ACCOR

2009 Results

February 24, 2010

Executive Summary

Gilles Pélisson – Chairman and Chief Executive Officer

Jacques Stern – Deputy Chief Executive Officer

2009 Results

- **€448 million in operating profit before tax and non-recurring items at the high end of the announced target, despite the negative €39 million impact of the devaluation of the Venezuelan bolivar**
  - **Prepaid Services:** Slight revenue L/L[1] growth in 2009, in line with the target
  - **Hotels:** First signs in December of occupancy rates' stabilization
  - **Cost-reduction plans** superior to the target:
    - Operating costs reduced by **€165m** vs. an announced **€150m**
    - Support costs reduced by **€87m** vs. an announced **€80m**

- **Sound financial position: Net debt of €1.6 billion**
  - **€2.5 billion** of confirmed, unused **credit lines**
  - Funds from operations/adjusted net debt [2] : **20.0%**

- **Net result of €(282)m impacted by impairment charge and restructuring charge of €514m**

- **Proposed dividend payment of €1.05 per share**

[1] Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

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

2010 Trends and Outlook

- **Services**
  - **Operating Revenue:**
    - Europe: still a challenging economic environment due to the rise in unemployment
    - Emerging countries: a more favorable environment
  - **Financial Revenue:**
    - Lower interest rates continuing to have a negative impact on financial revenue in H1 2010
    - Stabilization expected in H2 2010
- **Hotels**
  - **First signs of occupancy rates' stabilization, to be confirmed in Q1 2010**
    - Average room rates expected to normally stabilize 3 to 9 months after occupancy rates
  - **Confirmation of saving plan in support costs: €45m in 2010**
  - **Ongoing deployment of the asset right strategy: transaction on five European hotels for €154m**
    - Transaction carried out with Invesco Real Estate, in February 2010
    - Four hotels sold through a sale and variable leaseback agreement and one hotel sold through a sale and management-back agreement
    - €93 million reduction in 2010 adjusted net debt [1]

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

ACCOR

Two Equity Stories

Accor Hospitality's strategic Vision
Becoming the leading european hotel franchisor
Being one of the world's three leading hotel groups

A portfolio of powerful brands
The operating excellence
A unique business model based on the asset right strategy
A sustained expansion
« People First »

Accor Services' strategic Vision
Being the world leader in employee and public benefits
Being a major provider of prepaid services to help improve the performance of an organization

A business offering growth,
low cyclicality, low capital-intensity

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Demerger process

- **A relevant demerger**
  - 2 leaders that achieved critical mass
  - 2 independent businesses
  - 2 value-creating corporate mission projects

- **Demerger process**
  - Creation of **two listed companies with no capital ties**
  - **Allocation of existing debt (€1.6bn as end of 2009) to each company** in order for them to be granted ratings in line with their business and to ensure optimal capital structures:
    - Services ⇒ **Net debt: €0.4bn**
    - Hotels ⇒ **Net debt: €1.2bn**
  - **Commitment of Colony Capital and Eurazeo to support both companies until January 1, 2012**

- **Objective to complete the demerger by end June 2010[1]**

Two ambitious, motivating corporate mission projects

Two value-creating world leaders

[1] *Subject to shareholders approvetl at the Annual Shareholders Meeting*

ACCOR

2009 Results

24 février 2010

Income Statement: Key Figures

In € millions	2008	2009	Change Reported	Change L/L (1)
Revenue	**7,722**	**7,065**	**-8.5%**	**-7.9%**
EBITDAR	**2,290**	**1,976**	**-13.7%**	**-12.5%**
EBITDAR Margin	*29.7%*	*28.0%*	*-1.7pt*	*-1.5pt*
EBITDA	**1,387**	**1,092**	**-21.3%**	**-19.3%**
Operating profit before tax and non-recurring items	**875**	**448**	**-48.9%**	**-38.0%**
Operating margin, before tax and non-recurring items / Revenue (%)	*11.3%*	*6.3%*	*-5.1pt*	*-3.8pt*
Operating profit before non-recurring items, net of tax	**603**	**328**	**-45.6%**	**n/a**
Net profit	**575**	**(282)**	**n/a**	**n/a**

Operating profit before tax and non-recurring items was at the high end of our guidance of €400m to €450m, despite the €(39m) impact from the bolivar devaluation

(1) Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

FY 2009 Revenue: €7,065m

-7.9%	*Like-for-Like[1]* *€(612)m*
+4.4%	*Expansion* *€337m*
-3.5%	*Disposals* *€(271)m*
-1.4%	*Currency* *€(111)m*
-8.5%	*Reported* *€(657)m*

Like-for-like growth:

- Prepaid Services: +€14m, +1.4% L/L [1]
- Hotels: €(580)m, -10.1% L/L [1]

Impact of expansion

- Hotels: +€171m
  - Orbis Hotels integration: +1.0%
  - Openings: 27,330 rooms
- Groupe Lucien Barrière: +€103m
  (P&L consolidation of the 49% stake since July 1, 2009)

Impact of disposals

- Real estate transactions: €(92)m
- Onboard Train Services contract in France: €(76)m
- Foodservices in Brazil: €(68)m

Currency effect

- USD: +0.4%
- GBP: -0.6%
- VEF: -0.3%
- BRL: -0.2%

[1] Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

Slight growth in Prepaid Services
Tough year for Hotels

- **Prepaid Services**: slight positive revenue growth

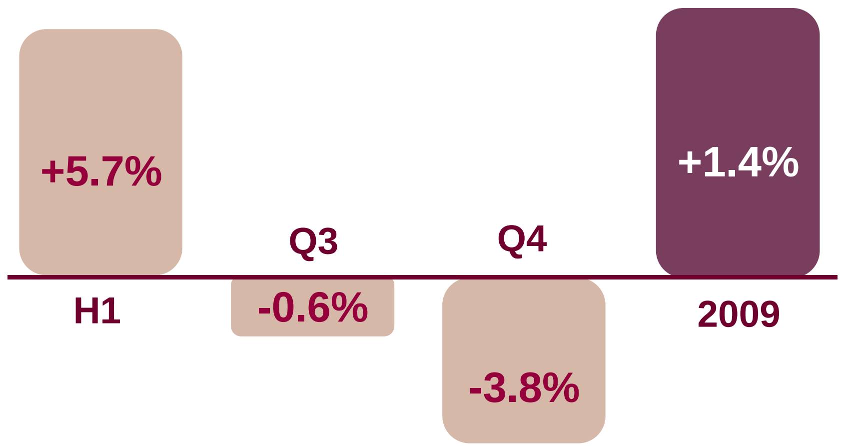
  +1.4% L/L[1] (-3.6% reported)

  - **Operating revenue: +3.9%** L/L[1], despite rising unemployment rates particularly in Europe

    => Strong and sustained growth drivers

  - **Financial revenue: -15.0%** L/L[1], impacted by the sharp decline in interest rates (10% of total Prepaid Services revenue)

Prepaid Services Revenue, L/L[1]



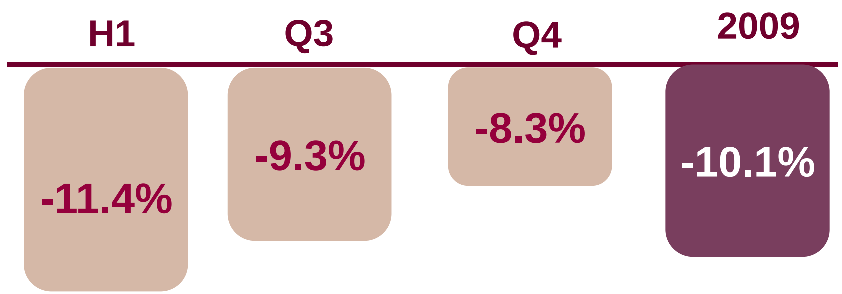
- **Hotels**: a tough year:

  -10.1% L/L[1] (-9.8% reported)

  - **Up & Midscale: -11.5%** L/L[1]
  - **Economy excl. US: -6.1%** L/L[1]
  - **Economy US: -13.8%** L/L[1]

    => Firm resilience in the Economy segment in Europe, where Accor is leader

Hotels Revenue, L/L[1]



[1] Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

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EBITDAR margin: Resistance despite difficult economic conditions

■ Prepaid Services:

Limited decline of Ebitdar margin: **-0.3pt** L/L[1]

- Ebitdar margin **up 1.2pts** L/L[1] **adjusted for financial revenue**

Resilience of the EBITDAR margin in a tough environment

■ Hotels

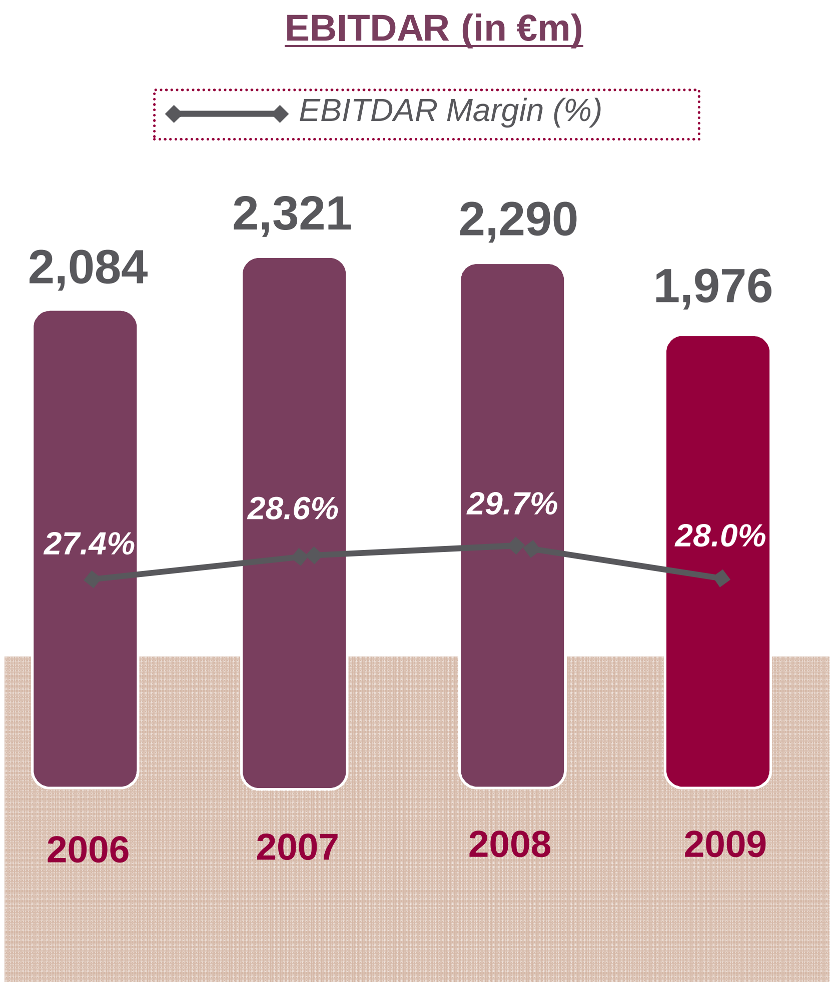
Limited decline: **-2.6pts** L/L[1]

