



ACCORHOTELS

Feel Welcome

Press Release
Paris, April 20, 2017

Robust growth in first-quarter 2017 revenue: like-for-like increase of 7.4%

Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels, said:

“The trends observed in the first quarter in the vast majority of regions reflect a favorable environment for the hotel industry. This is particularly the case in our three main markets, France, Europe and the Asia-Pacific region. The new businesses also performed well, thanks in part to the support of AccorHotels. At the same time, the Group further entrenched its growth, its move into new businesses and its leadership in the luxury segment through numerous value-creating acquisitions, namely Rixos and BHG in hotels, and Availpro, Potel & Chabot and VeryChic in new businesses. Lastly, the process of transforming AccorInvest into a subsidiary is underway; AccorHotels is therefore perfectly in line with our 2017 objectives.”

Consolidated first-quarter 2017 revenue totaled €425 million, up 35.4% as reported and 7.4% on a like-for-like basis.

Changes in the **scope of consolidation** (acquisitions and disposals) made a positive contribution of €82 million (+26%), thanks in particular to the contributions of Raffles, Fairmont, Swissotel, onefinestay and John Paul.

Currency effects had a positive impact of €6 million, attributable primarily to the Brazilian real (+€8.2 million) and the Australian dollar (+€4.3 million).

During the first quarter, AccorHotels' development represented 35 hotels and more than 7,000 rooms. As of March 31, 2017, **the Group's pipeline amounted to 951 hotels and 176,000 rooms.**



On July 12, 2016, AccorHotels announced its intention to turn HotelInvest into a subsidiary and dispose of a majority of it, united under AccorInvest, in the summer of 2017. In accordance with IFRS 5, the assets held for sale have been placed in a separate item on the balance sheet and in the income and cash flow statements. The 2017 data presented in this press release reflect this accounting treatment.

Accordingly, the Group is now structured around the following business lines:

- **HotelServices**, which houses the hotel franchisor and operator business, as well as activities related to hotel operations
- **New businesses**, at this stage combining FastBooking, onefinestay and John Paul (previously part of HotelServices)
- **Hotel assets**, which include HotelInvest assets not transferred to AccorInvest, mainly corresponding to Orbis, hotels operated under lease agreements based on a percentage of EBITDAR (with no minimum guarantee, also known as management leases) and the remainder of the assets intended to be restructured before the Booster transaction closes.

HotelServices is now organized into six operating regions:

- France & Switzerland
- Europe (including Southern Europe)
- Middle East & Africa
- Asia-Pacific
- North America, Central America & the Caribbean
- South America

SOLID GROWTH IN REVENUE

With strong growth for **HotelServices** (+5.6%) and the **new businesses** (concierge services, luxury home rentals and digital services for independent hotel operators, +10.4%), the **Group** recorded revenue growth of 7.4% at constant scope of consolidation and exchange rates (LFL) in the first quarter of 2017, despite the loss of one day of business compared with the first quarter of 2016. Revenue derived from the **hotel assets** held by the Group, mainly in Central Europe and under lease in Brazil, also grew in first-quarter 2017, by 5.8%.

<i>In €millions</i>	Q 1 2016	Q 1 2017	Change (as reported)	Change (LFL)
HotelServices	295	394	+33.6%	+5.6%
New businesses	5	13	N/A	+10.4%
Hotel assets	118	129	+9.8%	+5.8%
Holding & Intercos	(104)	(112)	N/A	N/A
Total	314	425	+35.4%	+7.4%



POSITIVE MOMENTUM FOR HOTELSERVICES

HotelServices, which operated 4,158 hotels (586,578 rooms) under franchise agreements and management contracts at the end of March 2017, reported a 34% increase in revenue as reported to €394 million. This growth reflected the combined impact of very strong business levels in the majority of regions, favorable comparison bases, notably in France and Belgium, and, to a lesser extent, the shift of the Easter vacation period to April.

