



## Press Release

### Accor Acquires Control of 52 Dorint Hotels and Consolidates its Presence in Germany

**Paris, January 14, 2007.**\_ Accor, which previously owned a 34% stake in Dorint AG, has acquired control of 52 upscale and midscale hotels that were part of Dorint's network of 93 hotels.

As part of a restructuring plan, Dorint's board has decided to split the company in two:

- **By subscribing a €52 million capital increase, Accor has acquired a controlling interest in one of the new companies, which operates 52 hotels.**

Of the hotels, eight were previously operated under the Dorint Sofitel brand, 17 under the Dorint Novotel brand and 27 under the Mercure brand. In the first half of 2007, they will be rebranded as, respectively, Sofitel, Novotel and Mercure units.

Also during the first half, Accor will buy out the minority interests for **€75 million**, resulting in the Group owning around **a 90% stake in the new company**.

Financially, the transaction has enabled Accor to gain control of 52 hotels, which generate around **€300 million in revenue** and are expected to report 2007 EBITDA of around €16 million after the rent reductions granted by lessors and **profit before tax of €10 million**. By comparison, accounting for Dorint AG by the equity method will probably result in an estimated €8 million loss for Accor's share in 2006.

- **Ebertz & Partner has acquired all shares of the new company, which will operate 41 Dorint hotels under the Dorint brand.**

The transaction is subject to the approval of European competition authorities, which is expected within the next few weeks.

#### Strategic impact for Accor

The transaction is being carried out at time when the German economic environment is favorable and the hotel industry is showing a very clear improvement, as demand has risen sharply while room supply has not significantly increased.



Strategically, the transaction enables Accor to complete the program launched in 2003 to reposition the Sofitel, Novotel and Mercure networks in Germany:

- The Sofitel network, repositioned in the upper upscale segment, now includes 8 hotels with exceptional downtown locations in Germany's biggest cities (Munich, Hamburg, Berlin, Frankfurt and Cologne),
- The Novotel network, recently renovated and repositioned, now has 29 downtown hotels in Germany's main metropolitan areas. Over the past three years, 27 "first-generation" Novotel units have been either sold or renovated under the Mercure brand,
- The Mercure network, with 134 units, is Germany's largest hotel chain.

In addition, Accor has a network of 160 economy hotels, mainly under the Ibis and Etap Hotel brands.

In total, Accor is the leading hotel operator in Germany, Europe's largest outbound market, with a portfolio of 331 hotels.

Gilles Pélisson, Accor's CEO declares: "With a strengthened presence in one of today's most dynamic European market, Accor is ready to capitalize on its past partnership with Dorint, thanks to a repositioned network on downtown locations, which will enable the emergence in Germany of the Sofitel and Novotel brands and the consolidation of the Mercure network".

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With 160,000 associates in nearly 100 countries, **Accor** is the European leader in hotels and tourism and the global leader in corporate services. To provide private and business clients with superior service, it leverages nearly 40 years of expertise in its two core activities:

- **Hotels**, with the **Sofitel, Novotel, Mercure, Suitehotel, Ibis, Red Roof Inn, Etap Hotel, Formule 1** and **Motel 6** brands, representing more than 4,000 hotels and 475,000 rooms in 90 countries, as well as strategically related activities, notably **Lenôtre**.
- **Services to corporate clients and public institutions**, through **Accor Services**. A total of 21 million people in 35 countries benefit from our broad portfolio, which includes food vouchers, people care, incentives and loyalty programs.

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