



Press Release

Accor to sell 91 hotel properties in Germany and the Netherlands for 863 million euros

Paris, March 5, 2007. _ As part of its real estate management strategy, Accor said today that it has signed a memorandum of understanding to sell 72 hotels in Germany and 19 in the Netherlands to **Moor Park Real Estate** for **863 million euros**, including a 43-million-euro renovation program to be paid for by the owner. The Novotel, Mercure, Ibis and Etap Hotel properties involved in the transaction represent a total of 12,000 rooms.

Accor will continue to operate the hotels under 12-year variable-rent leases, whose rents are based on an average 18% of annual revenues with no guaranteed minimum. The leases are renewable six times, for a total of 84 years. Based on 2006 revenues, variable rent would have amounted to 49.5 million euros. Insurance costs, property taxes and structural maintenance capex (1.8 million euros in 2006) will be at the owner's expense.

Accor is now pursuing its innovative real estate management strategy designed to reduce earnings volatility and can focus on its core business, hotels operations. Germany and the Netherlands now follow France, Belgium and the United Kingdom.

The transaction enables Accor to join forces with a company that is already established in the German real estate market, owner of more than 70 *Praktiker* shops and with asset management teams. As part of the agreement signed today, a long-term development partnership will be launched, enabling Accor to step up its expansion program in Germany and the Netherlands.

Financially, the transaction will enable Accor to reduce its adjusted net debt by 612 million euros, of which 215 million euros will be added to the Group's cash reserves. It will have no impact on EBITDA, will add 5 million euros to 2007 profit before tax and 10 million euros on a full year base.

Accor's financial advisors on the transaction were BNP Paribas, with legal and tax advice by CMS Hasche Sigle and Stibbe.

Accor, the European leader in hotels and tourism, and a global leader in corporate services, operates in nearly 100 countries with 160,000 employees. It offers to its individual and corporate clients nearly 40 years of expertise in its two core businesses:

- **Hotels**, with the **Sofitel, Novotel, Mercure, Suitehotel, Ibis, Red Roof Inn, Etap Hotel, Formule 1 and Motel 6 brands**: over 4,000 hotels and 475,000 rooms in 90 countries, as well as strategically related activities, such as **Lenôtre** ;
- **Services to corporate clients and public institutions**: 21 million people in 35 countries benefit from **Accor Services** products – meal and food vouchers, people care, incentive and loyalty programs.

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