HD **Q3 2014 Accor SA Corporate Sales Call - Final**

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Presentation

OPERATOR: Ladies and gentlemen, welcome to the Accor **Group** third quarter 2014 revenue conference call. I now hand over to Sophie Stabile, Global CFO. Madam, please go ahead.

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SOPHIE STABILE, GLOBAL CFO, ACCOR SA: Good afternoon, and thank you for being with us tonight. I am happy to share with you the key highlights of our Q3 revenue numbers.

As a reminder, all 2013 pro forma numbers reflecting our new organization and the IFRS 11 impact have been disclosed last quarter. You can find them on Accor.com if needed.

So, let's start the presentation on page two. Accor's consolidated revenue for the quarter grew by 4.6% like-for-like to reach EUR1.4 billion.

This performance is mildly better than the trend which we saw across H1, especially on the French market, thanks to a satisfactory summer season and a pretty solid month of September.

Trends in other key markets remain steady, with UK and Germany delivering particularly strong performances.

Revenue at HotelInvest grew by 4.6% like-for-like at EUR1.2 billion. The performance was a bit lower for HotelServices, with a 2.7% increase on a comparable basis at EUR325 million, 46% of which being the contribution of HotelInvest, i.e., EUR150 million.

Gross revenue was up 4.7% over the quarter, restated from currency effects.

Last, we opened 7,500 rooms over the quarter, with a record 95% of franchise and management contracts.

Moving to slide three, the 4.6% like-for-like growth is a combination of different situations across geographies. On the positive, our key European markets of France, Germany, and the UK performed well.

As said, France got better in Q3 with a noticeable improvement in August and September. Germany also benefitted from a very positive calendar, with large fairs all across the country. The UK remained extremely strong, in line with previous quarters.

We also noticed a new increase in the pace of recovery in southern Europe, and especially in Spain.

Australia and **China** remain our key areas of concern, together with Brazil, where business levels have shown significant slowdown after World Cup football, as expected.

All in all, response from managed owned and leased hotels was up 5.1%, with a 50/50 balance between occupancy and price.

Expansion had a positive impact of 0.9%. Disposal affected revenue by 2.6%, in line with previous quarters. Last, currency effect turned moderately positive for the first time after 12 months, primarily on the British pound.

Based on these factors, reported revenue came out at 3.3% versus Q3 2013.

Moving on to slide four and HotelInvest, the 4.6% like-for-like growth is a combination of different situations across geographies. As said, France keeps improving despite poor performance in July. We were still impacted by the effect from the VAT increase.

That said, leisure travel was strong in August and September was solid, partly lifted by prepaid rotary trips to Paris linked to the motor show.

We were marginally affected by the Air France strike in September. That was substantive only in the provinces, and definitely offset by good underlying demand around Paris.

Revenue in northern, central, and eastern Europe grew by 6.5%, with positive trends in whole countries and particularly high numbers in the UK and Germany.

The strong 11.7% increase in revenue for Mediterannean, Middle East, Africa is actually a combination between different markets, fast-growing southern Europe, where a recovery definitely really accelerated last quarter, and Africa, where we started feeling the impact of Ebola quite significantly. This should, unfortunately, carry on and deepen in Q4.

Americas benefitted from the Brazilian World Cup football in July. That was extremely strong. As expected, business turned moderately negative afterwards, which we also expect to continue in Q4, notably on the back of the presidential election in Brazil.

Last, Asia-Pacific was negative by 3.4%, which is linked to Australia and **China** as regards HotelInvest.

In more detail by segment on slide five, upscale hotels keep recording the best performance across all markets. As for in H1, this is explained by some levels of international travel supporting all our business in key getaways.

Large midscale hotels in big cities also benefitted from this trend. And the global performance is good, with a 3.9% revenue growth over the quarter, led by European countries including Germany, UK, and southern Europe.

Last, economy hotels remain under pressure in France, with more sensitivity to the VAT increase, more exposure to provinces and the effect of the Air France strike, and to the struggling mining region of Australia for Asia-Pacific.

However, the global performance of plus 3.4% showed some fair improvement against H1 across most markets, including the toughest ones.

On slide six, HotelServices with a moderate 2.7% increase, reflecting a more contrasted situation in France and ongoing solid trends in other markets.

Keep in mind that we use the term of comparable revenue growth to highlight that it includes assets like expansion, which is key to the performance across regions.

