



ACCORHOTELS

Press Release

Paris - October 14, 2015

**Solid growth in
third-quarter 2015 revenue:
up 3.4% like-for-like**

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**Full-year 2015 EBIT target:
between €655 million and €675 million**

Third-quarter 2015 business activity was strong in the majority of the Group's markets. Revenue totaled €1,493 million, up 3.4% at constant scope of consolidation and exchange rates (LFL), and up 2.4% as reported.

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

Third-quarter performance was in line with the trends observed since the beginning of the year, with strong business activity in most of the Group's markets, flat demand in France and a rapid deterioration in Brazil reflecting a challenging economic environment. AccorHotels continues to deploy its strategy, with the initial success of the digital plan and fast growth for HotelServices, and the transformation of HotelInvest. In light of these elements, the Group refines the range of its 2015 EBIT forecast to between €655 million and €675 million.

Third-quarter 2015 highlights:

- Sustained growth in a vast majority of European markets
- Very solid performances in Africa Middle East and Asia-Pacific (excluding China)
- Flat demand and a stable performance in France
- Rapid deterioration of the situation in Brazil, exacerbated by the devaluation of the real
- HotelInvest: continued restructuring at a fast pace
- HotelServices: opening of 23,449 rooms (154 hotels) since the beginning of the year; further implementation of the digital plan



Third-quarter 2015 revenue

Solid growth in revenue

<i>In € million</i>	Q3 2014	Q3 2015	Change (as reported)	Change (LFL)
HotelServices	325	356	9.4%	8.4%
HotellInvest	1293	1295	0.1%	2,0%
Holding & Intercos	(160)	(157)	1.8%	(2.3%)
Total	1 459	1 493	2.4%	3.4%

Consolidated third-quarter 2015 revenue amounted to €1,493 million, up 3.4% year-on-year at constant scope of consolidation and exchange rates (up 2.4% as reported). This growth resulted from favorable business activity in most of the Group's key markets, located mainly in Northern, Central and Eastern Europe (NCEE, revenue up 4.8% LFL) and in the Mediterranean, Middle East, Africa region (MMEA, revenue up 10.0% LFL).

The environment remains sluggish in France (revenue up 1.0% LFL), where demand was stable. In line with trends observed since the beginning of the year, there was a contrast between the persistently challenging environment in Paris and the performance in regional areas, with sound RevPAR growth in most of the other major cities (Lyon, Bordeaux, Strasbourg, Marseilles and Lille in particular).

Revenue in the Americas fell by 6.7% like-for-like, driven down by Brazil (revenue down 12.7% LFL), which is experiencing a major crisis exacerbated by the unfavorable change in the real's exchange rate and the effects of demanding comparatives in July relating to the FIFA World Cup in 2014.

Revenue by business and region in third-quarter 2015

<i>In € million</i>	HotelServices			HotellInvest		
	Revenues (€m)		Change	Revenues (€m)		Change
	Q3 2014	Q3 2015	Comp.	Q3 2014	Q3 2015	LFL
France	91	94	5.9%	418	411	(0.5%)
NCEE	83	94	10.8%	576	610	4.2%
MMEA	29	35	18.1%	118	126	8.4%
Asia-Pacific	82	90	7.1%	74	70	2.2%
Americas	30	25	(6.8%)	107	78	(7.7%)
Worldwide structures	11	18	37.3%	0	0	N/A
Total⁽¹⁾	325	356	8.4%	1 293	1 295	2,0%

(1) Of which €157 million in intra-Group revenue



Reported revenue for the period reflected the following factors:

- Development, which added €25 million to revenue and 1.7% to growth, with the opening of 8,443 rooms (55 hotels), of which 82% under management and franchise agreements.
- Disposals, which reduced revenue by €40 million and growth by 2.7%.
- Currency effects, which had a marginally positive impact of €0.7 million, with increases in the British pound (€16.7 million) and the US dollar (€4.4 million) undermined by the decline of the Brazilian real (€20.7 million).

HotellInvest: third-quarter revenue up 2.0% like-for-like at €1,295 million

HotellInvest's revenue in **France** edged down, by 0.5% like-for-like, driven chiefly by slowdowns in the Economy (revenue down 1.7% LFL) and Midscale (down 0.5%) segments resulting from the proportion of owned and leased hotels in Greater Paris. By contrast, the luxury and upscale segment recorded an increase of 2.2% like-for-like, driven primarily by a good summer season.

