

Press Release – Quarterly Information

Paris – April 17, 2014

Q1 2014 revenue up 2.1% like-for-like to €1.135 billion

Solid growth for HotelServices, up 4.7%, and HotellInvest, up 1.2%

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- **Robust demand in every key market outside France**, with pro forma revenue gaining **2.1%** like-for-like and declining 5.5% as reported.
 - **HotellInvest, Hotel owner and Investor**
 - **Revenue up 1.2% like-for-like to €992 million**, of which €109 million paid to HotelServices as fees.
 - **Good revenue growth in every geography** except France (down 3.9%), where demand was dampened in particular by the increase in the VAT rate on January 1st.
 - **HotelServices, Hotel operator and brand franchisor**
 - **Gross revenue¹ up 3.5%**, excluding the currency effect, to **€2.5 billion**, led by expansion in emerging markets.
 - **Revenue up 4.7% like-for-like to €262 million**, with strong gains in the Mediterranean, Middle East, Africa region (MMEA, up 7.5%), the Asia Pacific region (up 8.1%) and the Americas (up 11.6%), thanks to expansion that was 85% under management and franchise contracts.
 - **4,449 new rooms opened** during the quarter, **50%** of which were in **emerging markets** and **85%** of which through **franchise and management** contracts.
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Sébastien Bazin, Chairman and Chief Executive Officer of Accor, said: “Accor’s performance continued to improve in first-quarter 2014, despite a tough French market. HotelServices confirmed its high potential and is expanding quickly in fast growing geographies, while HotellInvest consolidated its position as the leading hotel investor in Europe, benefiting in particular from strong dynamics in the United Kingdom and Germany. These trends should continue in the coming months. At the same time, the Group is pursuing deployment of its new strategy at a fast pace”.

¹ Gross revenue corresponds to revenue from owned, leased and managed hotels and to room revenue from franchised hotels. Change is as reported.

NB: With the application of IFRS 11 since January 2014, joint ventures may no longer be consolidated using the proportional method, but instead must be accounted for by the equity method in the same way as associates. First-quarter 2013 revenue figures in this press release have been adjusted accordingly, with a negative €26-million pro forma impact (details by segment may be found in the appendix).

Revenue up 2.1% like-for-like and down 5.5% as reported

At comparable scope of consolidation and exchange rates (like-for-like), revenue rose by 2.1% in the first quarter of 2014, thanks to very favorable demand in every key market except France, where the higher VAT rate in effect since January 1st has had a negative impact on net room rates.

Reported revenue for the quarter reflected the following factors:

- Expansion, which added €8 million to revenue and 0.6% to growth, with the opening of 4,449 rooms (32 hotels), of which 85% under management and franchise agreements.
- Changes in the scope of consolidation, which reduced quarterly revenue by €55 million or 4.6%.
- The negative €44-million currency effect, which reduced reported growth by 3.7%, mainly due to a decline in the Australian dollar and Brazilian real against the euro.

In all, first-quarter revenue stood at €1,135 million, down 5.5% as reported.

First-quarter 2014 revenue by business

	HotellInvest		HotelServices	
	Revenue (€m)	% like-for-like	Revenue (€m)	% like-for-like
France	330	-3.9%	67	-3.7%
NCEE (Northern, Central and Eastern Europe)	433	+4.0%	61	+6.8%
MMEA (Mediterranean, Middle-East & Africa)	81	+4.5%	27	+7.5%
Asia-Pacific	61	+0.8%	74	+8.1%
Americas	87	+5.7%	23	+11.6%
Corporate	-	-	10	+1.5%
Total*	992	+1.2%	262	+4.7%

*Of which €119 million in intra-Group revenue

HotellInvest: revenue up 1.2% like-for-like to €992 million

HotellInvest revenues amounted to €992 million in the first quarter of 2014, up 1.2% like-for-like (pro forma) from the year-earlier period. This overall performance reflected situations that varied within each region.

Northern, Central and Eastern Europe (NCEE), which accounted for 44% of total HotellInvest revenues, delivered a particularly robust performance, with a 4.0% like-for-like gain led by sustained strong demand in the United Kingdom and solid business in Germany. Revenue in the MMEA region (up 4.5% like-for-like) and the Americas (up 5.7%) continued to trend sharply upwards. There were notably sustained signs of recovery in Southern Europe (MMEA), where RevPAR was up for two straight quarters for the first time since 2007.