The minus 3.2% decrease in France is mostly linked to two factors. First, as per IFRS standards, sales and marketing fees paid by French franchisees are treated as revenue only when expenses are engaged. We spent a bit less in marketing last quarter, which explains the drop in revenue. As we had spent a bit more in H1, this compensated today.

As a reminder, note that some of our KPIs do not include sales and marketing fees in the whole cost, which avoids this kind of volatility in numbers.

The second factor is linked to perimeter effect, with a negative impact from the 11 sales and franchise backed deals we signed over the past 12 months in France, as more hotels at HotelInvest paid management fees which are higher, of course, than the current franchise fee.

Restated for these two factors, the underlying performance of HotelServices in France is a positive plus 1.5%.

The solid performance in northern Europe and central and eastern Europe was driven by the UK but also Switzerland and Poland, which posted double digit growth.

Mediterranean, Middle East, Africa was clearly driven by the Middle East, thanks to pretty fast expansion in the region over the last quarter, with key openings in Saudi Arabia and the Emirates.

The positive performance in Asia-Pacific is linked to a better geographical breakdown in Australia than HotelInvest on a positive performance there, offsetting small growth in **China**.

Last, Americas were naturally driven by Brazil. But, also the Hispanic countries in the region, including Mexico, Peru, and the Caribbean, did pretty well with double digit growth.

Moving on to France on slide seven, Paris did fairly well over the quarter, with a positive 4.2% increase in RevPAR, driven by upscale and luxury hotels. Provinces remain in negative territory despite some moderate pick up in demand.

Interestingly, the Air France strike in September had more impact in provinces, with a lot of internal flights being cancelled and probably less alternatives for travelers on international flights, where competition is bigger. We estimate the negative impact of that strike to about 2.5% over the fortnight in provinces versus roughly 0% in Paris.

Prices were up in the economy segment and slightly down for the upscale and midscale segments. The average prices for France grew by 1.5%, which can seem a little odd when compared to the performance by segment. This is linked to the increased weight of upscale luxury on total numbers, with occupancy growing 6.8% on that segment in Q3.

All in all, RevPAR was positive in France for midscale to luxury. We expect this to carry on in October, as we will benefit from the ongoing air show in Paris.

That said, we remain concerned about the tax environment, with a likely increase in the French city tax structure that should be passed soon, which would be a negative sign for the local travel and leisure industry and France as a whole.

As you can see on page eight, Germany did really well in Q3, with occupancy and prices being well oriented. We enjoyed a fairly busy quarter in terms of fairs and trade shows, benefitting our hotels in Berlin, Munich, Cologne, and Hannover.

Only Frankfort faced a negative calendar with the loss of a large auto show, but that was compensated over the quarter. And again, all cities were positive in Q3 in Germany. This translated into a solid trend item in terms of occupancy and, of course, prices.

We estimate the fair calendar for Q4 to be a bit less favorable than Q3, so probably RevPAR should come back to some kind of H1 levels, i.e., slightly positive.

Moving on to slide nine and the UK, which remained the best market around with extremely fast growth in regions and record high demand levels around and inside London. Today both occupancy and prices are above 2008 peak levels. Still, the upward trend is being confirmed quarter after quarter.

This benefitted both to HotelServices and HotelInvest in Q3, with around plus 10% increase in revenue for both business lines.

Business in provinces was driven by a very solid local economy, and lifted by some specific events over the quarter, including the Commonwealth Games in Glasgow, the National Conference in Wales, and the Ryder Cup Golf in Scotland.

In London particularly, growth was RevPAR at 4.3% and flat occupancy at the extremely high level, which we see as satisfactory in a very competitive market, including recent openings on the upscale and luxury segment.

As regards openings, Accor remains very dynamic in the UK, with nine hotels and 1,200 rooms added in January, and a positive impact on HotelServices. These openings include two Novotels in London, Brentford and Wembley, one Mercure in Sheffield, and a large ibis in Edinburgh.

Expansion was solid in Q3, as you can see on page 10. We opened 7,500 rooms across the world with a record 95% of asset lives which are linked to the rollout of our new strategy and the fact that we open less and less hotels under our lease contract.

62% of our expansion was outside Europe, with Asia still as our primary market for growth, representing 44% of the new rooms alone. So, in total, we now open 143 hotels and close to 20,000 rooms since the beginning of the year.

So, as a conclusion on page 12, on the positive side Q3 was fairly solid and marked by a small improvement in France, with a continued gap between a strong Paris and tougher provinces.