<i>In € millions</i>	Q1 2016	Q1 2017	Change (LFL)
France & Switzerland	76	77	-0.6%
Europe	77	85	+8.4%
Middle East & Africa (MEA)	23	30	+1.9%
Asia-Pacific	91	117	+10.6%
North America, Central America & the Caribbean	8	36	+0.1%
South America	15	17	-10.6%
Worldwide structures	6	32	+34.6%
Total⁽¹⁾	295	394	+5.6%

Consolidated RevPAR was up 5%.

In **France & Switzerland**, revenue was down 0.6% on a like-for-like basis. The decline was attributable in particular to the loss of one business day and to the conversion of around 60 Grape Hospitality hotels into franchised hotels in June 2016. However, RevPAR was up sharply (+5.0%), driven by a 2.7 point increase in the occupancy rate combined with stable prices.

- The strongest growth was observed in Paris, particularly in the leisure segment (+9%), while business stays increased by 5%.
- Business in cities other than Paris benefited from the World Handball Cup and a rich events calendar.

Europe posted strong revenue growth (+8.4% like-for-like), driven by RevPAR growth of 7.4%, all segments combined.

- In the United Kingdom, business remained very brisk (+9.2%), benefiting from the depreciation of the pound sterling, which notably led the British to favor local destinations. In London, there was a marked recovery in the leisure segment, both local and international, with a very pronounced increase in travelers coming from Asia and North America. At the same time, the business travel segment remained very solid.
- RevPAR increased by 7.1% in Germany, thanks notably to a favorable trade fair calendar in the first quarter. RevPAR in Eastern Europe grew by 9.4%,



supported by an economy that is booming across the entire region and by the renovations carried out in 2016.

- The Iberian Peninsula continued its recovery, recording strong business levels once again, with RevPAR growth of 11.4%.

The **Middle East & Africa** region recorded a 1.9% increase in revenue, with performances varying significantly between Morocco and Dubai, which were very sound, and the more challenging markets, such as the Emirates, Saudi Arabia, Angola and Algeria, which are sensitive to oil prices.

The **Asia-Pacific** region performed very well, posting 10.6% growth driven by the luxury segment (RevPAR up 6.4%) and persistently fast development.

North America, Central America & the Caribbean remained strong despite the notable decline in arrivals of foreign tourists in the United States' major cities. AccorHotels benefits from the well-balanced spread of Fairmont hotels across the United States and Canada, and a strong presence in US cities less exposed to international customers. As a result, regional RevPAR grew by 3.6%. The 0.1% like-for-like increase in revenue does not include Fairmont; it only takes into account the hotels included in the scope of consolidation in Q1 2016, which are more exposed to markets such as New York and Miami.

Lastly, the situation remains difficult in **South America**, and more precisely in Brazil. Regional revenue was down 10.6%, with Rio facing a particularly challenging situation (RevPAR down 32% across the city), reflecting the overcapacity generated by the Olympic Games and a depressed socioeconomic environment.

The Group's **development** continues at a rapid pace. During the first quarter, AccorHotels opened 35 hotels, representing more than 7,000 rooms. At the end of March 2017, the Group's pipeline comprised 951 hotels and 176,000 rooms, of which 82% in emerging markets and 45% in the Asia-Pacific region.

SUSTAINED GROWTH IN NEW BUSINESSES

In the three months to end-March 2017, revenue from the **new businesses** (concierge services, luxury home rentals and digital services for independent hotels) amounted to €13 million, compared with €5 million in first-quarter 2016, thanks to the consolidation of John Paul and onefinestay.

DIGITAL SERVICES FOR INDEPENDENT HOTELS

Fastbooking, whose business consists of offering independent hotel operators digital solutions to help boost their direct sales, posted organic growth of 10.4% on a like-for-like basis. In this segment, the acquisition of Availpro, announced on April 5, will round out the suite of products and services offered to hotel



operators and create the European leader in digital services for independent hotels.

LUXURY HOME RENTALS

The **luxury home rentals** business, which included **onefinestay** in first-quarter 2017, delivered revenue of €2 million, with good performances in London and Paris, and a more mixed situation in the United States.

During the quarter, onefinestay added four new destinations: the Hamptons and Southern California in the United States, the French Riviera, and Edinburgh in Scotland. Four additional destinations are set to open in 2017. In addition, the acquisition of TravelKeys, which fits seamlessly with onefinestay's offer in the luxury segment, is expected to be finalized by the end of April. The deal will give AccorHotels worldwide leadership in this segment, with more than 10,000 addresses worldwide.

