Press Release – 2011 Results
Paris – February 22, 2012

Accor: a new growth dynamic and excellent results in 2011

- **Record expansion**, with the opening of 38,700 rooms
- **Sustained growth in revenue to €6,100 million**, up +5.2% like-for-like
- **EBIT up +32.6%** like-for-like **to €530 million**
- **€27 million in attributable net profit**
- **Sharp reduction in net debt** to **€226 million** (vs. €730 million at year-end 2010)
- **Sustained deployment of the asset management program**

* * *

- **Dividend**: **€1.15 per share** (submitted to the Annual Shareholders Meeting)

Highlights of 2011 included:

- **Record expansion**, with the opening of 38,700 rooms, mainly under franchise and management contracts. 1,000 hotels are now franchised in Europe.
- **Sustained, firm business levels in every segment**, led by the combined impact of rising demand and higher room rates.
- **Sharply improved operating performance,** with EBITDAR margin gaining +1.2 pts to 31.5% like-for-like and a 56% flow-through ratio[1].
- **Sustained deployment of the asset management program**, with the refinancing of 129 hotels (nearly 15,000 rooms) reducing adjusted net debt by €533 million. Since the beginning of 2012, eight more hotels have been refinanced, with a €119-million impact on adjusted net debt.
- **Faster transformation of Motel 6**, with the disposal of 41 hotels (28 in 2010) and the opening of 55 new franchised units.
- **A sound, strengthened financial position.**

"Performance in 2011 was remarkable and demonstrates the new growth potential of Accor, of its brands and of its operations" said **Denis Hennequin, Chairman and Chief Executive Officer.** "All of our objectives have been met or exceeded. The Group is in excellent financial health, which enables us both to continue our growth strategy and to submit to the next Annual Shareholders Meeting a total dividend of €1.15 per share. During this year of transformation, Accor enjoyed record expansion and strengthened its presence in emerging markets. We have initiated strategic changes that will structure our business for the future, with the ambitious objective of becoming the global reference in hotel industry."

[1] Excluding Egypt and Ivory Coast. Reported flow-through ratio was 54%. The flow-through ratio is the ratio between the change in like-for-like EBITDAR and the change in like-for-like revenue.

2011 Results

(in € millions)	**2010[1]**	**2011[2]**	**% change reported**	**% change like-for-like[3]**
Revenue	5,948	6,100	+2.5%	+5.2%
EBITDAR	**1,814**	**1,923**	**+6.0%**	**+9.3%**
EBITDAR margin	*30.5%*	*31.5%*	*+1.0 pt*	*+1.2 pt*
EBIT	**446**	**530**	**+18.8%**	**+32.6%**
EBIT margin	*7.5%*	*8.7%*	*+1.2 pt*	*+2.0 pts*
Operating profit before tax and non-recurring items	334	438	+31.4%	+39.2%
Profit or loss from discontinued operations	4,014 [4]	(2)	N/R	N/R
Net attributable profit	**3,600**	**27**	N/R	N/R

(1) In line with IFRS 5, 2010 results from Edenred, Groupe Lucien Barrière and the onboard rail catering businesses have been reclassified under "Profit from discontinued operations."
(2) In line with IFRS 5, 2011 results from Groupe Lucien Barrière and the onboard rail catering businesses have been reclassified under "Profit from discontinued operations."
(3) Excluding changes in scope of consolidation and exchange rates
(4) Including a €4,044-million non-cash capital gain on the demerger of the Services business

Sustained strong growth in business in every segment in 2011

Group revenue amounted to €6,100 million in 2011, an increase of +2.5% as reported and of **+5.2%** like-for-like compared with 2010. The year saw sustained growth in every segment throughout the period, led by the combined impact of higher room rates and rising demand.

Demand held firm in the leading European country markets, except in Southern Europe, and remained strong in emerging markets and the United States.

- **Continuing recovery in the Upscale and Midscale**

In the **Upscale and Midscale** segment, **revenue** increased by +3.4% as reported and **+5.0%** like-for-like.

