

**Press Release**

Paris - September 22, 2009

# Accor announces a major real estate transaction in the Budget segment in France, with the sale of 158 hotelF1 properties for €272 million

In line with its ongoing asset-right strategy, Accor today announced a major real estate transaction in the Budget segment in France, with the sale of **158 hotelF1 properties**, representing a total of 12,300 rooms.

Accor pioneered the low-cost hotel concept in France, opening the first Formule 1 hotel in 1984 and introducing particularly innovative construction and management techniques. Formule 1, renamed hotelF1 in 2007, is the entry-level hotel brand of Accor Group in France with an average room rate of around €33.

Following the sale, Accor will continue to operate the 158 hotels under the hotelF1 brand, thereby retaining full control on pricing policy and product innovation process, which are essential to ensuring the brand's sustainability. Since the end of 2008, about a hundred properties have been renovated as part of a vast refurbishment program, which includes the new Duo room concept (2 twin beds). The new offer is designed not only to consolidate the brand's core base, but also to attract new customers.

This sale and variable leaseback transaction was carried out with a consortium of leading French institutional investors through a property investment trust (OPCI).

With the sale of the hotel units for **€272 million**, Accor signed a 12-year business lease, renewable six times at Accor's option. The variable rents are based on an average 20% of revenue with no guaranteed minimum. Based on 2008 revenue, **the variable rent** would have been **€1.3 million**.

This transaction will enable Accor to reduce its adjusted net debt by approximately €187 million in 2009, of which €130 million will be added to the Group's cash reserves. In addition, it will have a positive impact of roughly €5 million on profit before tax.

In a difficult economic environment, the transaction confirms the renewed interest of investors for hotel real estate, and particularly for the low-cost segment.

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**Accor**, a major global group and the European leader in hotels, as well as the global leader in services to corporate clients and public institutions, operates in nearly 100 countries with 150,000 employees. It offers to its clients over 40 years of expertise in two core businesses:

- **Hotels**, with the **Sofitel**, **Pullman**, **MGallery**, **Novotel**, **Mercure**, **Suitehotel**, **Ibis**, **all seasons**, **Etap Hotel**, **Formule 1 and Motel 6** brands, representing 4,000 hotels and nearly 500,000 rooms in 90 countries, as well as strategically related activities, such as **Lenôtre**.
- **Services**, with 32 million people in 40 countries benefiting from Accor Services products in employee and constituent benefits, rewards and incentives, and expense management.