Press release
August 29, 2012

Solid Performance
in First-Half 2012

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Record expansion and increased asset-light target:
80%[1] of the portfolio to be managed or franchised by end-2016

- **Solid growth in revenue, up 3.6% like-for-like[2] to €2,717 million**
- **Strong improvement in EBIT, up 10.1% like-for-like to €212 million**
- **Sharp increase in operating profit before tax and non-recurring items, up 27.4% like-for-like to €190 million**
- **Net profit of €80 million**, before the impact of the Motel 6 disposal

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- **Ongoing deployment of the asset management program**, with the disposal of 59 hotels over the first-half reducing adjusted net debt by €283 million
- **Full year EBIT target of €510-530 million**

First-half 2012 was shaped by:

- A **solid performance** in every segment, led by **steadily rising room rates**
- **A sharp 10.1% like-for-like improvement in EBIT, to €212 million**, in particular thanks to the success of the asset management strategy
- **A recurring free cash flow generation at €140 million**
- **Record expansion that added 20,700 new rooms, or 141 hotels**, including Mirvac
- The signature on May 22 of an **agreement to sell Motel 6 to Blackstone**
- The effective launch of the **ibis megabrand** program, with **661 hotels** rebranded to date
- The issue in June of a **€600-million** in five-year, 2.875% **bond**

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[1] In number of rooms
[2] At constant scope of consolidation and exchange rates

Interim results

(in € millions)	**H1 2011 Restated(1)**	**H1 2012**	**% change Restated(1)**	**% change like-for-like(2)**
Revenue	2,720	2,717	-0.1%	+3.6%
EBITDAR(3)	**826**	**835**	**+1.1%**	**+3.4%**
EBITDAR margin	*30.4%*	*30.7%*	*+0.3 pt*	*-0.1 pt*
EBIT	**204**	**212**	**+4.1%**	**+10.1%**
Operating profit before tax and non-recurring items	151	190	+26.1%	+27.4%
Net profit before loss from discontinued operations	**62**	**80**	**N/A**	**N/A**
Loss from discontinued operations	(21)	(612)(1)	N/A	N/A
Net profit/(loss), Group share	**41**	**(532)**	**N/A**	**N/A**

(1) Following signature of the sales agreement with Blackstone, the consolidated income statement of Motel 6/Studio 6 has been restated from the Group consolidated financial statements for the two periods presented, and re-classified in Result from discontinued operations. In accordance to IAS 21, the loss of € (612) million at June 30, 2012 does not include the cumulative translation gains and losses that will be accounted in profit on the effective day of the sale expected in October 2012.
NB: Motel 6 data may be found in the appendix, on page 6 below.

(2) At constant scope of consolidation and exchange rates

(3) Earnings before interest, taxes, depreciation, amortization and rental expense

Consolidated **revenue** for the six months ended June 30, 2012 totaled €2,717 million, down 0.1% year-on-year on a reported basis and up 3.6% like-for-like compared with first-half 2011.

During the period, business levels remained robust in emerging markets. It was generally stable in Europe, with solid conditions in the key markets (excellent performance in the capitals), but still very challenging in the Southern countries.

By segment, like-for-like growth came to **3.5%** in the Upscale & Midscale segment and **4.0%** in the Economy segment. The gains were led by **rising room rates across every segment** and supported by the growing percentage of management and franchise fees in the revenue mix.

- **Expansion**

In the **first six months**, 141 hotels (20,700 rooms) were opened, including:
- 85%[3] under management contracts and franchise agreements.
- 57%[3] in the Asia-Pacific region, 25%[3] in Europe, 13%[3] in Africa and the Middle East and 5%[3] in Latin America.

This expansion remains dynamic, with **108,700 rooms** in the **pipeline** for the period to 2016.

[3] In number of rooms

- **Satisfactory performance in Upscale & Midscale Hotels**

In the Upscale & Midscale segment, revenue increased by **0.7% as reported** and by **3.5% like-for-like** in the first six months of 2012.

EBITDAR margin remained virtually unchanged at **27.8%** of revenue, (down 0.1 point as reported and 0.4 point like-for-like). This represented a satisfactory performance given, in particular, the high prior-year May comparatives in France and the persistent deterioration in the Southern European economies.

- **Strong improvement in margins across the Economy brand portfolio**

Revenue from Economy Hotels ended the first-half up 4.5% as reported and **4.0%** like-for-like.

EBITDAR margin widened by 0.8 point as reported and 0.7 point like-for-like to **37.5%**, a new record first-half high that reflected very robust demand and the segment's sustained expansion under asset-light agreements.

Solid growth in EBIT

Consolidated **EBITDAR**[4] amounted to €835 million in the first-half of 2012, up **3.4%** year-on-year like-for-like and **1.1%** as reported. The flow-through ratio stood at 29%, while **EBITDAR margin** rose to **30.7%** from 30.4% in first-half 2011.

EBIT rose by 10.1% like-for-like over the period, to €212 million from €204 million in first-half 2011, led by the effective implementation of the asset management program.

Operating profit before tax and non-recurring items amounted to €190 million in first-half 2012, versus €151 million in the year-earlier period. The steep **27.4%** like-for-like increase reflected the significant improvement in net financial expense, to €29 million from €53 million in first-half 2011.

