

Very Good First-Half 2011 Performance by a “100% hotelier” Group

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- **Solid growth in revenue: up 5.8% like-for-like¹ to €2,973 million**
 - **Steep increase in EBIT: up 44% like-for-like¹ to €199 million**
 - **Sharp improvement in EBITDAR margin: up 1.1 point to 30.2%**
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- **Solid financial position: funds from operations/adjusted net debt at 23.1%²**
 - **Expansion: full-year objective of 30,000 rooms confirmed**
 - **Ongoing deployment of the asset management program** with the disposal of 65 hotel properties during the period
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First-half 2011 was shaped by:

- Continued **strong growth** led by a **steady rise in occupancy rates** and a **gradual recovery in average room rates**.
- **Consolidation of the business model and a solid operating performance** with a very good 51.5% flow-through ratio (excluding the impact of events in Egypt and Ivory Coast).
- **Improvement in EBITDAR margin**, up 1.1 point like-for-like to **30.2%**.
- **Pursuit of the disposal program**: more than 7,400 rooms refinanced for an impact of €191 million on adjusted net debt.
- **A dynamic expansion program** with the opening of nearly **13,700 rooms** (78% through franchise and management contracts) out of a full-year target of 30,000 rooms.
- **Net debt of €559 million** at end-June 2011, a reduction of €171 million compared with six months earlier.

¹ At constant scope of consolidation and exchange rates

² Net debt adjusted for NPV of minimum lease payments discounted at 8% (Standard and Poor's methodology)

Interim results

<i>(in € millions)</i>	H1 2010	H1 2011	% change	Like-for-like change ⁽¹⁾
Revenue	2,849	2,973	+4.4%	+5.8%
EBITDAR⁽²⁾	835	897	+7.4%	+9.7%
<i>EBITDAR margin</i>	29.3%	30.2%	+0.9 pts	+1.1 pt
EBIT	156	199	+27.5%	+44.0%
Operating profit before tax and non-recurring items	93	144	+55.5%	+70.0%
Profit or loss from discontinued operations	52	1	N/A	N/A
Net profit/(loss), Group share	(15)	41	N/A	N/A

(1) At constant scope of consolidation and exchange rates

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

Consolidated revenue for the six months of 2011 totaled €2,973 million, up 4.4% on a reported basis and 5.8% like-for-like compared with first-half 2010.

Energized by **sustained demand** in the **main European markets and emerging countries**, Accor delivered a robust revenue performance in first-half 2011 with an acceleration in the second quarter. Occupancy rates rose steadily while the improvement in average room rates gradually spread across all segments.

Revenue in the Upscale & Midscale and Economy segment excluding the United States rose respectively by **6.0%** and **6.4%** like-for-like, despite significantly higher comparatives than in 2010.

- **Expansion**

Accor plans to open **30,000 new rooms in 2011**. In the **first six months, nearly 13,700 rooms** were opened, of which:

- 78%* under management contracts and franchise contracts.
- 29%* in the Midscale segment and 37% in the Economy Hotels excluding the United States.
- 41%* in Europe and 32% in Asia.

- **Solid performance in the Upscale & Midscale segment**

In the Upscale & Midscale segment, revenue increased by 5.2% in first-half 2011 as reported and by **6.0%** like-for-like.

In Upscale & Midscale hotels, EBITDAR margin improved by **1.2** points like-for-like to **27.9%**, with Novotel and Pullman reporting the sharpest improvements. Moreover, margin increases in the segment were especially remarkable in France and Brazil.

*In number of rooms

The Upscale & Midscale segment's performance was fueled by an increase in average room rates for the period.

- **Strong improvement in Economy hotels excluding the United States**

Revenue from Economy Hotels excluding the United States rose 5.8% as reported and **6.4%** like-for-like.

EBITDAR margin for the segment stood at **36.8%**, an increase of **0.2 points** like-for-like. The margin improvement was driven by the performance of the Ibis and Etap brands and by the recovery in business in the main markets.

The performance of Economy Hotels excluding the United States was driven mainly by occupancy rates, which rose to record highs during the semester.

- **Moderate upturn in Economy Hotels in the United States**

Motel 6 revenue rose by **3.7%** on a like-for-like basis in the first half of 2011 (-5.0% as reported). Revenue was led by the improvement in occupancy rates, resulting in a slight **-0.1 point** like-for-like contraction in EBITDAR margin to **27.9%**.

The brand continued to transform its network with the opening of 22 hotels under franchise contracts, nine sale-and-franchise-back agreements in the first-half and the disposal of eight hotels during the period.

Sharp improvement in EBITDAR margin

Consolidated EBITDAR³ amounted to **€897** million in the first half of 2011, up **9.7%** like-for-like compared with the year-earlier period and **7.4%** as reported. EBITDAR reflected the improvement in operating performance and confirmed the validity of a business model that is solid and firmly focused on the Group's core business. The **flow-through ratio** stood at **51.5%** after adjustments for the impact of events in Egypt and Ivory Coast, and 48.9% before these adjustments.