The segment's **EBITDAR margin** rose to a record high **28.9%** of revenue, up +0.4 points as reported and **+1.1 points** like-for-like. This performance was all the more remarkable in that it came on top of the very strong growth reported in 2010. The improvement was led by the Novotel and Pullman brands.

The very robust +40.3% increase in EBIT was accompanied by an excellent **EBIT margin**, which rose sharply in every geography to end the year at **6.6%** overall, up +0.9 points as reported and **+1.9 points** like-for-like.

- **Excellent performance in Economy Hotels outside the United States**

Revenue from **Economy Hotels outside the United States** rose +5.0% as reported and **+6.3%** like-for-like. Segment performance was driven by the increase in room rates, which in turn reflected occupancy rates that averaged more than 70%, the highest in the Group. It was also boosted by the faster expansion through franchise and management contacts since 2010, with a sharp increase in franchising fees.

Led by the Etap Hotel/ibis budget brand, **EBITDAR margin** rose to a record **38.1%,** up +1.2 points as reported and **+0.8 points** like-for-like.

EBIT gained **+14.7%** like-for-like, with double-digit growth in most markets.

- **Solid recovery in the United States**

Motel 6's revenue rose by **+4.3%** like-for-like over the year, lifted by improving room rates in the second half. On a reported basis, segment revenue was down -4.2% due to the impact of asset disposals and an unfavorable exchange rate.

EBITDAR margin stood at **30.8%**, up +1.1 points as reported and +0.5 points like-for-like after two straight years of decline.

While barely at breakeven in 2010, **EBIT margin** improved to a positive **2.8%** in 2011, with a remarkable gain of +3.5 points as reported and **+3.3 points** like-for-like.

A strong, attractive brand, Motel 6 opened 55 new franchisees in 2011 and is continuing to **successfully transform its business model.** To speed up this process, the Group has exercised call options on fixed-lease hotels for €95 million and sold another 41 units (28 in 2010), with the objective of disposing of around 100 in 2012.

Excellent growth in EBIT, up +32.6% like-for-like to €530 million

Group EBITDAR[2] amounted to **€1,923 million** in 2011, up +6.0% as reported and **+9.3%** like-for-like, thanks to a contribution from every segment. EBITDAR margin improved sharply to **31.5%**, building on 2010's already vigorous growth with a gain of +1.0 point as reported and of **+1.2 points** like-for-like.

Accor maintained its constant focus on cost discipline throughout the year. For the first time, the unified central distribution system accounted for 60% of room sales in 2011. Operating performance improved, lifting the **flow-through ratio**[3] **to an above-target 56%.**

EBIT rose by a **like-for-like +32.6%** to **€530 million**, **while EBIT margin widened by +2.0 points** like-for-like to 8.7% of revenue, thanks to the solid growth in business (particularly in the economy segment) and Accor's increasing shift to an asset-light model.

Operating profit before tax and non-recurring items also saw very strong growth, rising +39.2% like-for-like to **€438 million**.

Net profit attributable to shareholders improved like-for-like, to **€27 million** for the year, after €113 million in impairment losses, of which around half concerned Motel 6. In 2010, net profit attributable to shareholders amounted to €3,600 million, including the €4,044 million non-cash capital gain on the demerger of the Services business (Edenred IPO on July 2, 2010).

Operating profit before non-recurring items, net of tax amounted to **€296 million**, versus €280 million the year before.

A sound, strengthened financial position

Accor significantly reduced its **net debt** in 2011, to **€226 million** at year-end from €730 million at December 31, 2010. The decline primarily reflected the refocusing on the core hotel business, with the disposal of Groupe Lucien Barrière and Lenôtre during the year, as well as the implementation of the asset management plan and the strong generation of operating cash flow.

Funds from operations improved to **€737 million** from €695 million in 2010. **Maintenance and renovation expenditure** remained under control at 5.0% of revenue, or €303 million, while recurring **expansion expenditure** totaled €213 million for the year.