Operations in Northern, Central and Eastern Europe (**NCEE**), which account for 47% of HotellInvest's revenue, continued to gain ground (up 4.2% LFL), with further strong activity in the United Kingdom (up 5.6%), Poland (up 5.8%) and the Benelux countries (up 9.2%). Germany had a very successful summer season but experienced a sharp fall in September owing to the absence of major biennial exhibitions, as expected. Overall, HotellInvest's revenue in Germany rose by 1.7% like-for-like over the quarter.

The **MMEA** region remained very strong (revenue up 8.4% LFL), thanks to the continued recovery in Southern European countries, especially Portugal (up 8.6%) and Italy (up 11.0%). Spain also recorded growth (up 5.1%), despite demanding summer 2014 comparatives.

HotellInvest's business in **Asia-Pacific** delivered a 2.2% increase in revenue at constant scope of consolidation and exchange rates, with a good performance in Australia, and a persistently negative trend in China (down 2.2% in Q3).

Lastly, revenue in the **Americas** fell sharply by 7.7% compared with the third quarter of 2014, reflecting the challenging economic conditions prevailing in Brazil (revenue down 12.5%), in a broader environment of high inflation in the major South American countries.

At September 30, 2015, the HotellInvest portfolio comprised 1,327 hotels, of which 58% in Europe and 94% in the economy and midscale segments. Since the beginning of the year, HotellInvest has restructured 75 hotels, including the portfolio of 29 hotels in Germany and the Netherlands sold on September 30, 2015.



HotelServices: third-quarter revenue up 8.4% like-for-like¹ at €356 million

HotelServices reported **business volume**² of €3.4 billion in the third quarter of 2015, an increase of 6.2% at constant exchange rates, driven by the combined impact of development and growth in RevPAR.

Revenue rose by 8.4% on a like-for-like basis compared with the third quarter of 2014, with sharp increases across all markets: Europe excluding France/Mediterranean (NCEE, up 10.8%), Mediterranean, Middle East, Africa (MMEA, up 18.1%), Asia-Pacific (up 7.1%), France (up 5.9%). The Americas was the only region to report a fall in revenue (down 6.8%), reflecting the steep drop in activity in Brazil (down 16.5%).

Fees paid by HotelInvest to HotelServices amounted to **€147 million** in the third quarter, or 41% of HotelServices' revenue for the period.

AccorHotels opened 55 hotels or 8,443 rooms during the quarter, of which 82% under franchise agreements and management contracts. **At end-September 2015, the HotelServices portfolio comprised 3,815 hotels and 500,366 rooms**, of which 29% under franchise agreements and 71% under management contracts, including the HotelInvest portfolio.

Third-quarter 2015 key market review

With the exception of France, the Group's key markets delivered robust third-quarter performances, with satisfactory RevPAR growth driven by both demand and prices.

In **Germany**, business activity remained strong in the third quarter (revenue up 2.4% LFL) thanks to an excellent summer season and despite a very unfavorable fair and exhibition calendar in September, which resulted in a shortfall of approximately 7% in monthly revenue compared with September 2014. Against this backdrop, HotelInvest and HotelServices reported like-for-like revenue growth of 1.7% and 9.0% respectively. The events calendar will be more favorable in the fourth quarter.

In the **United Kingdom**, business activity again improved strongly in the third quarter (up 6.3%). HotelInvest and HotelServices recorded like-for-like revenue growth of 5.6% and 10.9% respectively. This growth resulted from stable demand at a very high level (with an occupancy rate of 87.9% for owned, leased and managed hotels over the quarter), allowing the optimization of average prices (up 5.3%) and RevPAR (up 5.1%).

Activity in London stabilized during the summer, before accelerating again in September, driven in large part by the Rugby World Cup. Regional cities recorded strong performances, with RevPAR up 8.0% over the quarter, on the back of higher average prices.

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 6.7% like-for-like decline in the **Americas** stemmed exclusively from the difficulties in Brazil. Furthermore, Atlantic coast countries are facing an extremely high inflation, which revenue growth (an increase of 18.5% in Argentina in particular) is insufficient to offset. By contrast, the environment remains buoyant in Peru (up 9.1%) and Chile (up 11.7%).

Lastly, the **MMEA** region recorded a very satisfactory performance (revenue up 10.0% LFL), thanks notably to the Southern European countries for HotelInvest, and also to the Middle East for HotelServices, with very strong growth in the United Arab Emirates (up 40% LFL) and Saudi Arabia (up 14%), reflecting the rapid development of the Group's brands in that region.