On the other hand, HotelInvest's performance in France, where revenue contracted by 3.9% like-for-like, was clearly dampened by several factors:

- The increase in the VAT rate from 7% to 10% since January 1st could not be passed on to the majority of guests, with a negative effect throughout the quarter.
- Poor weather conditions early in the year discouraged, in particular, short-stay leisure guests in January.
- Municipal elections over two weekends in March.

HotelInvest enjoyed good business levels in the **Asia Pacific** region, except in China and in the economy segment in Australia, with an aggregate 0.8% like-for-like increase in revenue.

HotelServices: revenue up 4.7% like-for-like to €262 million

HotelServices reported €2.5 billion in gross revenue in the first quarter of 2014, an increase of 3.5% at constant exchange rates, led by the combined impact of expansion and growth in RevPAR.

On a like-for-like basis (i.e. pro forma and including expansion), **revenue rose by 4.7% year-on-year**, with strong gains in every geography except France, where it declined by 3.7%.

Expansion remained focused on the **Americas**, where revenue rose 11.6%, and the **Asia Pacific region**, up 8.1%. Performance was also robust in the **MMEA** (up 7.5%) and in **NCEE** (up 6.8%).

Growth in revenue **by segment** at HotelServices was 8.2% in the economy segment, 4.7% in the midscale and 5.8% in the luxury/upscale. These performances reflect both solid activity levels and the asset-light expansion.

Fees paid by HotelInvest to HotelServices amounted to €109 million in the first quarter, or 42% of HotelServices revenue for the period.

The Group's outlook remains favorable

First-quarter trends remain generally robust, with rising demand in almost every country, signs of recovery in Southern Europe and firm hotel pricing power, to the exception of France, Spain and Italy. The difficulties encountered in the French market are expected to continue into the second quarter, with the VAT effect and an unfavorable vacation and holiday calendar in April and May. However, the Group should continue to benefit from a solid trading environment in all of its other geographies.

Quarterly information: material transactions and events in the first quarter

Expansion

A total of 4,449 new rooms were opened in the first quarter, of which 85% under asset-light structures and 50% in emerging markets. Among the most emblematic openings, were the Mercure Montevideo Punta Carretas in Uruguay, the Pullman Shanghai South in China, and the Sofitel Bali Nusa Dua Beach Resort in Indonesia.

HotellInvest Property asset management

Twenty-one hotels were restructured during the period, of which 16 leased properties.

Bond issues and redemptions

On January 31, Accor successfully issued €750 million in seven-year, 2.625% bonds.

On February 4, the outstanding 7.5% bonds were redeemed in an amount of €402.3 million.

Subsequent event

Appointment

On April 15, Accor announced the appointment of **John Ozinga** as Chief Operating Officer of HotellInvest, effective June 18.



Accor, the world's leading hotel operator, offers its guests and partners the dual expertise of a hotel operator and brand franchisor (**HotelServices**) and a hotel owner and investor (**HotellInvest**) with the objective of ensuring lasting growth and harmonious development for the benefit of the greater number.

With around 3,600 hotels and 460,000 rooms, Accor welcomes business and leisure travelers in 92 countries across all hotel segments: luxury-upscale with **Sofitel, Pullman, MGallery, and Grand Mercure**, midscale with **Novotel, Suite Novotel, Mercure and Adagio** and economy with **ibis, ibis Styles, ibis budget** and **hotelF1**. The Group boasts a powerful digital ecosystem, notably its booking portal **accorhotels.com**, its brand websites and its loyalty program **Le Club Accorhotels**.

As the world's top hospitality school, Accor is committed to developing the talents of its **170,000 employees** in Accor brand hotels. They are the daily ambassadors of the culture of service and innovation that has driven the Group for over 45 years.

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Agenda :

- 29 April 2014: Annual General Meeting
- 17 July 2014 : 2014 Half year Revenue

RevPAR excluding tax by segment and market (Q1 2014)