- Operating costs reduced by **€165m** vs. an announced €150m

  (response ratio: 40% vs. 35% expected)

- Support costs reduced by **€87m** vs. an announced €80m

Limited decline in EBITDAR margin thanks to a major cost reduction plan



[1] *Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates*

Prepaid Services: resilience of the Ebitdar margin in a tough environment

Ticket Restaurant · Ticket Alimentaçaõ · Ticket Childcare Vouchers · Ticket Kadéos® · Ticket Car

In € millions	2008	2009	Change reported	Change L/L [1]
Operating revenue	849	849	+0.1%	+3.9%
Financial revenue	129	94	-27.1%	-15.0%
Total Revenue	**978**	**943**	**-3.6%**	**+1.4%**
EBITDAR	**426**	**394**	**-7.4%**	**+0.7%**
EBITDAR Margin (in %)	*43.5%*	*41.8%*	*-1.7pt*	*-0.3pt*

- **Revenue up 1.4% L/L[1], in line with the target**
- **Ebitdar margin up 1.2% L/L[1] adjusted for financial revenue**

[1]Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

ACCOR Services

Prepaid Services: performance by region

EUROPE 2009	In €m	Chg L/L(1)
Issue Volume (IV)	**6,942**	**+5.8%**
Operating revenue	484	+3.4%
Financial revenue	60	-15.4%
Total Revenue	**544**	**+0.9%**
EBITDAR	**221**	**-8.0%**
EBITDAR/IV Margin	*3.2%*	

LATIN AMERICA 2009	In €m	Chg L/L(1)
Issue Volume (IV)	**5 ,111**	**+5.4%**
Operating revenue	306	+4.9%
Financial revenue	31	-13.3%
Total Revenue	**337**	**+2,3%**
EBITDAR	**170**	**+8.7%**
EBITDAR/IV Margin	*3.3%*	

(1) Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

Up and Midscale Hotels: saving plans implementation

In € millions	2008	2009	Change reported	Change L/L [(1)]
Revenue	**3,427**	**3,026**	**-11.7%**	**-11.5%**
EBITDAR	**950**	**765**	**-19.5%**	**-19.3%**
EBITDAR margin (in %)	*27.7%*	*25.3%*	*-2.5pts*	*-2.5pts*

(1) Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

- **Impact of costs reduction plan in second half:**
  L/L margin declined by 2.5pts: -4.1pts in H1 and -1.0pt in H2
- **Response ratio[(2)] excluding support costs: 40.8%**

Limited decline in margin thanks to cost reductions

(2) If Δ L/L revenue<0 → Response ratio = 1-(Δ L/L EBITDAR / Δ L/L revenue)

Up and Midscale Hotels: some examples of performance in Europe

SOFITEL LUXURY HOTELS · pullman HOTELS AND RESORTS · NOVOTEL · Mercure · Suite HOTEL · adagio city aparthotel

France

- Occupancy rate: 59.8%, -6.5pt
- Average room rate: €113, -2.9%
- Revenue: €1,135m, -11.3% L/L(1)
- Margin: 25.6%, -2.7pts L/L(1)
- Response ratio(2): **42%**

Germany

- Occupancy rate: 59.4%, -4.4pts
- Average room rate: €90, -6.3%
- Revenue: €496m, -10.7% L/L(1)
- Margin: 27.8%, -3.0pts L/L(1)
- Response ratio(2): **33%**

UK

- Occupancy rate: 75.2%, -2.2pts
- Average room rate: £84, -6.4%
- Revenue: €200m, -6.8% L/L(1)
- Margin: 34.3%, -1.2pt L/L(1)
- Response ratio(2): **53%**

(1)Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

(2) If Δ L/L revenue<0 → Response ratio = 1-(Δ L/L EBITDAR / Δ L/L revenue)

ACCOR Hospitality

Economy Hotels excl. US: the most resilient segment

In € millions	2008	2009	Change reported	Change L/L [(1)]
Revenue	**1,723**	**1,626**	**-5.7%**	**-6.1%**
EBITDAR	**636**	**577**	**-9.3%**	**-10.4%**
EBITDAR margin (in %)	*36.9%*	*35.5%*	*-1.4pt*	*-1.7pt*

(1) Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

- **Impact of costs reduction plan in second half:**
  L/L margin declined 1.7pts: -2.3pts in H1 and -1.1pt in H2
- **Response ratio(2) excluding support costs: 40.7%**

Firm margin resistance

(2) If Δ L/L revenue<0 → Response ratio = 1-(Δ L/L EBITDAR / Δ L/L revenue)

Economy hotels: some examples of performance in Europe

Germany

- Occupancy rate: 64.3%, -5.5pts
- Average room rate: €59, +0.0%
- Revenue: €213m, -7.6% L/L[(1)]
- Margin: 41.3%, +1.2pt L/L[(1)]
- Response ratio[(2)]: **40%**

France

- Occupancy rate: 67.1%, -5.4pts
- Average room rate: €54, +4.7%
- Revenue: €682m, -2.8% L/L[(1)]
- Margin: 32.1%, -0.6pt L/L[(1)]
- Response ratio[(2)]: **45%**

UK

- Occupancy rate: 67.6%, -6.3pts
- Average room rate: £53, -2.4%
- Revenue: €136m, -8.9% L/L[(1)]
- Margin: 43.4%, -1.6pt L/L[(1)]
- Response ratio[(2)]: **52%**

[(1)]Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

[(2)] If Δ L/L revenue<0 → Response ratio = 1-(Δ L/L EBITDAR / Δ L/L revenue)

Economy hotels US: a still difficult context

In € millions	2008	2009	Change reported	Change L/L [1]
Revenue	**600**	**534**	**-10.9%**	**-13.8%**
EBITDAR	**229**	**165**	**-28.1%**	**-29.2%**
EBITDAR margin (in %)	*38.2%*	*30.8%*	*-7.4pts*	*-6.6pts*

[1] Like-for-like, i.e. excluding changes in scope of consolidation and exchange rates

Margin hit by a particularly tough economic environment

Operating profit before tax at the high end of 2009 target

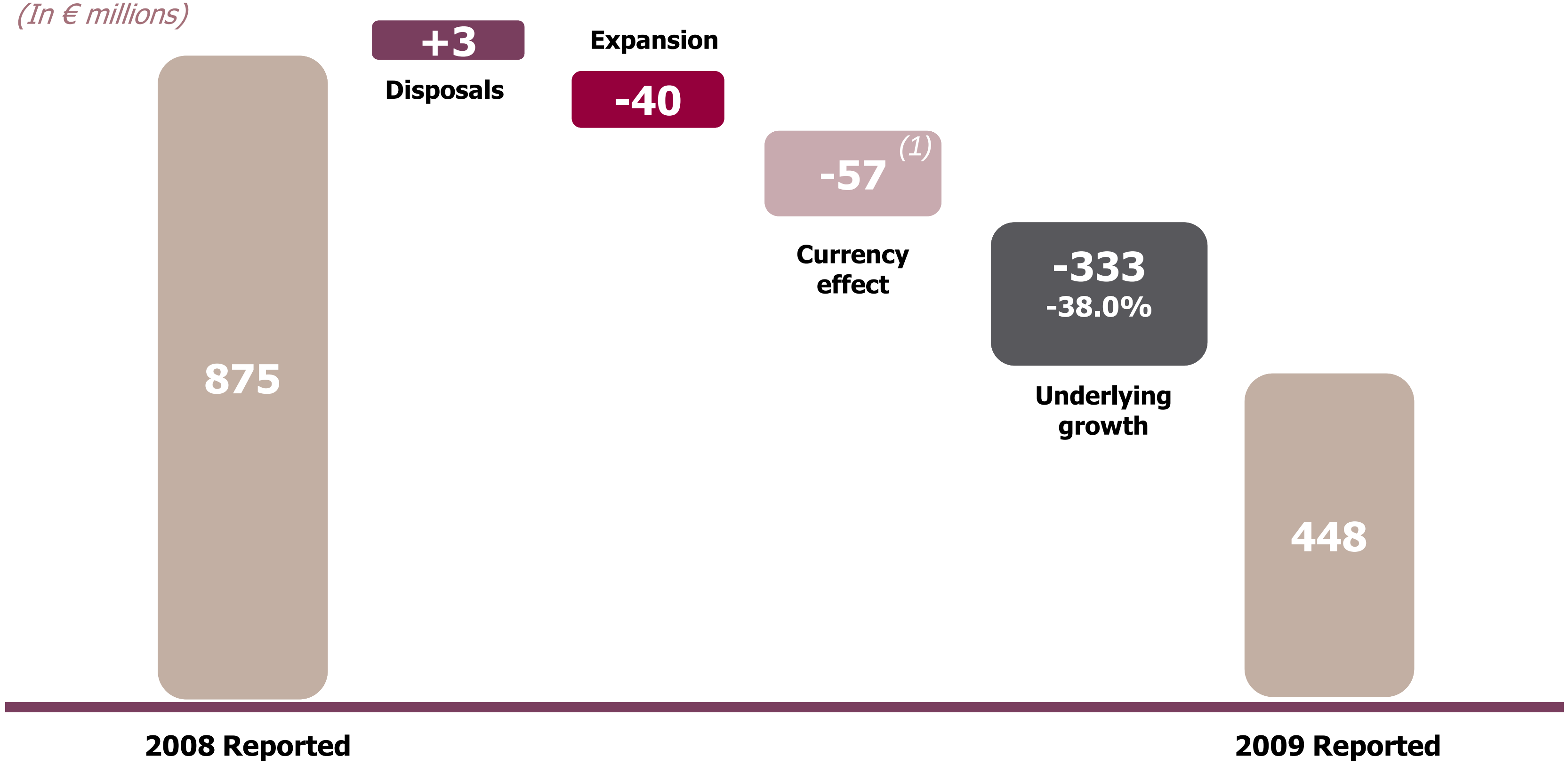
In € millions	2008	2009	Change reported	Change L/L
EBITDAR	**2,290**	**1,976**	**-13.7%**	**-12.5%**
Rental expense	(903)	(884) (1)	+2.2%	+2.1%
Depreciation & amortization	(446)	(498)	-11.6%	-5.6%
EBIT	**941**	**594**	**-36.8%**	**-31.2%**
Net financial expense	(86)	(143)(2)	-66.2%	-33.3%
Share of profits of associates	20	(3)	n/a	n/a
Operating profit before tax and non-recurring items	**875**	**448**	**-48.9%**	**-38.0%**
As a % of revenue	*11.3%*	*6.3%*	*-5.1pts*	*n/a*