Our key markets of Germany and the UK also recorded strong business levels. The recovery continued an increase in southern Europe. This element should carry on in Q4, with the motor show in Paris boosting France and solid trends in other markets.

On the other side, we notify you of a few areas of concern going forward. The Ebola epidemic is growing in Africa, and we now measure clearly negative effects across the whole African continent, which we expect to worsen in Q4.

Brazil, which was lifted by the World Cup football in H1, now enters a more complex phase. And again, we anticipate RevPAR to stabilize, at best, in the short term.

Last, China and Australia remain under pressure on economic grounds, and we expect no recovery in the short term.

Based on these factors, including good momentum in Europe and the various uncertainties in emerging markets, we confirm our full year EBIT estimates for the year to be in a range between EUR575 million and EUR595 million.

Thank you for your attention. I am now ready to take your questions.

Questions and Answers

OPERATOR: Thank you, madam. (Operator instructions.) Jarrod Castle, UBS.

JARROD CASTLE, ANALYST, UBS: Good afternoon or good evening. Yes, three if I may. I mean, you mentioned Africa. Can you please give us a bit of an idea where in Africa your presence is in terms of which countries? Is there a greater presence and a lesser presence? I think you mentioned the impacts across the whole African business.

And then, just to put it in context, how big is Africa for the group? And I also take it by the sounds of things you're not seeing any potential impact in Europe, so if you can just confirm that.

And then just secondly, just in terms of the new tax, I know things still need to be completely finalized. But, would you be able to give any views in terms of potential impact and also just in relation to the VAT? It sounds like you absorbed most of the impact. Did you do any kind of offsetting cost measures? Actually, I'll just leave it on those questions then. Thanks.

SOPHIE STABILE: Okay. For Africa, just want to remind that the total revenue for Africa, it's less than 2% of the total revenue for the group.

And we have in this region roughly 100 hotels. And we are only impacted for 25% on these grounds for these hotels where they are more impacted by this crisis.

And just to have in mind, we are located in Africa mainly in Nigeria, Cameroon, Togo, and Ghana, Benin, and Nigeria. So, we have some -- most of our hotels are more in northern Africa than the situation where there is a big crisis.

JARROD CASTLE: Thanks. And any views in terms of the potential impact of taxes in France, or new taxes in France?

SOPHIE STABILE: Well, in terms of taxes in France, at the time for us it's too early to estimate the financial impact. And we are still waiting for a final number from the government.

It would be, obviously, a negative for Accor and for us more broadly, speaking for the French hotel industry, which is already heavily penalized by social charges and the VAT increase.

JARROD CASTLE: Okay. I'll leave it at that then. Thank you.

OPERATOR: Tim Barrett, Nomura.

TIM BARRETT, ANALYST, NOMURA: Hi, Sophie. Good evening. Can I ask two things about France, please? Do you have any idea about August and September trading, what was driving the strength? It looked to me from the data it was a lot better than July.

And then, in terms of the MKG data, it looked like the pick up in that was about 400 basis points Q3 on Q2, and Accor's pick up is a fraction of that. So, any thoughts on the underperformance of the index, please? Thanks a lot.

SOPHIE STABILE: In terms of the RevPAR index?

TIM BARRETT: Yes. Yes, the RevPAR index.

SOPHIE STABILE: We are better than the other competitors on that market and very far away their figure, so it's probably a mixed effect on that side. But, when we look whole the RevPAR index, we are very high on that side.

So, France for August and September, actually in September there is a lot of events in Paris. And when you look at France, don't forget that you have to look in two parts. When you look provinces, it's quite a different story on that side, because even in September we have a negative trend -- negative figures for provinces, which is not the case for Paris.

So, for me, we are in a very bad situation for provinces. And for Paris, thanks to the international traveler and all the big events that we have in September, it's a better and positive territory.

TIM BARRETT: Okay. And the tone is quite cautious in the statement on outlook. What are forward bookings telling you in France?

SOPHIE STABILE: So, we saw that October will be a good month in particularly France, with the fact that we have the motor show in Paris and still a lot of events. And that is the reason why we are quite confident on that side.

But, we are still cautious on France, and particularly because we didn't see any catalyst for November and December. So, it's the reason why we are more cautious on that side, and of course with the fact that could place more serious taxes on France.

TIM BARRETT: Okay. Thanks, Sophie.

SOPHIE STABILE: You're welcome.

OPERATOR: Tim Ramskill, Credit Suisse.

