



**Accor Services**

**Financial Overview**

# Profit and Loss account

<i>In € millions</i>	<b>2006</b>	<b>2007</b>
<b>Issue Volume</b>	<b>9,978</b>	<b>11,436</b>
<b>Revenue</b>	<b>760</b>	<b>885</b>
<b>EBITDAR</b>	<b>310</b>	<b>377</b>
<i>EBITDAR margin</i>	<b>40.8%</b>	<b>42.6%</b>
<b>EBITDA</b>	<b>297</b>	<b>364</b>
<b>EBIT</b>	<b>275</b>	<b>338</b>
<b>PBT</b>	<b>273</b>	<b>333</b>
<i>PBT margin</i>	<b>35.9%</b>	<b>37.6%</b>
Restructuring costs	(8)	(16)
Impairment losses net	(1)	(9)
<b>PBT before tax</b>	<b>264</b>	<b>308</b>
Tax	(134) *	(111) **
<b>NET PROFIT</b>	<b>130</b>	<b>197</b>

\* Included tax provision : (35) M€ in 2006

\*\* Included reversal of provision : +13 M€ in 2007

# 2007 Revenue Details

<b>Issue Volume</b>	<b>11 436 M€</b>
<b>Revenue with Issue Volume</b>	<b>720 M€</b>
Revenue rate	6.3%
<b>Program Related Services Revenue</b>	<b>87 M€</b>
Loyalty Program transferred in 2008 to Hotel Division	22 M€
Belgium ONEM (contract lost in 2008)	17 M€
Other business line w/o Issue Volume	39 M€
<b>Total Revenue w/o Issue Volume</b>	<b>165 M€</b>
<b>Total Reported Revenue</b>	<b>885 M€</b>

# 6.3% average revenue

Dec-07	TR/TA	Ticket Car	Childcare Voucher	Ticket Gift	Other products	Total Group
Issue Volume	9 199 933	275 249	275 250	873 221	812 760	11 436 412
Nb. Of issued tickets	2 227 310	6 216	2 887	63 919	81 682	2 382 014
Face Value (€)	4,1	44,3	95,3	13,7	10,0	5,0
Operating revenue	5.3 %	4.3 %	5.6 %	7.3 %	5.5 %	5.5 %
Interest on Float	0.8 %	0.8 %	0.9 %	1.6 %	0.4 %	0.8 %
<b>Total Revenue</b>	<b>6.1 %</b>	<b>5.1 %</b>	<b>6.5 %</b>	<b>8.9 %</b>	<b>5.9 %</b>	<b>6.3 %</b>

# Consolidated Cash Flow statement

<i>In € millions</i>	2006	2007
EBITDA	297	364
Net Financial Expense	(2)	(5)
Income Tax Expense	(95)*	(134)**
<b>Funds from Ordinary Activities</b>	<b>200</b>	<b>225</b>
Cash received (paid) on non-recurring transactions	(2)	(7)
Increase of negative working capital	202	173
<b>Funds from Operations</b>	<b>400</b>	<b>391</b>
Renovation and maintenance expenditure	(17)	(18)
<b>Free Cash Flow before expansion Capex</b>	<b>383</b>	<b>373</b>

\* Income tax expense 130 M€ - elimination of provision income tax expense 35 M€

\*\* Income tax expense 121 M€ - elimination of provision income tax expense (13) M€

# A High Free Cash Flow given the low CAPEX requirement

In € millions	Dec-06	Dec-07
Funds From Operations	400	391
CAPEX	(17)	(18)
% CAPEX / FFO	4.2 %	4.6 %

# Balance Sheet

In € millions	Dec-06	Dec-07		Dec-06	Dec-07
Goodwill & Intangible assets	443	783	Shareholders' equity	498	623
Tangible assets	30	30			
Financial assets	101	130	Deferred Tax liabilities	45	52
Deferred tax assets	8	10	Provision for risk and charges	63	58
<b>Total non-current assets</b>	<b>582</b>	<b>953</b>	<b>Total Equity and non current liabilities</b>	<b>606</b>	<b>733</b>