(1) €30m reduction in rental expense due to the shift to variable-rent leases (based on % of revenue)

(2) Including a €(19)m impact from the devaluation of the bolivar

Constituant items of 2009 Operating Profit Before Tax: €448m vs. 2008

(In € millions)



Operating profit before tax and non-recurring items in the high end of our guidance of €400m to €450m, despite the €(39m) impact from the bolivar devaluation

(1) Including €(40)m due to the devaluation of the bolivar

2009 Net profit impacted by impairment losses

In € millions	2008	2009
Operating profit before tax and non-recurring items	**875**	**448**
Restructuring costs	(56)	(127)
Impairment losses	(57)	(387) *(1)*
Gains and losses on management of hotel properties	111	7
Gains and losses on management of other assets	13	(85) *(2)*
Income tax expense	(273)	(121)
Minority interests	(38)	(17)
Net profit/(loss), Group share	**575**	**(282)**
Net earnings per share (in €)	***2.60***	***(1.27)***
Operating profit before non-recurring items, net of tax	**603**	**328**
Operating profit before non recurring items, net of tax, per share (in €)	***2.73***	***1.47***

(1) Including €(113)m in goodwill on Motel 6 and €(100)m in impairment losses of Kadeos intangible assets

(2) Including a €(51)m impact on equity at January 1, 2009 from the devaluation of the bolivar

Dividend

	2008	2009	% change
Operating profit before non-recurring items, net of tax[1] *(in € millions)*	**603**	**328**	**-45.6%**
Average weighted shares outstanding (millions)	221	223	
Operating profit before non-recurring items, net of tax, per share (in €)	2.73	1.47	-47.0%
Dividend per share *(in €)*	**1.65**	**1.05** *(2)*	
Dividend *(in € millions)*	363	234	
Payout ratio	**60%**	**72%**	**n/a**

(1) Operating profit before tax and non-recurring items, less operating tax, less minority interests

(2) Subject to shareholder approval at the Annual Shareholders Meeting on June29, 2010

Dividend of €1.05 per share

ACCOR

Cash flow

In € millions	2008	2009
Funds from operations before non-recurring items	**1,111**	**843**
Renovation and maintenance capex	(488)	(327)
Free cash flow	**623**	**516**
Expansion capex	(1,091)	(766)
Of which organic growth	*(916)*	*(495)*
Of which acquisitions (Orbis in 2008, Groupe Lucien Barrière put in 2009)	*(175)*	*(271)*
Proceeds from disposals of assets	560	363
Of which property disposals	*450*	*290*
Of which disposal of non-strategic businesses	*110*	*73*
Dividends	(719)	(396)
Capital increase, net	8	175
Share buybacks	(62)	-
Change in WC – Prepaid Services	106	111
Change in WC – Hotels & other businesses	(81)	(58)
CIWLT withholding tax refund	-	(242)
Translation adjustments and other	(212)	(255) (1)
(Increase) / Decrease in net debt	**(868)**	**(552)**

Based on recurring items, break even of cash flows in 2009

(1) Including €(114)m in cash and cash equivalents reclassified as restricted cash

Asset disposals in 2009 as part of the Asset Right strategy

Hotel disposals	No. of hotels	Cash impact (m€)	Adjusted net debt impact [1] (€m)
Sales & Management Back	1	3	3
Sales & Var. Lease Back	159 [2]	181	246
Sales & Franchise Back	26	33	36
Sales	30	73	75
TOTAL	**216**	**290**	**360**

[1] Net debt adjusted for NPV of minimum lease payments discounted at 8% (Standard and Poor's methodology)
[2] Mainly 157 hotelF1 units

- **Major real estate transaction in the Budget segment in France**
  - Sale & Variable lease back of 157 hotelF1 units in France
  - Consortium of leading French institutional investors (OPCI)
  - Sale price: €272m (adjusted net debt impact: €187m)
  - Variable lease: 20% of revenue on average with no minimum guaranteed, 12-year contract, renewable 6 times

hotelF1 Duo room

Sustained deployment of the Asset Right strategy, despite an unfavorable real estate market

Sound financial position with a Net Debt at €1.6 bn

In € millions	2008	2009
Total debt	2,375	2,848
Current financial assets	(1,303)	(1,224)
Net debt	**1,072**	**1,624**
Gearing	**30%**	**50%**
Adjusted FundsFrom Operations/ Adjusted net debt(1)	**25.8%**	**20.0%**

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

Financial position including €2.5bn in unused and confirmed credit lines

ROCE by Business

In € millions	2008 Capital employed	2008 ROCE	2009 Capital employed	2009 ROCE
Upscale & Midscale	4,258	*10.8%*	4,147	*6.6%*
Economy excl. US	1,778	*21.1%*	2,114	*14.7%*
Economy US	1,441	*9.1%*	1,566	*4.4%*
Hotels	**7,477**	***12.9%***	**7,827**	***8.4%***
Prepaid Services	**1,761**	***23.3%***	**1,682**	***22.3%***
Other businesses	**851**	***5.5%***	**973**	***7.4%***
TOTAL	**10,089**	***14.1%***	**10,482**	***10.5%***

Resilience in the less cyclical businesses: the Economy segment in Europe and Prepaid Services

2010 Trends and Outlook

24 février 2010

Prepaid Services: 2010 Trends and Outlook

- **Operating revenue**
  - Europe: still a challenging economic environment due to the rise in unemployment
  - Emerging countries: a more favorable environment
- **Financial income**
  - Lower interest rates continuing to have a negative impact on financial income in H1 2010
  - Stabilization of financial income expected in H2 2010

Prepaid Services impacted by a difficult economic environment in 2010, especially in H1, but enjoys significant long-term growth drivers

Hotels: 2010 Trends and Outlook

- **Change in RevPAR: first signs of occupancy rates' stabilization**
  - Occupancy rates stabilized in December 2009, to be confirmed in Q1 2010
  - Average room rates stabilization usually expects 3 to 9 months after occupancy rates

Upscale and Midscale	November	December	January
Occupancy (pts)	-2.8	+0.4	+0.3
ARR (%)	-4.1	-5.4	-3.0
RevPAR (%)	-8.5	-4.7	-2.5

Economy excluding US	November	December	January
Occupancy (pts)	-5.2	-1.6	-2.2
ARR (%)	+0.9	+0.8	+0.4
RevPAR (%)	-6.9	-2.0	-3.7

- **Cost reductions: confirmation of a targeted €45 million in 2010**

- **Renovation capex maintained at €270m[1] in 2010:**
  - **In Economy hotels:**
    - ❑ Deployment of the Coquelicot room (Ibis)
    - ❑ Deployment of the Cocoon Room (Etap)

Ibis Coquelicot room

Etap Cocoon Room

First signs that occupancy rates are stabilizing

(1) €270m in Hotels and €10m in other businesses

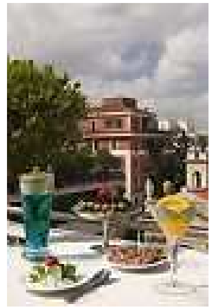
Hotels: pursuing the asset right strategy in 2010

Sale of 5 hotels in 4 European countries for €154 million

- **Transaction carried out with Invesco Real Estate, a global real estate player**

- **4 hotels under a sale and variable leaseback agreement for €74m**
  - Novotel München City in Munich (307 rooms)
  - Novotel Roma la Rustica (149 rooms)
  - Mercure Corso Trieste in Rome (97 rooms)
  - Mercure Zabatova in Bratislava, currently under construction (175 rooms)
  - 15-year variable-rent lease and renewable at Accor's initiative

Novotel München City



Mercure Corso Trieste

- **1 hotel under a sale and management-back agreement for €80m**
  - Pullman Paris La Défense (384 rooms)
  - 12-year management contract renewable six times

Pullman Paris La Défense

- **€93m reduction in 2010 adjusted net debt**

- **Neutral impact on 2010 operating profit before tax**

The transaction reflects Accor's ability to pursue its asset-right strategy by forging long-term relations with institutional investors

Hotels and Prepaid Services demerger

- *Accor Hospitality Equity Story*
- *Accor Services Equity Story*
- *Demerger: rationale, process, next steps*

Accor Hospitality
2015 Vision

Accor Hospitality's strategic vision

Vision

Accor Hospitality, the number 1 hotel manager in the world, is committed to becoming the leading European hotel franchisor and one of the world's three leading hotel groups

5 strategic axes

- A portfolio of powerful brands
- The operating excellence
- A unique business model based on the asset right strategy
- A sustained expansion
- "People First"