TIM RAMSKILL, ANALYST, CREDIT SUISSE: Thanks. Good evening, Sophie. Three questions for me, please. The first is, your guidance for the second half implies somewhere between 8% and 14% profit growth in H2, having delivered 15% in the first half. I know you only report revenues at this stage, but given the strength of the third quarter RevPAR, could you confirm that you'll be growing more quickly in Q3 than you were in the first half? That's the first question.

The second question is, I know you've sort of tried to explain in your presentation the changes in the growth dynamics for HotelServices, but I'm still left a little bit struggling to sort of close out the gap. RevPAR growth in Q3 is 2 points better, and yet the overall reported like-for-like growth is 4 points worse than it was in Q2. And even listening to your comments about France, that might explain a little bit of it, but certainly doesn't explain the entirety of the gap. So, is there anything else that you think we should be aware of to help sort of square that away?

And then, the third question is -- and you were sort of asked a little bit about this earlier, and I'm not sure covered it. But, given the recent concerns around Ebola, etc., I mean, have you seen anything that you sort of think reflects caution in terms of travelers' intentions? It certainly seems as if the general RevPAR data that's been coming through so far in the last few weeks has continued to be very strong generally. So, is there anything specific you'd point to forward booking wise or otherwise that drives your cautious view?

SOPHIE STABILE: On your last question, the only change that we have seen for the traveler is mainly in Africa. So, I mentioned we have some concerns in Africa, but at that stage we didn't see any change in the other area.

And you know when you look, for example, in Europe, we have a very strong performance in Europe and particularly on the last -- on September. So, it means that we are -- at that time, we didn't see any change on that side.

On the first question on guidance, Q3 is better than H1, of course. And the last quarter, Q4, don't forget that the month of November and December is probably one of the smallest months, with January. So, it means that it will weight differently than the other quarter.

TIM RAMSKILL: Okay. And just while we're talking about it, was Q3 -- I mean, I know you set guidance at the end of August. But, was Q3 better than you hoped for?

SOPHIE STABILE: Not so far, and it's probably -- Q3 is probably a bit mixed between a very strong market like north and southern Europe and the markets which were more difficult like Africa, which was not the case at the end of August, Latin America with Brazil. And of course the last point is France, with the fact it's still a difficult market with a very strong trend in Paris and very bad in provinces.

TIM RAMSKILL: Okay. And the reconciling the growth trends in HotelServices? Anything you think we need to also -- extra to be aware of?

SOPHIE STABILE: So, in terms of the reconciliation of the trend for HotelServices, the RevPAR for France for 1.8%. And for HotelServices it's also -- the increase is without a franchise fee.

TIM RAMSKILL: Okay. But, nothing else? It's nothing to do with the pace of room openings or anything else?

SOPHIE STABILE: No. No.

TIM RAMSKILL: It just still looks a lot lower than I would have expected, but okay. Thank you.

OPERATOR: Vaughan Lewis, Morgan Stanley.

VAUGHAN LEWIS, ANALYST, MORGAN STANLEY: Hi, Sophie. Just following on from that one, when these hotels switch over from being HotelInvest hotels when you do the **sale** and franchise back, there's obviously quite a big impact on revenue. But, is there also an EBIT impact, or is the EBIT for HotelServices similar when they're franchised relative to when they're managed?

The second one just following on from Tim's question there as well, I mean, it sounds like Q3 has been a fair amount better than you were expecting, particularly in France where the operational gearing is quite high. So, were you tempted to increase the EBIT guidance at this point, or is there more in the mix that's not clear?

And then finally, can you comment on the speculation around Louvre Hotels at all? Is that maybe a reason why you keep raising debt? Thanks.

SOPHIE STABILE: So, on your first question, the fact that, when we move from a management contract between HotelInvest and HotelServices to external franchise contracts, of course you have less fee just on the structural basis of fees.

But, I have already explained on that side. It's through that -- when we do all these things, we have also to adapt the structure for HotelInvest but also for HotelServices. So, it means that each time we put in place all these things, it means that for HotelServices side, because we give to a whole the operational guide a target of EBIT margin and EBITDA margin.

They have to maintain that EBITDA margin, what is a return, with the fact that they lose for -- sometimes fees are linked to the fact that we put in place a franchise contract, instead of a management contract with HotelServices and HotelInvest.

VAUGHAN LEWIS: But, I'm not asking about the margin. In absolute terms when a **hotel** moves from HotelInvest to external franchise, is the EBIT contribution to HotelServices lower, or are there enough costs that come out that mean it's similar?