# Balance Sheet

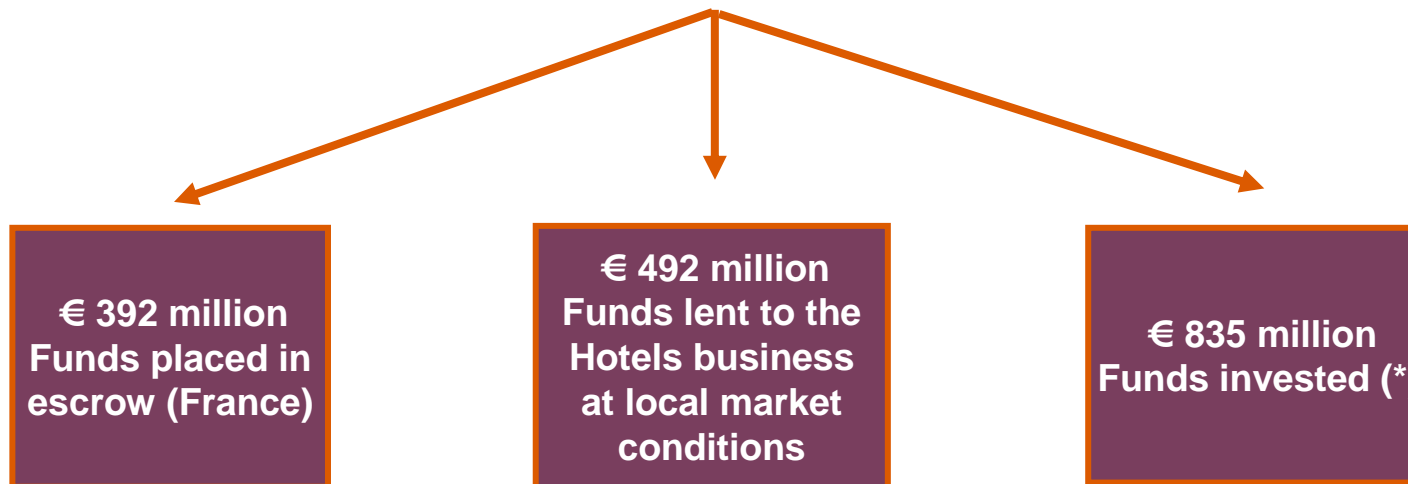
In € millions	Dec-06	Dec-07		Dec-06	Dec-07
Stocks	7	10	Trade payables	77	98
Trade Receivables	813	1 099	Other payables	175	213
Other receivables and accruals	132	157	Service voucher in circulation	2 289	2 894
<b>Working Capital assets</b>	<b>952</b>	<b>1 266</b>	<b>Working Capital Liabilities</b>	<b>2 541</b>	<b>3 205</b>
Service voucher reserve funds	373	392	Short term debt	49	134
Short term loans	553	626	Bank overdraft	10	6
Current financial assets	643	708			
Cash and cash equivalents	103	133			
<b>Financial assets</b>	<b>1 672</b>	<b>1 859</b>	<b>Financial liabilities</b>	<b>59</b>	<b>140</b>
<b>Total Current Assets</b>	<b>2 624</b>	<b>3 125</b>	<b>Total Current Liabilities</b>	<b>2 600</b>	<b>3 345</b>

**Negative Working capital  
€1,939m**

Working Capital Liabilities	€ 3,205m
Working Capital Assets	€ (1,266)m
<b>NEGATIVE WORKING CAPITAL</b>	<b>€ 1,939m</b>

# A negative Working Capital

Negative working capital requirement (8,8 weeks)  
€ 1,939 million



Average Interest Rate : 5%

(2007 data)

(\*) Including Bank and Deposits as of December 31, 2007

## Around 150 M€ to 200 M€ of additional negative working capital per year

M€	2005	2006	2007
Issue Volume	8 414	9 824	11 436
△ Issue Volume	-	1 410	1 612
Average number of weeks	8,2	8,4	8,8
△ Theoretical Negative working capital	-	227	272
Impact of Currency and Acquisition	-	(25)	(99)
△ Negative working capital (cash flow statement)	-	202	173

# A low cyclical business

		CAGR 2001-2004	CAGR 2004-2007
FRANCE	GDP	1.6%	2.2%
	Δ Unemployment rate	10.3%	-10.4%
	Δ Revenue (L/L)	10.6%	14.3%
ITALY	GDP	0.9%	1.3%
	Δ Unemployment rate	-11.5%	-23.8%
	Δ Revenue (L/L)	5.7%	2.0%
BELGIUM	GDP	1.5%	2.6%
	Δ Unemployment rate	27.3%	-10.7%
	Δ Revenue (L/L)	11.3%	20.2%