Values

- Spirit of conquest
- Innovation
- Performance
- Respect
- Trust

ACCOR Hospitality

A two-phase strategy

2005-2009 achieved	2010-2012	2013 and beyond
Deployment of the asset right strategy	**Ongoing deployment of Sustained transformation**	**Growth Innovation Leadership**

2005-2009 achieved

→ ***Asset right strategy***
Introduced

→ ***Expansion***
Worldwide (asset right strategy)

→ ***Operations***
Repositioning the brands

2010-2012

→ **Asset right strategy**
Faster implementation
Rationalizing the network (disposals)

→ **Expansion**
Selective, with a focus on Europe and fast-growing countries

→ **Operations**
Optimizing distribution resources and expertise platforms

2013 and beyond

→ **Asset right strategy**
Ongoing deployment

→ **Expansion**
Stepped up growth (asset light strategy)

→ **Operations**
Recognized excellence

ACCOR Hospitality

A portfolio of powerful brands

4,100 hotels / 490,000 rooms– *as of end of December 2009*

	Standardized	Non-standardized	Extended Stay
Luxury / Upper Upscale		SOFITEL LUXURY HOTELS	
Upscale		pullman	
Midscale	NOVOTEL; Suite HOTEL	Mercure; Gallery	adagio
Economy	ibis HOTEL	all seasons	
Budget	Etap HOTEL; HOTEL FORMULE 1; hotelF1; motel 6		studio 6 extended stay

Guaranteed quality across the product portfolio

A complete lineup of recognized brands tailored to increasingly fragmented demand, covering all segments from luxury to budget

ACCOR Hospitality

The Operating excellence

An outstanding team recognized for its hotel skills and expertise

- **Ensuring customer satisfaction through impeccable quality**
- **Certification-backed customer promise**

  Green Globe, ISO 14001/9001, “satisfied or your money back”
- **Optimized management**

  Fixed costs/variable costs (hotels, countries and regions)

(Based on no. of hotel nights)	2007	2009
TARS centralized booking system	**26%**	**39%**
Online sales (direct and indirect)	**12%**	**20%**
Loyalty program (No. of members)	**0.2m**	**3.5m**

An extensive, differentiated services offering
An assertive brand distribution strategy
A focus on innovative products and services

ACCOR Hospitality

Tools and human resources to offer the best service

POWERFUL BRANDS

DYNAMIC DISTRIBUTION

accorhotels.com
Hotels.com
BOOKING.COM réservations d'hôtels en ligne
Expedia
HRS HOTEL RESERVATION SERVICE
AMERICAN EXPRESS
CarlsonWagonlitVoyages .fr le monde vous tend la main

The highest RevPAR index

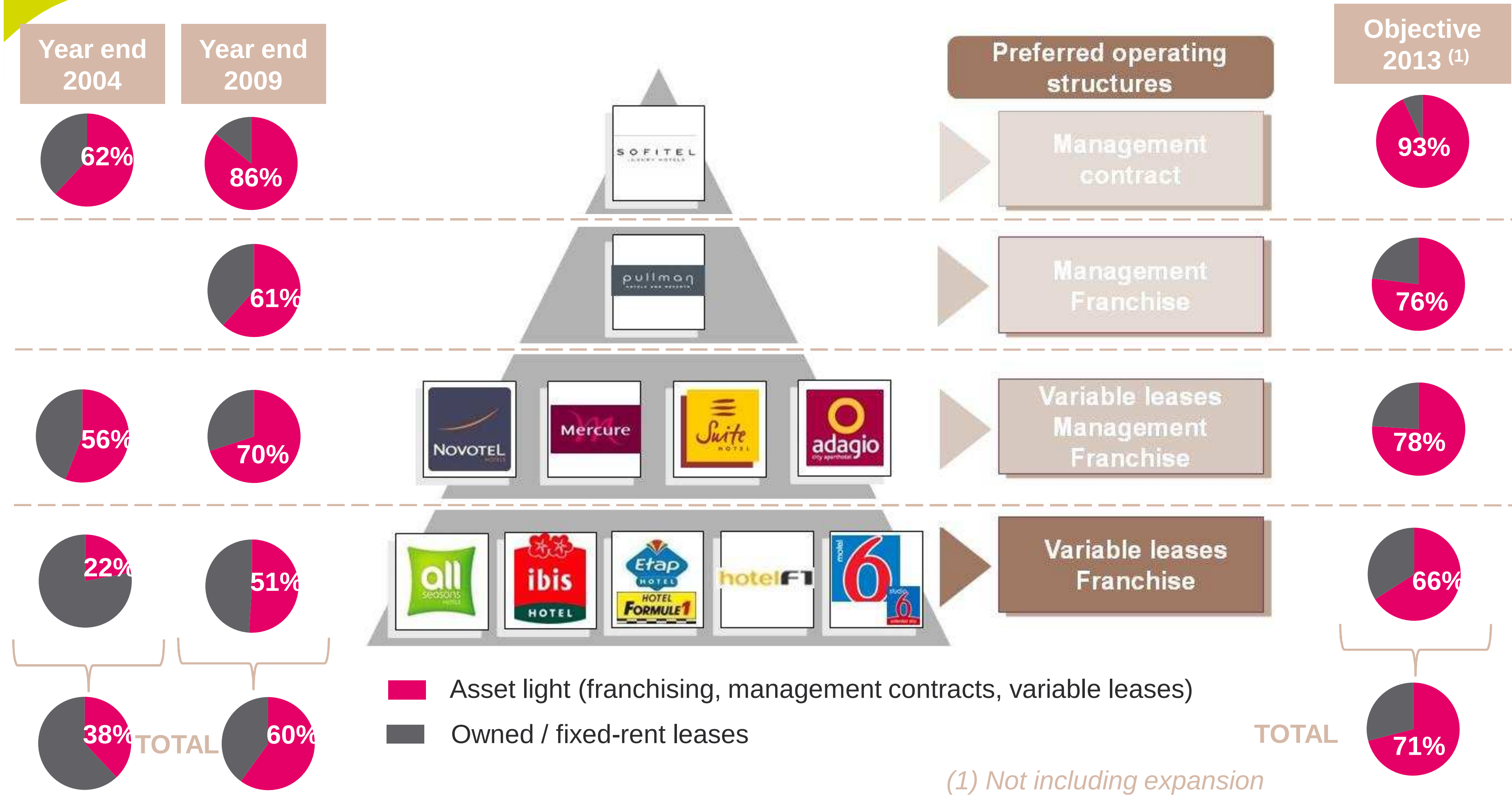
HOSPITALITY EXCELLENCE

OUTSTANDING TEAMS

The ability to attract investor partners for hotel owners

ACCOR Hospitality

A unique business model: the asset-right strategy



Asset light strategy in Upscale and Midscale
Asset right strategy in Economy and Budget

ACCOR Hospitality

New disposal plan, 2010-2013

Property disposal plan for 2010-2013

- → **450** hotels identified on a portfolio of 1,600 owned or fixed leases hotels
- → **€1.6 billion** cash impact
- → **€2.0 billion** impact on adjusted net debt

- → An objective of **€450 million** in hotel properties to be sold in 2010, of which 25% already carried out
- → A dedicated organization to carry out the plan

Reduction in capital employed

Reduction in earnings volatility

Be one of the world's 3 leading hotel groups

Objective of 35,000 to 40,000 rooms opened a year at cruising speed

→ Consolidating a powerful base in Europe, the world's largest hotel market, with key locations in selected countries

→ Consolidating and acquiring solid and/or leadership positions in fast-growing countries and selected locations

An ambitious expansion plan in Europe and high-growth countries

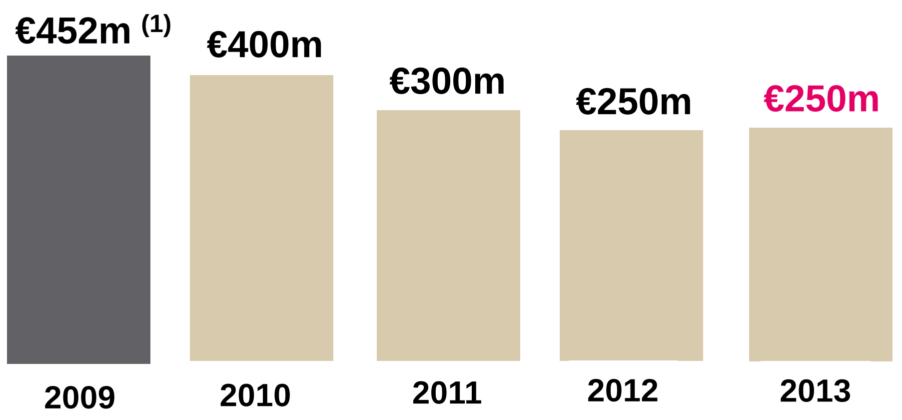
ACCOR Hospitality

Sustained expansion

An objective of 35,000 to 40,000 rooms opened a year at cruising speed,

in line with the asset right strategy

Annual expansion capex



(1) Excluding €271m Groupe Lucien Barrière put

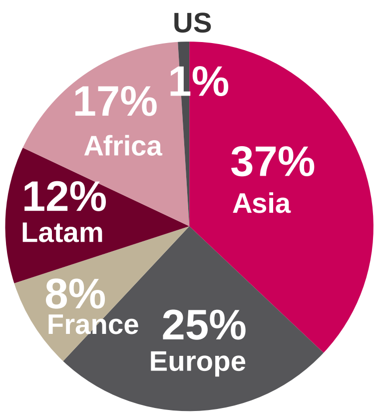
Close relations with partners to finance fast and low capital-intensive expansion