SOPHIE STABILE: It depends for HotelInvest on the performance for the **hotel**. And HotelServices, they will adapt the total of the costs.

VAUGHAN LEWIS: Okay.

SOPHIE STABILE: For France on the Q3, overall we expect to hold the trend that we have on the Q3 and probably only better in Paris than expected for France.

But, only whole because the rest of the world -- we have a mixed situation, as I have mentioned, with some very good countries, and that we operated -- we are still cautious for France for the end of the year, but also for Africa. So, this is the reason why we keep exactly the range for the EBIT target for the end of the year.

VAUGHAN LEWIS: Okay.

SOPHIE STABILE: And the last question for the official bid for Louvre **Hotel**. So, it's true that as a leader in the hospitality industry we are always consulted for M&A**transactions**, and this is particularly true in France and Europe. And for us, it's our responsibility to consider all the opportunities, and I didn't raise the debt for that.

VAUGHAN LEWIS: Just on that one then, do you think there would be any competition issues if you did make a bid? Would you have to break it up and sell some of it? Thanks.

SOPHIE STABILE: Well, it's too early, and we don't -- I won't mention any more on that side.

VAUGHAN LEWIS: Fair enough. Thank you.

SOPHIE STABILE: You're welcome.

OPERATOR: Guillaume Rascoussier, Exane.

GUILLAUME RASCOUSSIER, ANALYST, EXANEBNP PARIBAS: Hi. I have three questions. The first is a follow up on previous ones that focus in on franchise back operation shut down. Can you tell us how much down fees have been for HotelServices? I mean, is it like 20% down or more than that?

Second question on asset management, it doesn't seem that there is a significant acceleration, in Q3 at least. So, do you expect an acceleration to come and materialize from Q4 or only next year?

And last question, regarding the calendar of events in Germany, can you give us a bit of color on what's next for 2015? Is it better than 2014, especially for Frankfurt?

SOPHIE STABILE: So, for calendar -- I will start with the last question for the calendar in Germany. It will be less favorable in 2015 than 2014, of course. And we are doing a lot of review on that side just to be sure that we will deliver in terms of margins in the same level.

But, you know it's exactly the same thing every two or three years in Germany. So, all the team already adapt to monitor better the costs on that country.

GUILLAUME RASCOUSSIER: Sorry, but you have an idea how much number of fair days you are losing.

SOPHIE STABILE: Fair days? We can come back on you on that basic question. But, you know for me, the big loss is the [Wermar] Fest and the [Vopa], which is the two main fairs in Munich. But, for the rest of the country, there is a lot of other small fairs. So, it's mainly impacted for Munich.

And Guillaume, as you know, when we are in the even years, it's favorable. And when it's the other years, it's less favorable. But, it's like this all of the time. And just to project, 2016 will be an incredible year and a record year in terms of fairs.

For asset management, we have some -- we have done some **transactions**, a small **transaction** on the Q3. We continue on Q4. And as you probably know, we are working on the rest, securing fixed lease and variable lease, mainly on the fixed lease. So, we'll continue on that side, and we will give you some more color for the end result.

GUILLAUME RASCOUSSIER: And regarding how much fees are down when you make a **sale** and franchise back, how should we compute that for HotelServices?

SOPHIE STABILE: When you do the franchise back compared to the management fees when it was managed by HotelServices and HotelInvest?

GUILLAUME RASCOUSSIER: Yes, exactly. How much down are fees in these operations, like one-third?

SOPHIE STABILE: It's more than one-third. You have all the base management fees and incentive fees. And on top of that, you have also all the billable services. So, it's probably close to 40%, the loss between the management contract -- between HotelInvest and HotelServices and a franchise contract.

GUILLAUME RASCOUSSIER: Thanks.

OPERATOR: Vicki Stern, Barclays.

VICKI STERN, ANALYST, BARCLAYS: Thanks. Hi. Just starting off with that last point, actually, the decrease is around 40% between the two. And you're saying, in answer to one of the previous questions, the teams are then aiming to basically offset all of that decrease at the EBIT level, if you could just confirm that I've understood that well.

And on a related question, just coming back on this mix between the like-for-likes on HotelServices and the business volumes, I guess it seems like, even adjusting for the comments you made, the accounting change, the disposals, etc., it still would seem that the like-for-like sales growth is running a bit behind the business volume growth. So, that's just a general question on management and franchise fees, not so much when they move from HotelInvest to services. But, in general, is there downward pressure at all on those fees? And if so, how much?