Favorable outlook maintained

The Group delivered solid performances in the third quarter of 2015, in line with the trends observed in the first half.

AccorHotels continues to enjoy robust momentum overall, with very dynamic markets including the United Kingdom, Germany, the Benelux countries, Southern Europe, Central Europe, the Middle East and a large majority of the Asia-Pacific region.

Business activity in France is still affected by the continued weakness of the local economy and the decline in its appeal as a travel destination following the events of January and the security measures subsequently implemented by the authorities.

The main point of vigilance continues to be the Americas, particularly Brazil, where the unfavorable change in exchange rates is compounding an extremely challenging political and economic environment.

On the basis of these elements, and in line with the indications issued in conjunction with the half-yearly results, the Group expects full-year 2015 EBIT to amount to between **€655 million and €675 million**, a narrowing around the midpoint of the range given in July.

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Significant events and transactions in third-quarter 2015

July 3, 2015, signature of a partnership with Angolan group AAA Activos to open 50 hotels under management contracts by 2017.

September 1, 2015, appointment of Amir Nahai as CEO Group Food & Beverage.

September 3, 2015, highly successful issue of an 8-year, €500-million bond with a coupon of 2.375%, followed by the redemption of two bonds maturing in 2017 (coupon of 2.875%) and 2019 (coupon of 2.50%) in a combined amount of €598 million, announced **September 11, 2015**.

September 30, 2015, closing of the sale and franchise-back transaction on 29 hotels to Event Hotels announced April 29, 2015.



Significant openings

The Group opened 8,443 new rooms (55 hotels) in the third quarter of 2015. Significant openings include the Pullman City Centre in Kuala Lumpur (Malaysia), the Mercure Amsterdam Sloterdijk (Netherlands), the Novotel/ibis City Arnulfpark in Munich (Germany), the ibis Moscow Dynamo (Russia) and the ibis Styles CDG Airport in Roissy (France).

Upcoming event

February 18, 2016: publication of full-year 2015 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 180,000 women and men in 3,800 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, Mama Shelter, 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: ACRFY)

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Nine-month 2015 revenue

Solid growth in revenue

<i>In €million</i>	Sept. 2014	Sept. 2015	Change (as reported)	Change (LFL)
HotelServices	907	988	8.9%	7.1%
HotellInvest	3 579	3 668	2.5%	2.9%
Holding & Intercos	(435)	(436)	(0.3%)	(3.6%)
Total	4 052	4 220	4.1%	3.8%

Reported revenue for the period reflected the following factors:

- Development, which added €49 million to revenue and 1.2% to growth, with the opening of 23,449 rooms (154 hotels), of which 90% under management and franchise agreements.
- Disposals, which reduced revenue by €105 million and growth by 2.6%.
- Currency effects, which had a positive impact of €69.5 million, mainly related to increases in the British pound (€47.7 million), the US dollar (€14.6 million) and the Swiss franc (€11.9 million), and the decline of the Brazilian real (€28.6 million).

Revenue by business and region in the nine months to September 30, 2015

<i>In € million</i>	HotelServices			HotellInvest		
	Revenues (€m)		Change	Revenues (€m)		Change
	Sept. 2014	Sept. 2015	Comp.	Sept. 2014	Sept. 2015	LFL
France	250	261	6.8%	1 205	1 181	0.5%
NCEE	223	251	9.6%	1 562	1 689	5.2%
MMEA	88	103	9.3%	313	332	7.8%
Asia-Pacific	230	265	8.0%	201	204	3.1%
Americas	82	76	-4.2%	298	262	(3.9%)
Worldwide structures	35	32	8.3%	0	0	N/A
Total⁽¹⁾	907	988	7.1%	3 579	3 668	2.9%