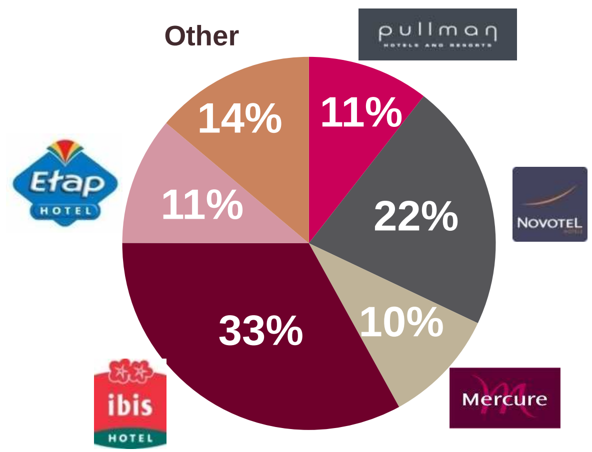
Sustained expansion

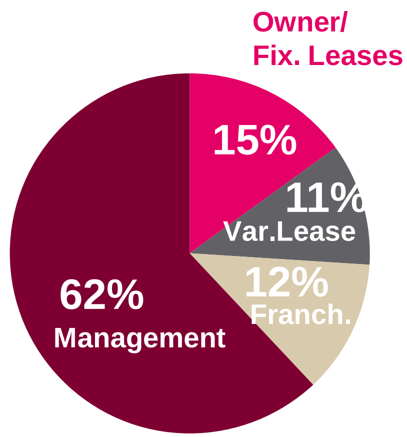
PIPELINE at year-end 2009
in line with the expansion strategy

- → **103,000** rooms
- → **85%** low capital-intensive operating structures
- → **50%** in the economy or budget segments
- → **33%** in Europe, **66%** in emerging markets

Pipeline by geography, brand and operating structure







ACCOR Hospitality

"People First": a people-driven strategy

**Accor:
the world's
leading operator**

A customer and partner-focused company

- → Understanding our guests and pro-actively meeting their expectations
- → Innovating
- → Enhancing our customer promise
- → Broadening the portfolio of services for franchised and managed hotels

**Accor:
the world's
leading hotel
employer
and trainer**

An employee-focused company

- → The hospitality industry's "best place to work"
- → Acting as a continuous source of upward social mobility
- → Maintaining our position as the world's "leading hotel school" with more than 20 Accor Academies around the globe
- → Enabling people to grow

… in a strong commitment to corporate social responsibility and the environment

ACCOR Hospitality

Conclusion

Proud of its business and its expertise, Accor is committed to:

- → Leveraging a portfolio of powerful brands
- → Delivering quality superior service compared to competitors
- → Creating innovative hotel solutions with their own business models
- → Instilling a pioneering, entrepreneurial spirit
- → Hiring and retaining motivated, high-quality people
- → Being successful both globally and locally

The number 1 hotel manager in the world
The leading european hotel franchisor
One of the world's 3 leading hotel groups

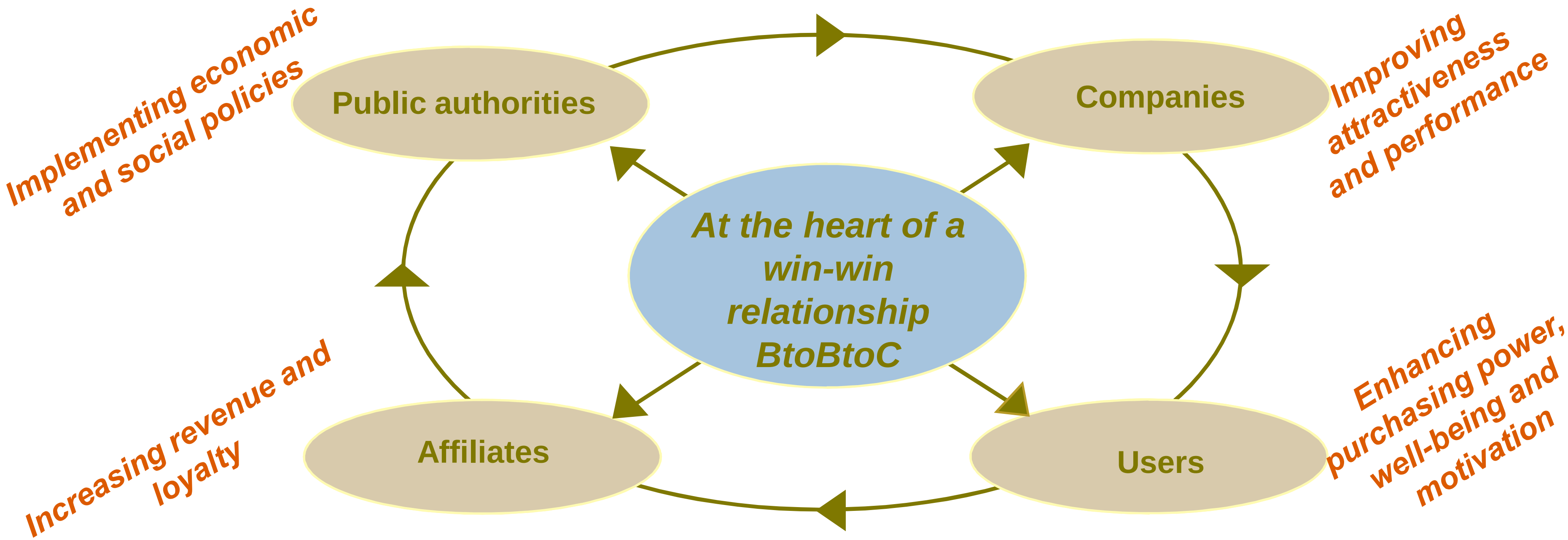
ACCOR Hospitality

ACCOR Services

ACCOR SERVICES
Unique expertise in a fast-growing market

A unique model based on a win-win relationship

**A committed citizen
and partner to public authorities and companies,
helping them to distribute and deploy their social and economic policy**



Enhancing people's well-being and motivation, and helping to improve the performance of an organization

A unique model based on a win-win relationship

Operations in 40 countries

- **Public authorities,** institutions and unions in search of solutions to:
  - distribute their social benefit programs and make them more efficient
  - enhance traceability of allocated funds

490,000 corporate customers

- **Companies** looking to:
  - be an attractive employer
  - capture the value of their human resources
  - optimize their business performance

1.2 million affiliates

- **Affiliates** that want to:
  - retain customers
  - increase revenue
  - secured transactions

33 million users

- **Users** who appreciate:
  - convenient, practical services that make their everyday lives easier
  - solutions that increase their purchasing power

Close relations with public authorities, companies, affiliates and users driving long-term growth in the Services business

ACCOR Services

Growth fundamentals

- Strong opportunity
- Moderate opportunity
- Weak opportunity

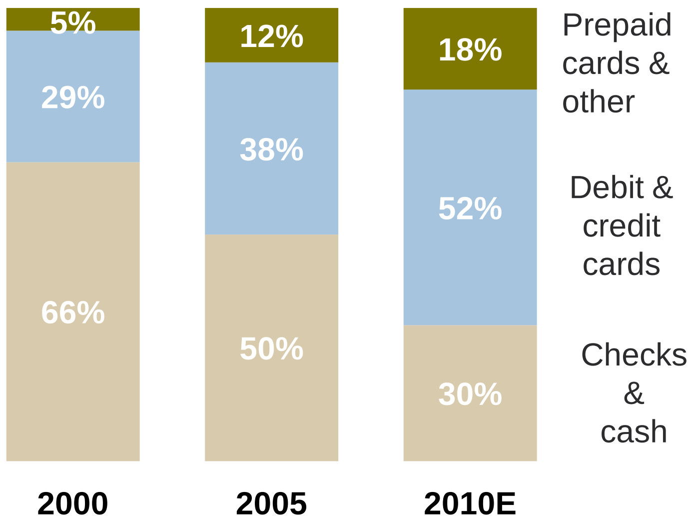
	Sources of opportunity for Accor Services	
	Developed markets	Emerging markets
Demographic factors		
Growing urbanization	Moderate	Strong
Emergence of a middle class	Weak	Strong
Aging population	Strong	Weak
Socio-professional factors		
Shift from an industrial economy to a services economy	Weak	Strong
Growing percentage of women in the workforce	Strong	Moderate
Longer working lives	Strong	Moderate
Demand for incentive and health-related initiatives to increase employee productivity	Strong	Moderate
Sociological factors		
Work/life balance	Strong	Weak
Environmental factors	Strong	Weak
Food security	Weak	Strong
Providing healthy and balanced nutrition	Strong	Moderate
Political factors		
Combating informal work	Strong	Strong
Control / traceability of allocated funds to improve purchasing power	Strong	Strong

Strong fundamentals in developed countries as well as in fast-growing emerging markets

Paperless solutions: a new growth driver

Gradual migration from paper-based to electronic payment solutions

Worldwide transactions by payment media, 2000-2010E



Source: Citigroup estimate

A growing number of increasingly sophisticated paperless prepaid products and services

- Targeting people who need access to electronic payment media
  - under- and unbanked people (prepaid UUB cards)
  - youth (prepaid cards for young people)
- Ensuring faster, more secure control and monitoring of:
  - government subsidies
  - expense management
  - secured payments to affiliates (cards, online systems, mobile phones)
- Tailoring the offering to new consumer trends
  - flexibility and choice for consumers (gift cards)

The migration from paper to electronic solutions will speed up growth of prepaid services, enabling a deeper understanding of users needs and an increased loyalty

ACCOR Services

Our ambition: creating performance

WORLD LEADER
in employee and public benefits

MAJOR PROVIDER of prepaid services
to help improve the performance of an organization

Meal vouchers / Food vouchers	Other benefits	Expense management	Rewards and incentives	New markets
The leader in every country where we are in	Drivers of growth and profitability	A major player The Latin American market leader	A major player The European and Asian market leader	Positioned in new markets created by prepaid electronic solutions
Ticket Restaurant Ticket Alimentaçaõ	Ticket Childcare Vouchers Ticket CESU Ticket Compliments Ticket EcoCheque	Ticket Car	Ticket Compliments	 

Human Resources manager

CFO/ Purchasing manager

ACCOR Services

9 drivers of growth

Targeted Acquisitions

1 external growth driver

Organic Issue Volume growth drivers

8 organic growth drivers

- Increase partnerships with public authorities
- Extend geographical coverage
- Create new products
- Deploy the products
- Create competitively differentiated solutions
- Offer a diversified range of media
- Develop new distribution channels
- Optimize customer portfolios