CONCIERGE SERVICES

In a booming market, **John Paul** posted quarterly revenue of €6 million. Its integration into the Group is continuing at a fast pace; it has taken charge of Customer Care, and is managing the **AccorLocal** project, currently being tested in Paris.

HOTEL ASSETS: STRONG PERFORMANCE IN CENTRAL EUROPE OFFSETTING THAT OF BRAZIL

With the situation still tough in Brazil, and especially in Rio, Orbis bridged the gap by delivering a very strong performance in Central Europe. Overall, the **Hotel Assets** business generated revenue of €129 million, up 5.8% on a like-for-like basis.

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Upcoming events

Annual Shareholders' Meeting on May 5, 2017

First-half 2017 results on July 27, 2017



HIGHLIGHTS OF THE PERIOD FROM JANUARY 1 TO APRIL 20, 2017

On January 16, 2017, AccorHotels provided an updated valuation of €6.6 billion for the Booster portfolio at December 31, 2016

On January 18, 2017, AccorHotels issued €600 million in seven-year 1.25% bonds

On January 31, 2017, Colony Capital announced that it had sold all of its stake in AccorHotels and that it no longer held any voting rights

On February 5, 2017, AccorHotels began exclusive negotiations for the acquisition of TravelKeys to consolidate its leadership in the luxury private rentals market

On February 21, 2017, Nicolas Sarkozy joined AccorHotels' Board of Directors to support its international vision

On March 2, 2017, AccorHotels consolidated its leadership in Brazil with the integration of 26 BHG hotels

On March 6, 2017, AccorHotels and Rixos Hotels & Resorts announced a strategic partnership

On March 8, 2017, AccorHotels announced a revival plan for the hotelF1 brand

On March 21, 2017, Sheikh Nawaf Bin Jassim Bin Jabor Al-Thani joined AccorHotels' Board of Directors

On March 27, 2017, the management of Potel & Chabot, Edmond de Rothschild Investment Partners and AccorHotels began exclusive negotiations with the shareholders of Potel & Chabot Group

On April 3, 2017, AccorHotels acquired VeryChic, a European leader in the private sale of luxury and upscale hotel rooms and breaks

On April 5, 2017, AccorHotels acquired Availpro and created the European leader in digital services for independent hotels



ABOUT ACCORHOTELS

AccorHotels is a world-leading travel & lifestyle group and digital innovator offering unique experiences in more than 4,100 hotels, resorts and residences, as well as in over 3,000 of the finest private homes around the globe. Benefiting from dual expertise as an investor and operator through its HotelServices and HotelInvest divisions, AccorHotels operates in 95 countries. Its portfolio comprises internationally acclaimed luxury brands including Raffles, Fairmont, Sofitel Legend, SO Sofitel, Sofitel, onefinestay, MGallery by Sofitel, Pullman and Swissôtel; the popular midscale and boutique brands of 25hours, Novotel, Mercure, Mama Shelter and Adagio; the much-prized economy brands including JO&JOE, ibis, ibis Styles, ibis budget and the regional brands Grand Mercure, The Sebel and hotelF1. AccorHotels provides innovative end-to-end services across the entire traveler experience, notably through the recent acquisition of John Paul, the world leader in concierge services.

With an unmatched collection of brands and rich history spanning close to five decades, AccorHotels, along with its global team of more than 240,000 dedicated women and men, has a purposeful and heartfelt mission: to make every guest Feel Welcome. Guests enjoy access to one of the world's most rewarding hotel loyalty programs - Le Club AccorHotels.

AccorHotels is active in its local communities and committed to sustainable development and solidarity through PLANET 21, a comprehensive program that brings together employees, guests and partners to drive sustainable growth.

Accor SA shares are listed on the Euronext Paris stock exchange (ISIN: FR0000120404) and traded in the United States on the OTC market (Code: ACRFY)

For more information or to make a reservation, go to accorhotels.group or accorhotels.com. Or join us and follow us on Twitter and Facebook.