EBITDAR margin stood at **30.2%**, up 0.9 points as reported and **1.1 point** like-for-like, led by the strong performance of the Upscale & Midscale segment and Economy Hotels excluding the US.

EBIT came in at €199 million, compared with €156 million in first-half 2010, an increase of 44% like-for-like that was attributable to the acceleration in the business recovery and the Group's vigilant efforts to contain costs.

Operating profit before tax and non-recurring items amounted to €144 million in first-half 2011, versus €93 million in the year-earlier period.

Net profit, Group share totaled €41 million, compared with a loss of €15 million in first-half 2010. Net profit for the first six months of 2011 included €19 million in impairment losses, mainly on property, plant and equipment in Europe, as well as €37 million in gains on disposals of hotel properties, primarily under sale-and-management back and sale-and-franchise back contracts.

Funds from operations came to €324 million for the period, compared with €287 million in first-half 2010. **Renovation and maintenance expenditure** amounted to €94 million and represented 3.2% of

³ Earnings before interest, taxes, depreciation, amortization and rental expense.

revenue, while **expansion expenditure** totaled €96 million. **Proceeds from property asset disposals** reduced net debt by €149 million. At June 30, 2011, **net debt stood at €559 million**.

Return on capital employed (ROCE) came to **11.9%** at June 30, 2011, compared with 11.3% at December 31, 2010. ROCE in the Economy Hotels excluding the US stood at **19.1%** at end-June, led by the performance of the Ibis and Etap brands.

As of June 30, 2011, Accor had **€1.8 billion in unused, confirmed lines of credit** and no major refinancing needs before 2013.

Ongoing deployment of the asset management program and completion of the refocusing process

In first-half 2011, **50** hotels (representing over 5,400 rooms) changed ownership structure and are now operated under variable leases, management or franchise contracts. In addition, **15** hotels (representing nearly 2,000 rooms) were sold. These transactions had the effect of reducing adjusted net debt by **€191 million**.

With the announced sale-and-management back agreements concerning the **Pullman Bercy** in Paris and the **Sofitel Arc de Triomphe** in July 2011, the impact of asset disposals on adjusted net debt amounts to €306 million.

In addition, Accor **sold its 49% stake in Groupe Lucien Barrière** to Fimalac and Groupe Lucien Barrière for €268 million. The transaction was completed in March 2011.

In August 2011, a contract was signed with Sodexo concerning the **sale of Lenôtre** for €75 million. This transaction is expected to be completed by the end of September, subject to approval by the competition authorities.

These transactions confirm Accor's ability to continue to **actively manage its assets**. Moreover, they complete the Group's strategic refocusing on its core business.

Outlook for 2011

Ongoing positive trends in July despite higher comparatives than in the first half

In Upscale & Midscale Hotels in Europe, July 2011 RevPAR excluding tax* was up 7.5% like-for-like, compared with a 7.7% rise in the first half of the year.

In the Economy Hotels segment in Europe, July RevPAR excluding tax* was 7.7% higher like-for-like, compared with a 5.0% improvement in the first half.

In the US Economy Hotels segment, July RevPAR* was up 4.0% for the month, versus a 3.1% rise in the first half.

Second-half trends are supported by the **summer season's good performance**. The Group has noted no measurable sign of slowdown in the cycle recovery at this stage.

*For owned and leased hotels only

Upcoming events

- September 13: Investor Day at Pullman Bercy
- October 18: Quarterly Report (third-quarter revenue)

Additional information

The Board of Directors of Accor, chaired by Denis Hennequin, met on August 23, 2011 and approved the accounts for the period ended June 30, 2011. Further to their limited review of the interim consolidated financial statements of Accor, the auditors have established a report which is included in the half-year financial report.

Accor, the world's leading hotel operator and market leader in Europe, is present in 90 countries with 4,200 hotels and more than 500,000 rooms.

Accor's broad portfolio of hotel brands - **Sofitel, Pullman, MGallery, Novotel, Suite Novotel, Mercure, Adagio, ibis, all seasons, Etap Hotel, Formule 1, hotelF1 and Motel 6** - provide an extensive offer from luxury to budget. With **145,000 employees** worldwide, the Group offers to its **clients and partners** nearly 45 years of know-how and expertise.

MEDIA RELATIONS

Agnès Caradec
Senior Vice President
Communications & External
Relations
Phone : +33 1 45 38 87 52

Elodie Woillez
Phone: +33 1 45 38 87 08

INVESTOR RELATIONS CONTACTS

Sébastien Valentin
Senior Vice President
Financial Communications &
Investor Relations
Phone: +33 1 45 38 86 25

Olivia Hublot
Investor Relations
Phone:+33 1 45 38 87 06