Favorable socio-demographic trends in every country

Ability to deliver a sustained growth in Issue Volume

ACCOR Services

A virtuous circle to generate more cash flow

REVENUE

Existing sources of operating revenue
(customer/affiliate fees)
+
New sources of operating revenue
with the billing of differentiating, value-added services

COSTS

Major economies of scale, after initial investments to migrate from paper to paperless solutions (in particular by leveraging the partnership with MasterCard in Europe)

Growth in ISSUE VOLUME

- Solid fundamentals
- 9 growth drivers

FLOAT

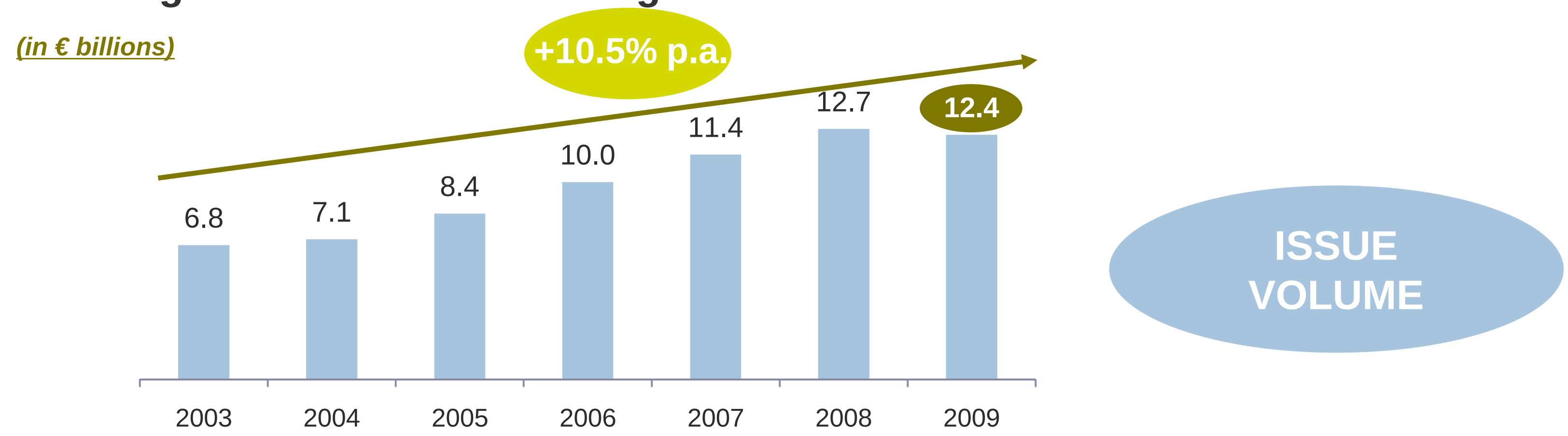
Higher float in value
by increasing Issue Volume, despite the partial impact of a shorter reimbursement cycle with the migration to paperless solutions

Ability to deliver a normalized double-digit growth in operating cash flow

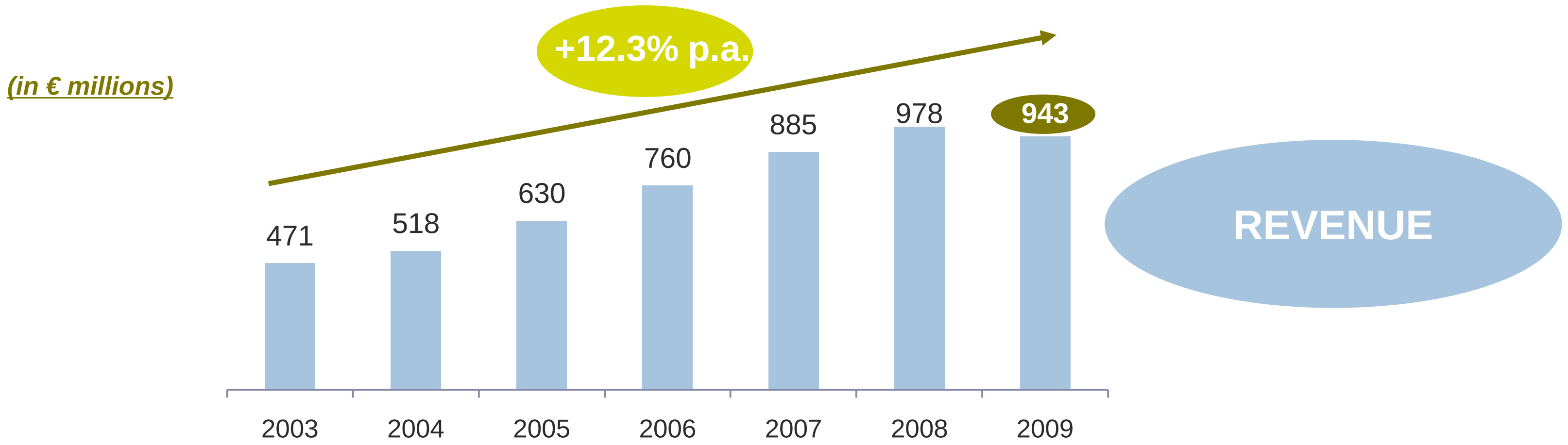
ACCOR Services

A growth-oriented business model

- 10.5% average annual issue volume growth since 2003



- 12.3% average annual revenue growth since 2003

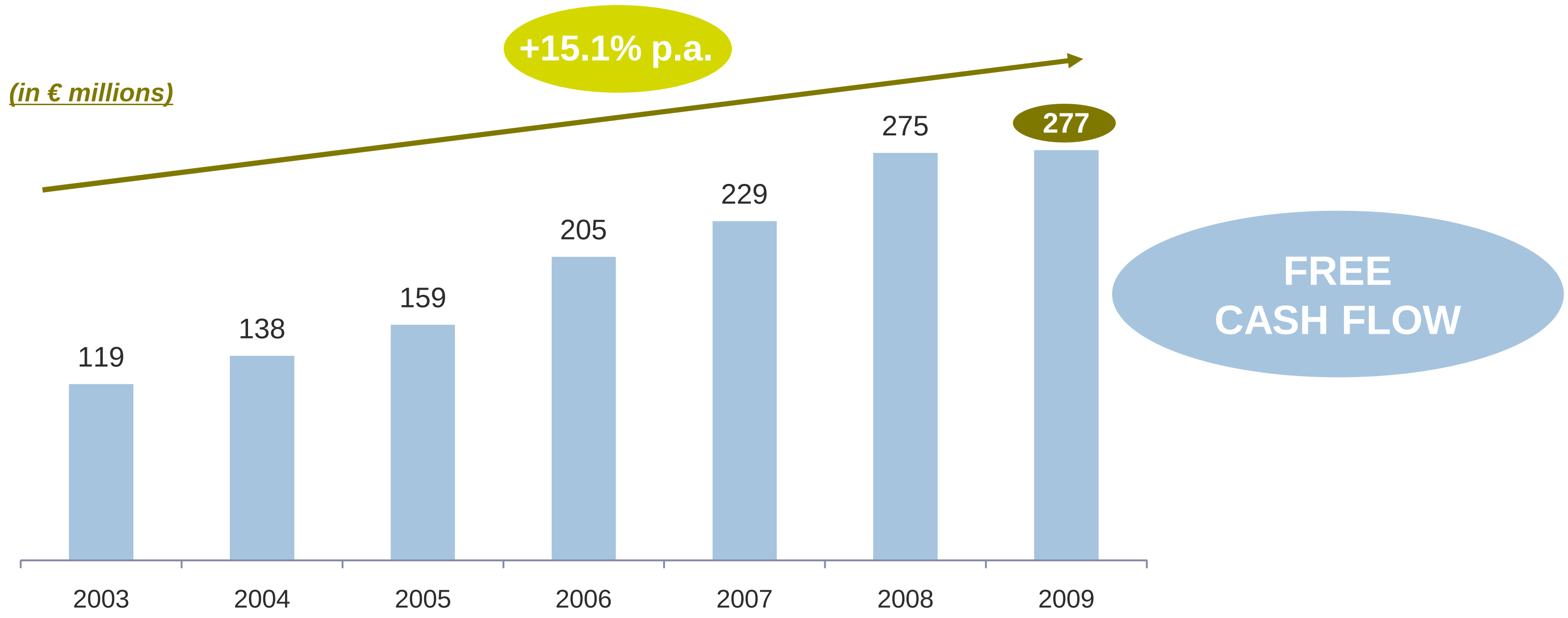


Sustainable growth in issue volume and revenue

ACCOR Services

A low capital-intensive, cash flow-generating business model

- 15.1% average annual growth in free cash flow since 2003



- Renovation and maintenance capex of around €30 million a year (3% of revenue)

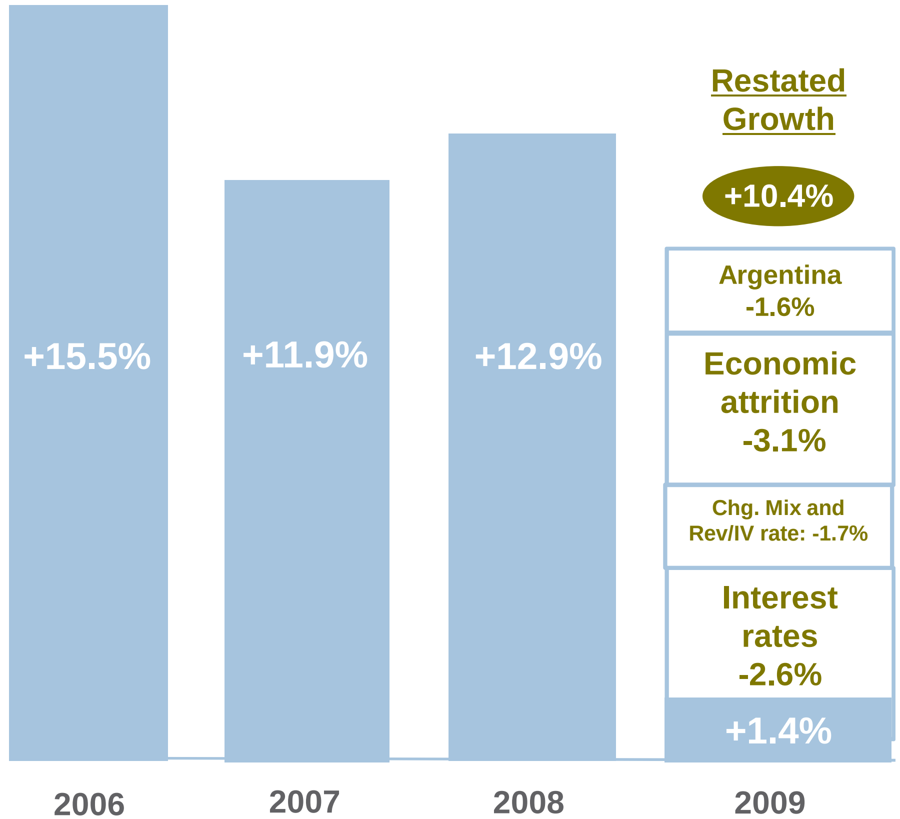
A unique business model based on free cash flow generation