10%  
excluding  
ONEM  
Contract

A low cyclical Business

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A low cyclical Business

# A business not penalized by inflation

	Indicators	2005	2006	2007
FRANCE	△ Inflation	1.8 %	1.7 %	1.8 %
	Face Value	6,51	6,64	6,87
	△ Face Value	2.5 %	1.9 %	3.6 %
HUNGARY	△ Inflation	3.3 %	6.5 %	7.4 %
	Face Value	442,64	464,01	483,29
	△ Face Value	3.6 %	4.8 %	4.2 %

Face value mostly correlated to Inflation rate

## A currency risk partly offset by increase of Interest Rate

M€	2002	2003	Variation
R\$ / €	2,78	3,47	-25 %
Interest Rate	19 %	23 %	+22 %
Financial Revenue (MR\$)	22,5	29,5	+31 %

**Reported revenue increase between  
2003/2002  
+ 3% in €**

# Conclusion

## ■ Steady Growth

- Revenue : **11%** CAGR 1996-2007
- PBT: **14%** CAGR 1996-2007

## ■ Profitability

- EBITDAR margin: **42%**
- EBITDA : €364m in 2007

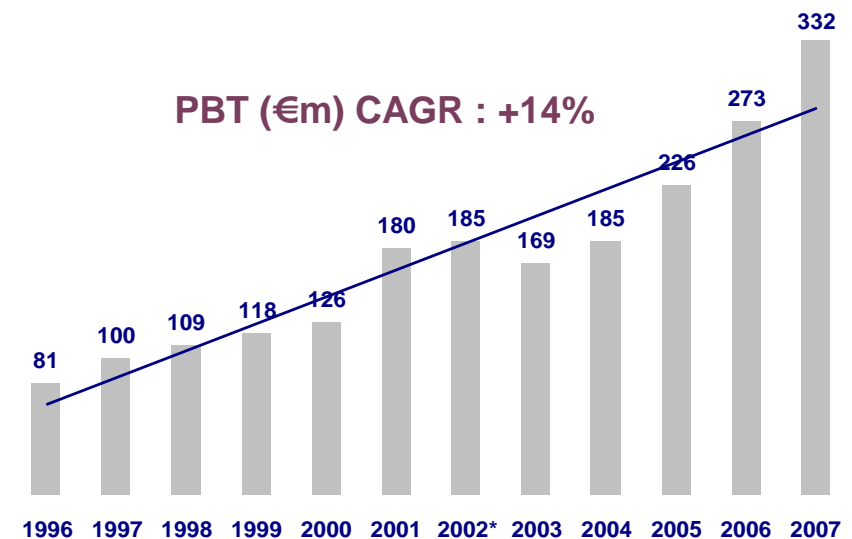
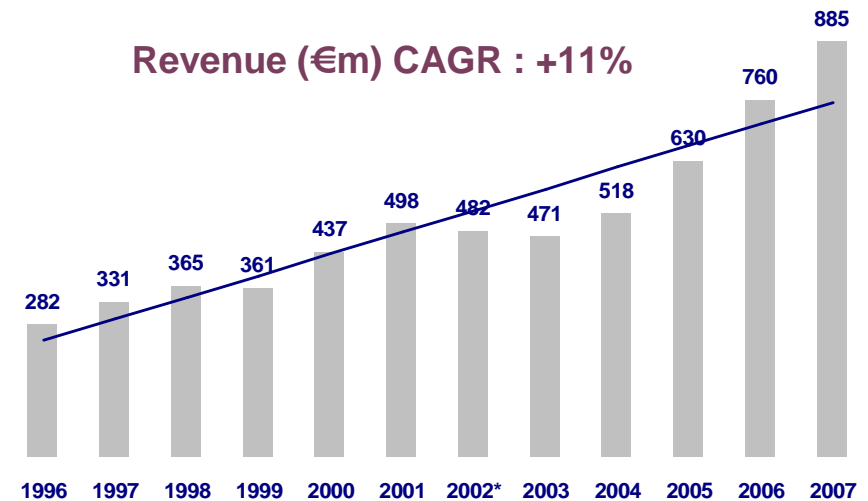
## ■ Cash generation

- Steady cash flow generation:  
**400m p.a.** (including €150m to €200m of additional negative working capital per year)

## ■ Limited capital requirement

- **€20-25m** capex p.a.

## ■ High return : **ROCE > 20%**



# Guidance

## TOP LINE GROWTH

8-16% in 2009/2010

10-18% beyond 2010

## EBITDAR MARGIN

Margin > 40% until 2010  
Including the launch of new products

Increase of Margin beyond 2010