(1) Of which €436 million in intra-Group revenue



RevPAR excluding tax by segment and market - Q3 2015

Q3 2015	OR						ARR						RevPAR									
	%		chg pts L/L		€		%		chg pts L/L		€		%		chg pts L/L		€		%		chg pts L/L	
Luxury & Upscale	81.4	+11.1	216	+0.1	176	+15.6	81.9	+2.2	169	+0.2	139	+3.0	81.7	+6.5	192	+0.8	157	+9.7				
Midscale	74.0	+2.2	102	+0.1	75	+3.2	77.1	+0.9	103	-1.7	80	-0.5	75.3	+1.6	103	-0.7	77	+1.5				
Economy	72.9	-0.1	61	+1.0	45	+0.8	73.1	-1.4	53	-0.4	39	-2.3	73.0	-0.6	58	+0.5	42	-0.4				
France	73.5	+1.0	80	+1.8	59	+3.1	74.9	-0.5	78	-0.3	58	-0.9	74.1	+0.4	79	+0.9	58	+1.4				
Luxury & Upscale	80.5	+3.8	161	+9.9	129	+16.0	80.2	+1.1	140	+3.5	112	+5.0	80.3	+2.5	152	+7.1	122	+10.8				
Midscale	74.8	+3.5	84	+6.0	63	+11.2	81.6	+2.0	86	+1.7	70	+4.3	78.8	+2.6	85	+3.3	67	+6.7				
Economy	78.0	+3.4	67	+2.5	52	+7.2	83.9	+1.9	68	+2.5	57	+4.9	82.1	+2.3	68	+2.5	56	+5.4				
NCEE	76.5	+3.5	86	+5.8	66	+11.0	82.6	+1.9	79	+2.1	65	+4.5	80.4	+2.5	81	+3.4	65	+6.7				
Luxury & Upscale	65.1	+2.7	158	+6.5	103	+11.5	68.7	-0.1	162	+10.4	111	+10.2	65.6	+2.3	159	+7.2	104	+11.3				
Midscale	65.1	+6.7	86	+1.4	56	+12.7	79.7	+2.6	75	+5.3	60	+8.9	70.2	+5.1	81	+3.1	57	+11.0				
Economy	65.5	+1.9	55	+0.3	36	+3.3	78.2	+2.4	52	+5.8	41	+9.1	72.0	+2.1	54	+3.4	39	+6.5				
MMEA	65.0	+4.0	100	+3.4	65	+10.2	77.9	+2.2	69	+6.1	54	+9.3	69.6	+3.3	88	+4.7	61	+9.9				
Luxury & Upscale	66.2	+4.6	100	+1.5	66	+8.9	78.9	+0.3	220	+2.3	174	+2.0	66.3	+4.6	101	+1.6	67	+8.9				
Midscale	72.2	+1.3	77	+1.8	55	+3.6	84.0	-0.5	115	+2.4	96	+1.7	72.9	+1.1	80	+1.7	58	+3.3				
Economy	67.6	-0.1	44	-0.4	29	-0.5	75.3	+0.7	50	+0.6	38	+1.6	69.0	+0.1	45	+0.0	31	+0.1				
AsPac	68.7	+2.1	76	+2.0	52	+5.2	77.7	+0.3	74	+1.2	57	+1.7	69.4	+2.0	76	+1.9	53	+4.9				
Luxury & Upscale	69.6	+0.0	185	+4.4	129	+4.3	60.3	-1.9	129	-17.3	78	-19.8	67.4	-0.8	173	-1.4	117	-2.4				
Midscale	66.0	-3.6	83	-6.5	55	-11.5	60.4	-2.1	72	-3.7	43	-6.8	64.7	-3.2	81	-5.9	52	-10.4				
Economy	64.0	-2.9	42	-1.3	27	-5.4	67.7	-6.9	42	+2.0	29	-7.4	65.8	-5.1	42	+0.6	28	-6.5				
Americas	65.4	-2.5	83	-1.6	55	-5.0	65.5	-5.2	55	-1.5	36	-8.7	65.4	-3.6	73	-1.2	48	-6.2				
Luxury & Upscale	68.1	+4.3	128	+3.6	87	+10.4	75.9	+0.6	154	+0.7	117	+1.4	69.2	+3.7	132	+2.8	92	+8.5				
Midscale	71.6	+2.1	86	+1.0	61	+4.0	79.1	+1.5	90	+0.6	71	+2.5	74.4	+1.8	87	+0.8	65	+3.3				
Economy	70.8	+0.3	56	+0.9	39	+1.3	77.3	-0.3	58	+2.0	45	+1.6	73.7	+0.0	57	+1.4	42	+1.4				
Total	70.4	+1.8	82	+2.3	58	+5.0	77.8	+0.5	75	+1.4	59	+2.0	73.2	+1.3	79	+2.0	58	+3.8				

