

Press release

August 26, 2014

Accor acquires 13 properties in the UK in line with HotellInvest strategy

Accor announces that HotellInvest, the Group's hotel owner and investor business, has purchased a portfolio of 13 hotels from **Tritax** for a total consideration of **€89 million** (£71 million) in line with its stated strategy to consolidate the owned hotel base whilst strengthening its economy and midscale segments.

The portfolio, which includes 12 ibis and 1 ibis *budget*, represents **1,194 rooms** located across the UK in key regional locations: Coventry, Coventry South, Birmingham Holloway Circus, Birmingham Bordesley, Leicester City, Plymouth, Sheffield City Shude, Liverpool, Manchester Princess Street, as well as London Stratford, London Thurrock and London Barking.

As a result of the purchase 3 Accor owned F1 hotels adjacent to the properties in Liverpool, London Barking and London Thurrock will be restructured as extensions of the newly acquired ibis *budget* and ibis hotels to aid rationalisation of the HotellInvest asset portfolio.

The properties have been operated under variable-rent leases by Accor since 2001, and since 2005 for Tritax, a real estate investor, on behalf of individual and private owners.

The acquisition will be financed at 100% through debt. It will be immediately accretive to Accor's EBIT and will also reduce off balance sheet debt by c.€39m (£33m) attached to minimum lease commitments. It will also increase the contribution of owned hotels to HotellInvest's Net Operating Income* by around 0.5 point, in line with the target of raising this figure from 54% in 2013 to more than 75% over the medium term.

This acquisition for HotellInvest, follows an active period for the team in the UK who have also sold and franchised back two properties, Novotel Stevenage and Novotel Nottingham, to Fairview Hotels. Fairview, a key partner in the UK since 2008 now own and operate five Accor brand hotels in the country, Mercure London Bloomsbury, Mercure Letchworth Hall, ibis Stevenage and now Novotel Nottingham & Stevenage Novotel Stevenage. Fairview will be investing significantly in both the properties to ensure the consistency and quality of the Novotel Brand is maintained.

John Ozinga, COO of HotellInvest said: *"These transactions demonstrate Accor's ability to act swiftly in implementing the strategy announced nine months ago. It's an important step forward in the significant restructuring that we are leading in HotellInvest, fully aligned with our objectives which include creating value by optimising return on capital employed, while strengthening our position as the largest owner of economy and midscale hotels in key European markets."*

About Accor:



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 (**HotelInvest**) with the objective of ensuring lasting growth and harmonious development for the benefit of the greater number.

With more than 3,600 hotels and 470,000 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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