ACCOR Services

A positive growth despite exceptional environment in 2009

- Impact of exceptional exogenous factors in 2009:
  - Sharp increase in unemployment
  - Falling interest rates
  - Loss of tax frame in Argentina
- A relatively uncyclical business model

Double-digit organic growth in revenue



Growth in 2009 despite a difficult economic environment and high unemployment

ACCOR Services

A sustainable business model

An adapted Tax frame	A win-win relationship for all stakeholders, including public authorities, helping to implement economic and social benefits policies, improve purchasing power and control payments
Geographically diversified	Operations in 40 countries Well-balanced breakdown of revenue between mature and emerging markets (56% in Europe, 37% in Latin America) Presence in countries offering strong growth opportunities
A diversified product portfolio	50 different products
A diversified customer portfolio	Two-thirds of customers are companies with fewer than 200 employees
Diversified media	Ranging from paper-based to Web, mobile phone-based solutions and new media In 2009, paper media accounted for 70% of Issue Volume, vs. paperless: 30%

Geographic, product, customer and media diversity is a source of stability

ACCOR Services

A corporate mission project to speed up growth

Our Mission

Enhancing people's well-being and motivation and helping to improve the performance of an organization

Our Ambition

To be the world leader in employee and public benefits

To be a major provider of prepaid services to help improve the performance of an organization

Moving Forward	Differently	Together
8 organic growth drivers + A targeted growth strategy	As a listed company + With its own identity and brand	Deepen our development expertise + Deepen our innovation practices and culture + Strengthen our technological capabilities + Nurture our talent

Entrepreneurial spirit	Innovation	Performance	Simplicity	Sharing

ACCOR Services

Conclusion

- Several drivers of long-term growth in Issue Volume
- A virtuous circle of cash flow growth
- An organization and the people at the heart of this strategy

Keys to a successful listing of a business
offering growth, low cyclicality, low capital-intensity,
with a balanced presence
in developed and emerging markets

ACCOR Services

Demerging the Hotels and Prepaid Services Businesses

Rationale of the demerger

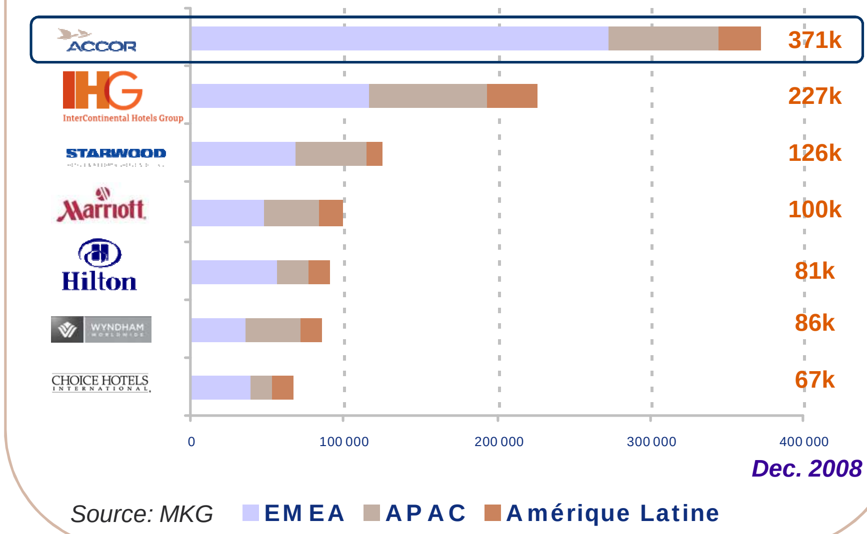
Accor Hospitality: European leader, global player

ACCOR Hospitality

- 4,100 hotels in 90 countries
- 490,000 rooms (380,000 outside the US)
- 100,000 rooms in the pipeline
- The European leader in the Economy and Midscale segments
- A portfolio of brands extending from Luxury to Budget

A recognized leadership position

Hotel operator networks by region (number of rooms, excluding US)



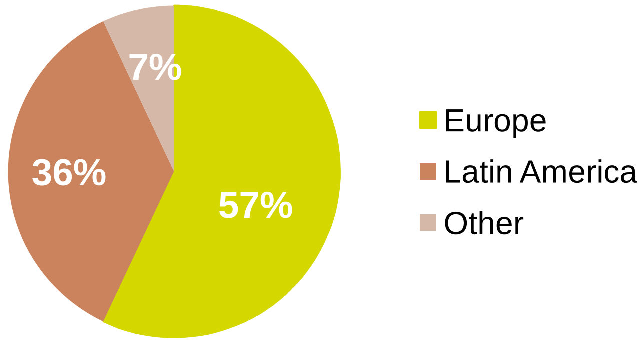
Source: MKG

Accor Services: the world leader in employee and public benefits and a major provider of prepaid services

World leader in employee benefits

Worldwide coverage

2009 revenue by region



Significant critical mass

2009 financial highlights

- Issue volume: €**12 billion**
- EBITDA: **€376 million**
- Float: **€2.1 billion**

Strong growth prospects

- Structural **growth** in the benefits market
- **Low penetration rate** in existing products
- Emergence of **new products** and new markets for prepaid services

Critical mass achieved

ACCOR

Two business units that are already independent

- **Operations already managed separately**
  - Few shared teams
  - Few shared IT and operations management systems

- **Few marketing synergies**
  - Separate, dedicated sales teams
  - Accor Services' international credibility with public authorities and unions

- **Separate legal structures**
  - Legal structures currently being reorganized, which will facilitate the coming demerger

Financial independence achieved quickly

Accor Hospitality

- **Toward a less cyclical, less capital-intensive business model**
  - Continuing to apply the **asset right strategy** to the existing portfolio
  - **Developing** mainly through **management contracts** and **franchising**

Accor Services

- **A resilient business model**
- Business with significant **cash generation** (structurally negative WCR)
- **Many sustainable growth drivers** in developed and emerging markets

**Two businesses that generate cash,
with targeted capex strategies
and substantial resources to speed up their growth**

ACCOR

Benefits of the demerger

Two corporate mission projects to drive profitable growth

- Strengthening **employee pride** in each unit: two teams motivated by two unifying projects, each led by a dedicated management team
- An optimized **organizational structure** to manage each business' strategy
- Improved **performance management** and optimal **allocation of financial resources** in line with each business' strategy

Creation of two pure players

- Each business **listed**, with its own investment profile
- **More targeted investors**, specific to each business
- **Heightened visibility** of each business and its growth prospects

Opportunities to speed up growth

- **Partnerships** and/or strategic alliances to develop the businesses
- **Direct access to financial markets** to finance future growth
- **Potential for major transactions**, particularly with the **flexibility to pay in shares**

Two value-creating projects

ACCOR

The right move

- Two leaders that have achieved critical mass
- Two independent businesses
- Two value-creating corporate mission projects

Relevant demerger

Creation of 2 pure players

ACCOR

Proposed Demerger Process

Demerger process

- Creation of two listed companies with no capital ties

- Allocation of existing debt to each company in order for them to be granted ratings in line with their business and to ensure optimal capital structures

- Commitment of Colony Capital and Eurazeo to support both companies until January 1, 2012(1)

A process designed to ensure each company's success

(1) Accor was informed of the will of Colony and Eurazeo to support both companies over the long term, as published in a press release on December 15, 2009

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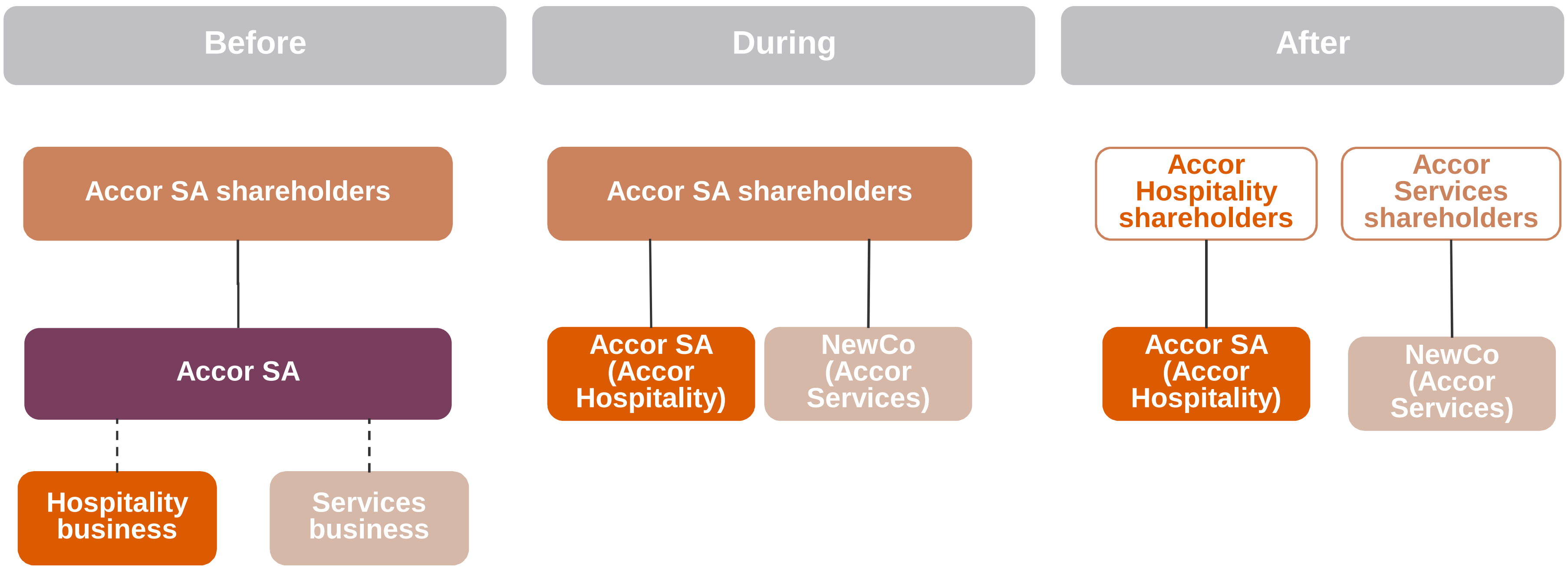
Legal structure