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



RevPAR excluding tax by segment and market - September 30, 2015

2015 september-end	Managed & Franchised						HotellInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	chg pts 1/14	€	chg pts 1/14	€	chg pts 1/14	%	chg pts 1/14	€	chg pts 1/14	€	chg pts 1/14	%	chg pts 1/14	€	chg pts 1/14	€	chg pts 1/14
Luxury & Upscale	70.7	+8.1	215	+0.1	152	+12.9	73.7	+3.4	164	-0.4	121	+4.7	72.2	+5.6	189	+0.5	136	+9.1
Midscale	65.4	+1.9	102	+0.9	67	+3.9	69.6	+1.0	108	-0.8	75	+0.6	67.2	+1.5	105	+0.1	71	+2.3
Economy	66.3	+0.8	61	+1.3	40	+2.6	69.1	-1.4	55	+1.0	38	-1.0	67.4	-0.0	58	+1.3	39	+1.2
France	66.2	+1.4	79	+1.9	52	+4.1	69.5	-0.4	79	+0.8	55	+0.3	67.5	+0.7	79	+1.4	53	+2.4
Luxury & Upscale	74.3	+2.4	157	+4.2	117	+8.0	74.8	+2.4	135	+4.4	101	+7.9	74.5	+2.4	147	+4.4	109	+8.1
Midscale	67.9	+2.9	84	+3.5	57	+8.1	74.3	+2.5	87	+1.5	65	+5.0	71.7	+2.7	86	+2.2	61	+6.1
Economy	71.4	+3.1	68	+2.0	49	+6.5	78.0	+2.6	66	+2.2	51	+5.7	76.1	+2.7	66	+2.1	51	+5.9
NCEE	69.8	+2.9	86	+3.2	60	+7.7	76.0	+2.6	78	+2.0	59	+5.5	73.8	+2.7	81	+2.4	60	+6.3
Luxury & Upscale	64.4	+0.2	166	+2.1	107	+2.5	69.9	+3.4	145	+8.2	101	+13.8	65.1	+0.7	163	+3.0	106	+4.2
Midscale	65.8	+4.7	88	-1.3	58	+6.1	71.4	+2.8	73	+2.7	52	+7.0	67.8	+3.9	82	+0.3	56	+6.4
Economy	64.4	-0.9	61	+0.7	39	-0.6	71.4	+3.4	52	+3.1	37	+8.3	68.0	+1.4	56	+1.9	38	+4.1
MMEA	64.7	+1.5	104	+0.5	68	+3.0	71.3	+3.2	67	+3.8	48	+8.7	67.1	+2.2	90	+1.5	60	+4.9
Luxury & Upscale	64.8	+4.2	105	+0.7	68	+7.5	68.8	-0.4	216	+10.2	149	+9.6	64.8	+4.1	106	+0.8	69	+7.5
Midscale	70.7	+1.6	80	+0.7	57	+3.0	82.1	+0.9	120	+1.9	99	+3.1	71.4	+1.6	83	+0.8	59	+3.0
Economy	65.3	-0.2	46	-0.9	30	-1.2	70.2	+2.7	52	-1.9	36	+2.3	66.2	+0.5	47	-0.1	31	-0.4
AsPac	67.1	+2.2	80	+1.1	54	+4.4	73.2	+2.1	76	-0.1	56	+3.1	67.6	+2.2	80	+1.0	54	+4.3
Luxury & Upscale	71.4	+0.9	195	+4.7	139	+5.8	63.5	-3.1	154	-21.2	98	-24.9	69.4	-0.7	185	-1.6	129	-2.5
Midscale	62.4	-4.4	92	-6.3	57	-12.4	60.3	-0.2	79	-3.8	48	-4.0	61.9	-3.3	89	-5.9	55	-10.6
Economy	61.8	-3.1	47	-0.3	29	-4.8	67.3	-3.8	47	+1.4	32	-3.9	64.5	-3.5	47	+0.7	31	-4.2
Americas	63.5	-2.9	91	-1.0	58	-5.0	65.5	-2.7	63	-1.4	41	-5.3	64.2	-2.8	80	-1.1	51	-5.0
Luxury & Upscale	66.2	+3.4	132	+1.8	88	+7.1	71.9	+1.8	150	+0.6	108	+3.2	67.1	+3.2	135	+1.6	91	+6.5
Midscale	67.5	+1.7	88	+0.1	59	+2.6	72.2	+1.9	92	+0.4	67	+3.2	69.2	+1.8	90	+0.2	62	+2.8
Economy	66.1	+0.5	57	+1.1	38	+1.8	72.6	+0.6	58	+1.7	42	+2.6	69.1	+0.5	57	+1.4	40	+2.2
Total	66.6	+1.6	84	+1.3	56	+3.7	72.3	+1.2	76	+1.3	55	+3.0	68.8	+1.4	81	+1.3	56	+3.4

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