Net Result excluding the impact of the Motel 6 disposal ended the first-half at **€80 million**, compared with €62 million a year earlier.

Net profit reaches € (532) million. It is affected by an **exceptional accounting loss of €612 million** linked to Motel 6 operation, with includes impairments and the exercise of buy-out options on fixed-lease hotels.

Funds from operations rose to €310 million from €303 million in first-half 2011. **Recurring expansion expenditure** amounted to €75 million for the period, while **maintenance and renovation expenditure** totaled €95 million.

Over the first-half, the acquisition of Mirvac for €167 million, the payment of €114 million in a special dividend and the exercise of buy-out options on fixed-lease hotels ahead of the Motel 6 disposal increased consolidated debt by an aggregate €578 million, with the result that **net debt amounted to €804 million** at June 30, 2012.

Consolidated return on capital employed (ROCE) rose to **14.2%** at June 30, 2012 from 13.6% a year earlier. Over the period, ROCE improved sharply in the Upscale & Midscale segment, to **11.5%** thanks to the roll out of the asset management program, which leads to a €197 million decrease in capital employed. ROCE gained 0.5 point at **19.6%** in the Economy segment, a remarkable performance given the sustained deployment of the ibis *budget* renovation program.

[4] Earnings before interest, taxes, depreciation, amortization and rental expense

As of June 30, 2012, Accor had **€1.7 billion in unused, confirmed lines of credit long term.** The Group also optimized its debt cost over the period, with the successful issue of €600 million in 2.875% bonds.

Continued deployment of the asset management program

In first-half 2012, **48** hotels (4,500 rooms) changed ownership structure and are now operated under variable leases, management contracts or franchise agreements. In addition, **11** hotels (representing 1,700 rooms) were sold during the period. These transactions had the effect of reducing adjusted net debt by **€283 million**.

As of August 29, 2012, following the announced disposals of the Novotel Beijing Sanyuan, the stake in the Mirvac Wholesale Fund and the MGallery hotels in Cologne and Amsterdam, the impact of property disposals on adjusted net debt amounted to **€354 million**. The Group has now met **close to 75% of the targeted €1.2 billion** impact on adjusted net debt over the 2011-2012 period.

These transactions have confirmed Accor's ability to pursue a **dynamic asset management strategy** as part of a hotel property asset disposal program designed to reduce consolidated adjusted net debt by **€2.2 billion over the 2011-2015** period.

Outlook for 2012

- **July business trends**

In July, RevPAR[5] net of tax rose by 2.9% like-for-like in the Upscale & Midscale Hotels segment and by 0.2% in Economy Hotels.
This performance remains in line with first-half trends, with figures stable in Europe despite the deteriorating situation in the Southern countries.

- **Full year EBIT target**

Business volumes remained firm throughout the summer. While visibility on the second half is still limited by the uncertain economic environment, Accor has not yet observed any tangible signs of a downturn in demand, except in Southern Europe.

Based on these factors, the EBIT target for the year stands at between **€510 million and €530 million**, versus the EBIT of €515 million in 2011 (restated from Motel 6).

New objectives for year-end 2016

As part of the transformation of its business model, which is being driven both by fast growth under management and franchise contracts and by a dynamic asset management strategy, **Accor is now**

[5] Owned or leased hotels only

committed, by end-2016, to **operating a room base 40% under franchise agreements, 40% under management contracts and 20% in owned or leased hotels**.

To meet these objectives, Accor enhances its expertise:

- In Europe, a **brand-based operating organization** will be introduced on January 1st, 2013.
- At the same time, the Group is working on creating a **Property Management Department**, which would consolidate all of its property-related activities.

This new structure will enable the Group to improve performance in every respect:

- **Operationally**, with stronger brands, faster supply growth, and a property portfolio focused on the most strategic hotels.
- **Financially**, with optimized margins, improved free cash flow generation and a reduction in both capital intensity and earnings volatility.

Upcoming events

- *October 16, 2012: Third-quarter 2012 revenue*

Additional information

The Board of Directors of Accor, chaired by Denis Hennequin, met on August 28, 2012 and approved the accounts for the period ended June 30, 2012. Further to their limited review of the interim consolidated financial statements of Accor, a report the auditors have established and which is included in the half-year financial report, is being issued.

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Appendices

Restated First-Half 2011 Income Statement

In € millions	H1 2011 Reported	H1 2011 Motel 6	H1 2011 Reported
Revenue	**2,973**	**253**	**2,720**
EBITDAR	**897**	**71**	**826**
EBIT	**199**	**(5)**	**204**
Operating profit before tax and non-recurring items	**144**	**(7)**	**151**

Restated 2011 Income Statement

In € millions	2011 Reported	2011 Motel 6	2011 Restated
Revenue	**6,100**	**532**	**5,568**
EBITDAR	**1,923**	**164**	**1,759**
EBIT	**530**	**15**	**515**
Operating profit before tax and non-recurring items	**438**	**10**	**428**

Motel 6 First-Half 2012 Income Statement

In € millions	H1 2012 Motel 6
Revenue	**276**
EBITDAR	**87**
EBIT	**17**
Operating profit before tax and non-recurring items	**13**