And then just finally, on **hotel** openings you called out that leasing was a very tiny portion of what got opened, and that's sort of part of the plan. Just coming back to the Investor Day last November, you called out 100 hotels had already been signed as lease contracts into the pipeline. Are they still opening? Have any of those actually been closed, or are you still planning on opening the leased hotels that were originally signed? Thanks.

SOPHIE STABILE: On the first question, Vicky, I confirm that you well understand the point. It means that the level of the fees between management and franchise contracts that we can note will be compensated by the savings at the HotelInvest and HotelServices side.

On the like-for-like for HotelServices in France, the impact is linked to the market. The minus 3.2% decrease of the like-for-like retreat value exception, I think, referring to the closing and also for the marketing is linked. At the end, it will arrive at the increase of 1.5%, which is quite good for HotelServices. And we are -- on that side, we are in line with the response for that market.

Last point, in terms of opening hotels, it's -- we still have some -- what we have done on the fixed lease side in terms of openings. We have reviewed all the fixed leases just to be sure that we can -- or not renegotiate with the owner before the opening. And we have already confirmed some of them.

We still have some fixed lease in the pipeline, so it's hotels that we can't cancel at that time. And it represents probably 2% of the pipeline, and you have 9% with the variable lease. So, all in all, it's 11% between fixed and variable lease on the pipeline that we can't cancel at that time. So, all these assets will be open in the following year.

VICKI STERN: That's very helpful. Thanks.

OPERATOR: Victoria Greer, JPMorgan.

VICTORIA GREER, ANALYST, JPMORGAN: Good evening. Just two, please, firstly on the strengthening trends in southern Europe that you talked about. Is that something that you expect to continue? Can you give us any more detail around that, particularly for Spain?

And then secondly, the 16 hotels that you've restructured in Q3, have you -- are we already seeing the impact of that in the P&L, or do we need to think about the impact of that to come in the future? Thank you.

SOPHIE STABILE: So, for southern Europe, we have a big recovery on that country with the fact that it's -- at that time it's the fourth quarter with an improvement. And in Spain particularly, we have recovered the occupancy that we had in 2008.

We are not at that level for price. But, when we look at the figures in Spain for the Q3 in terms of occupancy, we are doing plus 9 point, 8 point in terms of occupancy, and plus 1 point in terms of RevPAR and in terms of price.

So, in terms of RevPAR, we arrive at a very high level of 16.3%. And we have, in terms of -- in this area, it's continued to increase particularly in all segments.

For the second part of your question for the 16 hotels that we have restructured in the quarter, you will have the impact by the end of the year next year.

VICTORIA GREER: Okay. And what kind of impact should we be thinking about that for 2015 numbers?

SOPHIE STABILE: We will give all the details at the end of the year.

VICTORIA GREER: Great. Thank you.

SOPHIE STABILE: You're welcome.

OPERATOR: Ian Rennardson, Jefferies.

IAN RENNARDSON, ANALYST, JEFFERIES: Good evening. It's Ian Rennardson at Jefferies. I was just wondering regarding the pipeline, how many rooms you would expect to open in 2014 net of any losses. And similarly, for 2015 what sort of tally do you have? Thank you.

SOPHIE STABILE: In terms of pipeline, we have only given the total of the pipeline. And it's 152,000 rooms at that time.

And it means that we have more management and franchise contracts in the pipeline. We have 87% in terms of management and franchise contracts. And we didn't disclose the total per year.

IAN RENNARDSON: Sure, okay. Thank you.

OPERATOR: [Regina Reeve], Allianz Global Investors.

REGINA REEVE, ANALYST, ALLIANZ GLOBAL INVESTORS: Good evening, everyone. I know you mentioned that you are not going to comment on the Louvre business potential acquisition. But, could you provide us with some numbers regarding the Louvre **Hotel** business? If you have maybe the sales and the EBITDA, that would be really helpful to make some projections.

SOPHIE STABILE: I don't give any number of that kind of **transaction**.

REGINA REEVE: You don't provide any number on this?

SOPHIE STABILE: No.

REGINA REEVE: Okay. Okay. Thank you again on that then. Thank you.

OPERATOR: Thank you. We have no further questions for the moment. (Operator instructions.)

SOPHIE STABILE: Well, thank you to all of us. And I will give you more review in the 30th of October for the Digital Day in London. Thank you.

OPERATOR: Ladies and gentlemen, this concludes the conference call. Thank you all for attending. You may now disconnect.

CO novtl : Accor SA

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