

WITH MERCURE, ACCOR BREAKS THE TRADITIONAL CODES OF MIDSACLE HOTELS

Paris, June 26, 2013 - Accor, the world's leading international hotel operator, unveils its ambitions for the Mercure brand. Mercure is the midscale hotel leader with more than 700 hotels worldwide, and its new positioning focuses on 4 lines of action:

- **An entirely modernized offer that meets new guest expectations**
- **Accelerated expansion, mostly through franchises, with a target of 1,000 hotels within 5 years**
- **A global quality guarantee**
- **A brand new visual identity**

Today, the brand unveils its vision of midscale hotels and its answers to new guest expectations in this segment. It introduces its new approach to guest welcome, revisited cuisine concepts, dedicated offer for business customers on the move, robust commitment to quality and more refurbishments.

Yann Caillère, CEO of Accor, declares *"Mercure is essential for the group's expansion particularly driven through franchises and managed hotels. The brand is now opening a new page in its history. Thanks to the work carried out in partnership with our franchisees and to its powerful distribution, Mercure is increasing its attraction for hoteliers and guests alike and injecting new impetus, modernity and innovation into midscale hotels."*

Mercure, a strong brand, buoyed by expansion through franchises and reinforced distribution

An average of one opening a week and a target of 1,000 hotels in five years

Mercure is the world's second largest hotel chain in its segment¹ with 732 hotels in 50 countries. The brand is enjoying sustained expansion with an average of one opening per week and over 15,000 new rooms between 2011 and 2012. Mercure alone accounted for 21% of rooms opened by Accor in 2012.

¹ Excluding North America

Network growth (over 75% through franchises and management contracts) is mostly achieved by converting existing hotels and focuses on reinforcing Mercure's leadership position in its key markets France (232 hotels), Germany (112 hotels) and the United Kingdom (73 hotels), expanding in Brazil (64 hotels) and Australia (63 hotels) and setting up in two new countries every year.

In 2012, Mercure established footholds in Russia and South Korea. In 2013, it will launch its first establishments in Turkey and Sweden. Mercure plans to open a total of 53 new hotels in 2013.

"To meet our objective of 1,000 hotels within five years, we will expand mostly through franchises. Independent hoteliers make up 70% of the midscale hotel segment. They are looking for sector expertise, particularly to handle the hotel digital revolution. Mercure places relations with franchisees at the heart of its brand governance and that makes it a benchmark franchisor," explains Christophe Alaux, Chief Operating Officer Mercure & MGallery Europe.

Mercure's strength also lies in the power of its loyalty and distribution system and in the development of multi-channel digital devices (mobile application, Facebook page and websites in nine languages and 26 local versions). Online booking represents 30% of the brand's turnover.

A global commitment to quality across Mercure's world network

Extensive refurbishment across the network

The Dedicaces renovation concept launched in 2011 in France, continues to be rolled out at a sustained pace. Thanks to this concept, the brand stepped up refurbishment in France, where 70% of the network has now been renovated. In the second half of 2013, the concept will be extended in Germany and the United Kingdom. Dedicaces is unique in the hotel industry and enables bespoke room refurbishment that is 30% cheaper and completed in record time. Mercure Dedicaces room renovation program provides customized, high quality, modern rooms at a considerably reduced cost thanks to a large-scale renovation process carried out twice as fast. *"This is further proof of Mercure's progress in combining continuous product improvement, lean management processes, and plug-and-play best practices from certain industries."* specifies Christophe Alaux, Chief Operating Officer Mercure & MGallery Europe.

A worldwide quality of service guarantee

Mercure has made a strong commitment and now guarantees the same high quality of service across its network. **By end 2014, the Mercure Quality Guarantee will be deployed across the entire network.** This one-of-a-kind approach is based on 96 shared quality guidelines and ensures that the guest experience is consistent in all Mercure hotels. The Mercure Quality Guarantee focuses on hotelier service and responsiveness. It notably includes a dedicated phone line, with the same number (2424) for the entire Mercure network that customers can dial around the clock. This hotline fosters interaction with staff and stimulates responsiveness.

A new approach to hospitality that focuses on customer welcome, business on the move and F&B concepts

“Midscale hotels are caught between rapidly modernizing economy hotels on the one hand and the upscale hotel experience on the other. The growing demand for a more authentic, friendly and diverse offer in this segment is an opportunity for Mercure. It has incited us to develop a demanding roadmap that breaks with the segment’s traditional codes and differentiates us long term. Mercure is abandoning the practical, logical, best-value-for-money model and adopting a much more “emotional” approach to that fosters “harmony between places and people,” explains Frédéric Fontaine, Senior Vice President Marketing Mercure and MGallery.