- Demerging the two businesses through a capital contribution and distribution: each Accor SA shareholder will receive one Accor Services share for each Accor SA share held
- Accor (Hotels) and NewCo (Accor Services) will be listed on the Euronext Paris stock exchange

Legal and tax structure impact

■ Chosen legal scenario: capital contribution and distribution

- **NewCo is created and acquires some of the Services subsidiaries' shares, with the purchase financed by debt**
- **The remaining Services subsidiaries' shares are contributed to NewCo**
- **NewCo shares are distributed to Accor SA shareholders**

■ Limited tax liability for the company and for shareholders

■ Necessary steps:

- ✓ Meeting with employee representatives (opinion issued in early February 2010)
- ❑ Consultation with bondholders (to come)
- ❑ Vote by Accor SA shareholders in a Combined Annual and Extraordinary Shareholders Meeting (to come)

Determining the capital structure

ACCOR SERVICES

Rating objective: « Strong Investment Grade »

Consistent with peer group	■ Sodexo: BBB+ ■ Visa: A+ ■ MasterCard: BBB+
Strong impact on Equity story	■ Solid financial position: a prerequisite for maintaining and expanding its leadership in a sector where payment security is key

Determining the capital structure

ACCOR HOSPITALITY

Rating objective: « Investment Grade »,

Given a debt-free structure in 2011, thanks to non-strategic assets disposals including GLB [(1)], and hotel Real Estate disposals

Consistent with peer group	
	■ No hotel company rated higher than BBB, ■ Some companies non-Investment Grade: Starwood: BB, Host: BB-, ■ Some companies not rated

Neutral impact on Equity story	
	■ Recognized worldwide leaders (outside the US) with very well-known brands ■ No rating triggers on Accor current debt (loans/bonds) ■ No major refinancing needs before 2012 ■ Generation of substantial Free Cash Flows in the future ■ Real estate hotels asset disposals and non-strategic asset disposals

(1) GLB: 49% stake in Groupe Lucien Barrière

ACCOR

Determining the capital structure

Aligning both units' opening balance-sheet debt with their respective strategies

Before demerger

Accor SA
(31/12/2009)

Net debt: **€1.6bn**

After demerger

Accor Hospitality

Net debt: **€1.2bn**

Accor Services
Net debt: **€0.4*bn**

Accor Hospitality

- Debt adjusted to strong cash flow generation in 2010/2011
- Objective of being Investment Grade, supported by hotels asset as well as non-strategic asset disposals, included the disposal of the 49% stake in Groupe Lucien Barrière

Accor Services

- Debt level in line with a "Strong investment grade" objective

*(*Excluding €0.6 billion in restricted cash)*

ACCOR

Agenda of the demerger

Criteria for setting the demerger timetable

The Board of Directors defined a series of milestones

- Implementation of **action plans**, in particular for the hotel property disposal strategy and the disciplined management of expansion expenditure
- Launch of the **two corporate mission projects**, led by each management team
- **Separation of shared teams, information systems and legal structures**
- Definition of **the right capital structure** and **allocation of the amount of debt** appropriate to each company's business model
- Commitment from **Colony Capital and Eurazeo to support the two companies** (until January 1, 2012, as announced on Dec. 15, 2009)

Now that these milestones have been successfully reached, the Board has decided to carry out the demerger in late June.
Extraordinary Shareholders Meeting on June 29, 2010

ACCOR

Next steps

End May 2010	▶	Accor Services prospectus published Accor Hospitality and Accor Services Analysts' Days
June 29, 2010	▶	Combined Annual and Extraordinary Shareholders Meeting
Early July 2010	▶	Accor Services shares start trading

Objective of the completion of the demerger

end of June 2010

ACCOR

Conclusion

Conclusion

Operating profit before tax and non-recurring items in the high end of 2009 target

despite a very difficult economic environment and the devaluation of the Venezuelan bolivar, thanks to a stabilization in hotel occupancy rates in December and better than targeted cost-reduction plans

2010 business outlook

First signs that occupancy rates are stabilizing in the Hotels business
Prepaid Services impacted by a challenging economic environment in 2010, especially in the first half, but enjoys significant long-term growth drivers

A demerger in June 2010

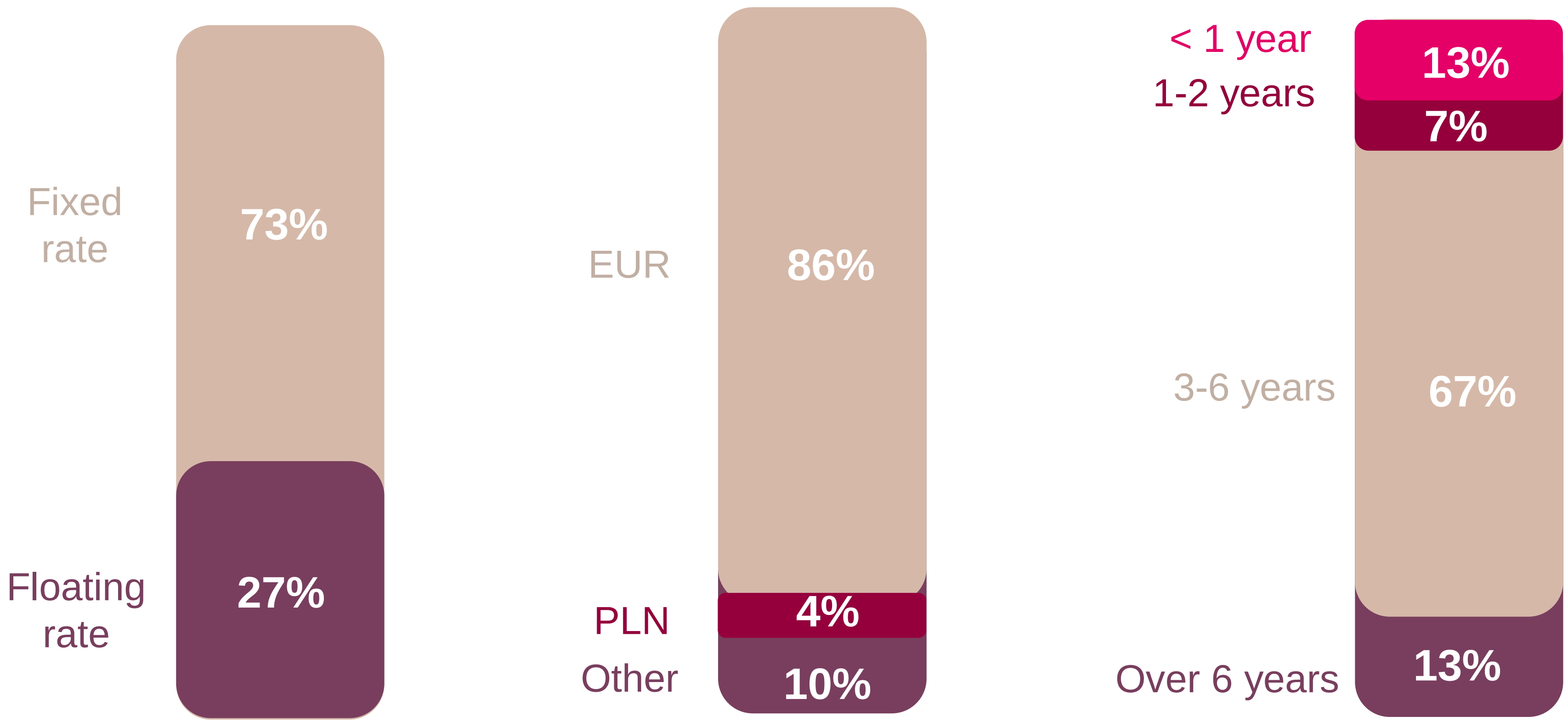
Two ambitious, motivating, value-creating corporate mission projects

Two value-creating world leaders

Appendices

Long and Short-term Borrowings: €2.5bn[1] (as of December 31, 2009)

By type of rate | **By currency** | **By maturity**



Average cost of debt: 5,48% as of December 31, 2009

(1) Total debt of €2.8bn including €2.5bn of loans

ACCOR

2009 Consolidated Balance Sheets – Summary

ASSETS - *In € millions*	**Dec. 2008***	**Dec. 2009**
Intangible fixed assets	512	488
Goodwill	1,932	1,777
Property, plant and equipment	4,324	4,306
Total financial assets	403	428
Total non-current assets	**7,397**	**7,290**
Total current assets	**3,984**	**4,312**
Total assets	**11,417**	**11,746**

LIABILITIES &SHAREHOLDERS' EQUITY *In € millions*	**Dec. 2008***	**Dec. 2009**
Shareholders' equity Group share	3,298	2 ,997
Shareholders' equity	3,556	3,254
Total non-current liabilities	**5,974**	**6,072**
Total current liabilities	**5,443**	**5,670**
Total liabilities and shareholders' equity	**11,417**	**11,746**

** Impact of the retrospective application of IFRIC 13 – Customer Loyalty Programs from January 1, 2008*

ACCOR