

Accor announces the sale of 5 hotels in 4 European countries for €154 million

As part of the ongoing deployment of its “asset right” strategy, Accor has announced an international real estate transaction involving the **sale of five hotels** (representing more than 1,100 rooms) in **four European countries** for **€154 million**.

The transaction has been carried out with **Invesco Real Estate**, a major real estate manager in the United States, Europe and Asia, with assets under management of more than €18 billion, of which €650 million in European and US hotel properties.

The transaction involves five hotels:

- The Novotel Muenchen City in Munich (307 rooms)
- The Novotel Roma la Rustica (149 rooms) and the Mercure Corso Trieste in Rome (97 rooms)
- The Mercure Zabatova in Bratislava, currently under construction (175 rooms)
- The Pullman Paris La Défense (384 rooms)

The Novotel and Mercure hotels have been sold under a sale and variable leaseback agreement for €74 million, of which €17 million for the Mercure Zabatova. They will continue to be operated by Accor under a 15-year variable-rent lease (corresponding to 22% of average annual revenue) that can be renewed at Accor’s initiative. Insurance, property taxes and structural maintenance costs will now be at the owner’s expense.

The Pullman Paris La Défense has been sold for **€80 million**, including a €10-million renovation program at the owner’s expense. The hotel will continue to be operated by Accor under a 12-year **management contract** that can be renewed six times.

Financially, the transaction enables Accor to reduce **adjusted net debt by €93 million in 2010** and will have a **neutral impact on operating profit before tax** and non-recurring items.

The transaction confirms Accor’s ability to continue **actively pursuing its “asset right” strategy**, even in a difficult economic environment, with the goal of **reducing earnings volatility and sharpening the focus on its core competency – hotel management**.

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 40years of expertise in two core businesses:

- **Hotels**, with the **Sofitel, Pullman, MGallery, Novotel, Mercure, Suitehotel, Adagio, ibis, all seasons, Etap Hotel, Formule 1, hotelF1** and **Motel 6** brands, representing 4,000 hotels and nearly 500,000 rooms in 90 countries, as well as strategically related activities, **Accor Thalassa, Lenôtre, CWL**.

- **Services**, with 32 million people in 40 countries benefiting from Accor Services products in employee and constituent benefits, rewards and incentives, and expense management.

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