Reflecting the Group's healthy financial position, the **ratio of adjusted funds from operations to adjusted net debt** improved by a solid +5.6 points over the year, to 25.7% at December 31, 2011. **Return on capital employed** (ROCE) rose by +1.0 point to 12.3% at December 31, 2011.

---

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

[3] Excluding Egypt and Ivory Coast

To optimize its financial structure, Accor continued to buy back its bonds in 2011, in an amount of €121 million during the year.

In addition, at year-end, Accor had **€1.8 billion in unused, confirmed lines of credit** and no major refinancing maturity in 2012.

This robust financial position provides Accor with the flexibility needed to pursue its operational expansion objectives, while returning capital to shareholders in a total amount of **€1.15 per share**, of which €0.65 in an ordinary dividend per share (up +4.8%).

Record expansion in 2011

2011 represented **a turning point in the pace of the Group's expansion**, with the **38,700 rooms** opened during the year (25,000 in 2010) amply exceeding targets. This record performance was the result of an assertive strategy of both organic and acquisitions-led growth, focused on franchise and management contracts. The Mercure brand opened the largest number of rooms (11,000) during the year, thanks in particular to the acquisition of 24 franchised hotels in the United Kingdom in September.

Of the total number of new rooms, **95%** were opened under **asset-light systems** (franchise contracts, management contracts and variable-rent leases), while 47% were located in Europe and 33% in the Asia-Pacific region. In this way, Accor is consolidating its leadership positions in these geographies.
By year-end, the Group's hotel base stood at 531,700 rooms, half of which were operated under franchise and management contracts.

The pipeline comprises 104,000 rooms (609 hotels), of which 45% in the Asia-Pacific region and mainly under franchise and management contracts, in line with the Group's expansion strategy.

For 2012, Accor confirms its **objective of opening 40,000 rooms** during the year, including the 6,100 rooms integrated through the Mirvac acquisition announced last December.

Sustained, active implementation of the asset management program

A total of **129 hotels** (15,000 rooms) were refinanced in 2011, enabling a **€533 million** reduction in adjusted net debt and having a cash impact of **€394 million**.
Since the beginning of 2012, eight new disposals have been signed with an additional impact of **€119 million** on adjusted net debt, meaning that the objective of **reducing adjusted net debt by €1.2 billion** over the **2011-2012** period has now been more than 50% met.

Accor remains confident in the pursuit of its 2011-2015 asset management program, which involves the disposal of 400 hotels with a €2.2-billion impact on adjusted net debt and the restructuring of leased assets, which will drive a structural improvement in operating margin and free cash flow generation.

2012 Trends and Outlook

The trends observed in fourth-quarter 2011 continued into January 2012, with RevPAR figures stable in Europe and strong revenue growth in the emerging markets. The Economy segment in Europe and the United States is continuing to benefit from rising room rates.

Despite the uncertain economic environment, business is holding firm, in line with the growing recovery observed since 2010. Supported by favorable drivers in markets like France, Germany (calendar of fairs), the United Kingdom (Olympic Games), Eastern Europe (European Football Championship), Latin America and the Asia-Pacific region, Accor is confident as it moves into 2012.

The Board of Directors met on February 21, 2012 and approved the financial statements for the year ended December 31, 2011. The financial statements have been audited and the auditors' report is in the process of being issued. The consolidated financial statements and notes related to this press release are available on the website www.accor.com.

Upcoming events in 2012

- *April 17: First-quarter revenue released*
- *May 10: Annual Shareholders' Meeting*

Accor, the world's leading hotel operator and market leader in Europe, is present in **90 countries** with more than **4,400 hotels** and **530,000 rooms.** Accor's broad portfolio of hotel brands **- Sofitel, Pullman, MGallery, Novotel, Suite Novotel, Mercure, Adagio, ibis, all seasons/ibis styles, Etap Hotel/Formule 1/ibis budget, 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