Q1 2014	Managed						HotelInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Luxury & Upscale	57.1	+3.7	223	+1.3	127	+8.6	53.2	+1.2	146	-2.4	77	-0.3	54.4	+1.9	171	-0.8	93	+2.6
Midscale	57.3	+0.1	102	-1.2	58	-1.1	55.9	-2.1	107	-1.1	60	-4.8	56.2	-1.6	106	-1.1	60	-4.0
Economy	62.1	+0.8	58	-0.4	36	+0.9	62.1	-0.2	53	-1.6	33	-1.8	62.1	-0.0	54	-1.4	33	-1.4
France	59.4	+0.9	95	-0.0	56	+1.4	59.5	-0.7	75	-1.8	45	-3.0	59.5	-0.5	79	-1.4	47	-2.1
Luxury & Upscale	52.9	+3.2	159	+2.3	84	+8.6	63.7	+2.5	119	+2.4	76	+6.5	59.7	+2.7	132	+2.5	79	+7.2
Midscale	61.0	+2.2	95	+7.0	58	+10.9	60.0	+2.4	82	+1.2	49	+5.5	60.2	+2.4	84	+2.3	51	+6.5
Economy	62.8	+2.8	68	-0.8	43	+3.7	65.5	+2.4	58	+2.6	38	+6.5	65.2	+2.5	59	+2.2	38	+6.2
NCEE	60.1	+2.6	97	+4.2	59	+8.8	62.7	+2.4	71	+1.9	45	+6.0	62.3	+2.4	75	+2.3	47	+6.5
Luxury & Upscale	64.8	+3.6	150	+3.3	97	+9.3	58.9	+0.7	115	-1.7	68	-0.5	63.8	+3.1	145	+2.8	92	+8.0
Midscale	68.6	+2.6	88	+4.1	60	+8.7	53.9	+2.3	68	-0.5	37	+4.1	60.7	+2.5	78	+2.0	48	+6.5
Economy	75.2	+5.7	64	+7.7	48	+16.4	56.1	+4.2	50	-0.7	28	+7.4	63.0	+4.8	56	+3.2	35	+11.7
MMEA	68.7	+3.8	103	+4.1	71	+10.3	55.5	+3.2	62	-1.4	35	+4.7	62.3	+3.5	85	+2.2	53	+8.4

NCEE: Northern, Central and Eastern Europe (does not include France nor Southern Europe)

MMEA: Mediterranean, Middle-East and Africa (includes Southern Europe)

RevPAR excluding tax by segment and market (Q1 2014) – *Cont'd*

Q1 2014	Managed						HotellInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	pts	€	%	€	%	%	pts	€	%	€	%	%	pts	€	%	€	%
Luxury & Upscale	62.1	+2.5	96	+1.7	59	+5.9	64.9	-0.3	161	+7.5	105	+6.7	62.2	+2.5	96	+1.6	60	+5.7
Midscale	71.6	+1.3	73	+2.7	52	+4.5	79.0	+2.1	110	+0.7	87	+3.4	72.3	+1.3	76	+2.4	55	+4.3
Economy	69.4	+5.2	50	-4.0	35	+3.6	59.4	-0.7	47	-1.7	28	-3.0	65.9	+2.7	49	-3.0	32	+1.4
AsPac	67.5	+2.2	77	+1.4	52	+4.6	64.4	-0.0	69	+0.2	45	+0.2	67.1	+1.8	76	+1.3	51	+4.1
Luxury & Upscale	68.8	+0.6	162	+3.4	111	+4.4	71.4	+0.6	205	+5.7	147	+6.6	69.2	+0.5	170	+3.8	117	+4.7
Midscale	63.5	+2.2	89	+4.8	56	+8.5	56.8	+1.5	80	+5.6	45	+8.4	61.7	+2.0	87	+5.0	53	+8.4
Economy	75.0	+4.6	56	+3.6	42	+10.3	67.8	+1.8	48	+0.8	33	+3.5	69.7	+2.5	50	+1.7	35	+5.3
Americas	67.6	+2.4	96	+3.4	65	+7.3	65.5	+1.8	65	+4.2	43	+7.1	66.6	+2.1	82	+3.7	54	+7.1
Luxury & Upscale	62.5	+2.6	119	+2.4	74	+6.8	60.3	+1.6	136	+0.8	82	+3.4	62.1	+2.4	122	+2.0	76	+6.0
Midscale	67.3	+1.6	82	+3.4	55	+5.8	58.7	+1.1	89	+0.0	52	+1.9	62.8	+1.3	85	+1.6	54	+3.8
Economy	69.0	+4.1	57	+0.4	39	+6.6	63.2	+1.4	54	+0.5	34	+2.8	64.7	+2.0	54	+0.5	35	+3.8
Total	66.2	+2.4	87	+2.3	57	+6.0	61.3	+1.3	71	+0.4	43	+2.6	63.5	+1.7	78	+1.4	50	+4.3

AsPac: Asia Pacific Region

Americas: Northern, Central and South America

Q1 2013 proforma Revenue - IFRS 11 impact

<i>In € million</i>	Q1 2013 Reported	Q1 2013 Proforma
Upscale & Midscale	768	716
Economy	425	423
Hotels	1,193	1,184 ⁽¹⁾
Other activities	34	17
Total Group	1,227	1,201

⁽¹⁾ Of which "other brands" for €45m