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RevPAR excluding tax by segment and market - First-quarter 2017

Q1 2017	Occupation rate		Average room rate		RevPAR	
	%	chg pts LFL	€	chg % LFL	€	chg % LFL
Luxury & Upscale	59.5	+4.9	182	-1.2	108	+7.6
Midscale	58.1	+4.2	104	-1.3	60	+6.3
Economy	59.3	+1.8	59	+0.4	35	+3.6
France & Switzerland	58.9	+2.7	80	+0.2	47	+5.0
Luxury & Upscale	61.7	+3.5	140	+3.4	86	+9.2
Midscale	63.4	+2.5	80	+2.9	51	+7.2
Economy	67.0	+2.4	57	+3.0	38	+6.9
Europe	64.9	+2.6	75	+3.2	49	+7.4
Luxury & Upscale	62.9	+2.1	170	-0.7	107	+2.7
Midscale	64.3	+6.5	88	-5.4	57	+5.3
Economy	64.5	+3.4	71	-4.9	46	+0.2
Middle East & Africa	63.3	+4.0	122	-3.5	77	+3.0
Luxury & Upscale	66.0	+3.9	119	+0.2	79	+6.4
Midscale	69.9	+2.4	87	+2.0	61	+5.4
Economy	67.0	+1.4	51	+2.1	34	+4.7
Asia-Pacific	67.9	+2.8	89	+1.8	61	+6.2
Luxury & Upscale	66.7	-0.8	236	-2.5	158	-3.5
Midscale	71.3	+0.5	119	+9.4	85	+9.9
Economy	69.8	+2.2	37	+13.7	26	+17.4
North America, Central America & the Caribbean	67.3	+0.6	205	+2.8	138	+3.6
Luxury & Upscale	47.5	-8.0	167	-3.4	79	-17.2
Midscale	51.9	+0.3	78	-8.2	40	-8.2
Economy	51.3	-3.0	51	-0.7	26	-6.0
South America	5.1	-2.4	69	-4.8	35	-8.9
Luxury & Upscale	64.1	+3.0	155	-0.2	99	+4.7
Midscale	63.3	+2.9	88	+0.8	56	+5.7
Economy	62.2	+1.5	57	+1.4	35	+4.0
Total	63.0	+2.3	90	+1.2	56	+5.0



Hotel base - First-quarter 2017

	Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Luxury & Upscale	34	7 106	25	1 975	59	9 081
Midscale	163	23 434	253	23 006	416	46 440
Economy	400	41 489	821	58 100	1 221	99 589
France & Switzerland	599	72 110	1 101	83 216	1 700	155 326
Luxury & Upscale	58	12 370	22	4 922	80	17 292
Midscale	240	42 350	223	27 485	463	69 835
Economy	370	50 880	220	21 546	590	72 426
Europe	668	105 600	465	53 953	1 133	159 553
Luxury & Upscale	59	19 406	3	383	62	19 789
Midscale	47	9 564	10	1 301	57	10 865
Economy	56	9 697	4	632	60	10 329
Middle East & Africa	169	39 602	18	2 569	187	42 171
Luxury & Upscale	187	49 661	50	7 171	237	56 832
Midscale	190	44 884	53	7 258	243	52 142
Economy	162	28 853	103	14 637	265	43 490
Asia-Pacific	550	124 923	214	29 988	764	154 911
Luxury & Upscale	49	21 296	2	702	51	21 998
Midscale	7	1 475	7	1 462	14	2 937
Economy	16	2 090	0	0	16	2 090
North America, Central America & the Caribbean	73	25 184	9	2 164	82	27 348
Luxury & Upscale	17	3 562	4	981	21	4 543
Midscale	83	12 716	10	1 444	93	14 160
Economy	110	20 869	67	7 642	177	28 511
South America	211	37 202	81	10 067	292	47 269
Luxury & Upscale	404	113 401	106	16 134	510	129 535
Midscale	730	134 423	556	61 956	1 286	196 379
Economy	1 114	153 878	1 215	102 557	2 329	256 435
Total	2 270	404 621	1 888	181 957	4 158	586 578