Mercure reinvents the guest welcome experience with a new lobby design

The traditionally practical and impersonal reception area is transformed into a friendly, social space. Mercure has worked for seven months on redesigning the lobby with design agency W&Cie and the result is a concept that is unprecedented in midscale hotels. The reception desk, which formed a barrier between the teams and the guests, is replaced with an approach based on friendlier, easier interaction. The receptionist is now a “host” who invites customers to the “host table” or to one of the comfortable lobby spaces that “feel like home” and include the bar and the restaurant. The use of digital tablets enables rapid check-in and fosters dialogue, interaction and friendliness between the hotelier and the guest. This concept, which has been successfully implemented at the Mercure London Bridge since April, will be rolled out in five other hotels by the end of 2013.

A reinvented and contemporary cuisine experience inspired by local traditions

Mercure’s Food & Beverage service has been redesigned to blend modernity with tradition. It features “Cave et Saveurs”, a new wine menu that showcases local vintages (in partnership with the Bettane & Desseauve wine guide in France). Three F&B concepts have been created to reflect these new trends: the Cuisine Lounge, where guests serve themselves at any time of the day or night in an area designed like an apartment kitchen, the Restaurant Lounge, which reinterprets local or traditional recipes and the Bar Lounge, warm and convivial where guests can share a trendy snacking in a cozy atmosphere.

EasyWORK by Mercure: a unique service for business people on the move

Mercure has developed EasyWORK, a solution for business people on the move that offers dedicated and modular work spaces complete with a light meal service, equipment and Internet access. EasyWORK, which was tested in France at the Mercure Paris Gare de Lyon, attracts both guests staying at the hotel as well as visitors, and will be available in a series of Mercure hotels located close to stations, airports and major regional and national business hubs.

Enthusiastic hoteliers are the key to the brand's success

The brand's renewal also concerns its teams. For this purpose, Mercure has designed a Human Resources program with three components:

- "Mercure Touch": 10 differentiating customer service attitudes that allow hoteliers to interact with their guests and create a bond with them. This program will be implemented on a participatory basis from January 2014.
- "Mercure School of Service": an innovative, flexible e-learning training course available in 9 languages, or through the 17 Accor Académies located around the world. This system enables Mercure to ensure that each employee receives at least one week's training a year.
- "Mercure Community": a corporate social network for the 45,000 employees so they can share best practices, exchange, improve their skills and ultimately progress professionally.

In-depth modernization expressed through a new visual identity

Mercure asked design agency W&Cie to modernize the brand's identity and reflect its new positioning: "in harmony with places and people". The agency has also developed a range of hotel communication tools that will be rolled out from January 2014 across the entire network.

A global advertising campaign

Mercure has launched a new advertising campaign devised by DDB Paris. It focuses on Mercure's originality, showcasing a brand with a network of hotels that are all unique, steeped in and inspired by their surroundings. The campaign features a black and white TV advertisement that focuses on the positive emotions prompted by an unexpected surprise and inspired by a stay at Mercure.

The communication campaign will also run in the press, on billboards and online.

This campaign, which was launched in France last April, presents the brand in a new light and introduces its new signature: "Rediscover Mercure". Media campaigns representing a total investment of €20 million will kick off soon in over ten countries including France, the United Kingdom, the Netherlands, Germany, Italy and Brazil.

"We are confident that the Mercure's in-depth transformation will ensure that it will appeal to guests, who will enjoy a truly different midscale experience; to hoteliers, who will help us accelerate our expansion; but also to the teams, who regularly develop new skills", concludes Christophe Alaux, Chief Operating Officer Mercure & MGallery Europe.

About Mercure

Mercure is the midscale non-standardised brand of Accor, the world's leading hotel operator with over 3,500 hotels and 160,000 employees in 92 countries. Mercure hotels, which are unique because they are rooted in their local communities, share common quality standards and are driven by passionate hoteliers. Whether they are located in major city centers, by the seaside, in mountain resorts, etc. each establishment offers an authentic experience for both business and leisure travelers. The Mercure network consists of 732 hotels in 50 countries around the world and represents a real alternative to standardised or independent hotels. Mercure also offers high expertise professional and digital platforms. For more information visit <http://www.mercure.com>

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