

## Press Release

July 17, 2008

# Solid 5.2% like-for-like growth in first-half 2008 revenue

- **Strong 5.1% growth in the Hotels business, particularly in France and Germany**
- **Very robust 11.8% growth in Services**
- **Favorable outlook for both Services and European Economy Hotels  
(70% of 2007 consolidated EBIT)**

Accor's consolidated revenue totaled €3,765 million for the first six months of 2008. This represented a 5.2% increase at comparable scope of consolidation and exchange rates (like-for-like) and a 6.2% decline as reported.

Revenue (in € millions)	First-half 2007	First-half 2008	Change as reported	Change like-for-like <sup>(1)</sup>
<b>Hotels</b>	<b>2,850</b>	<b>2,810</b>	<b>-1.4%</b>	<b>+5.1%</b>
Upscale and midscale	1,596	1,681	+5.3%	+6.2%
Economy	793	842	+6.3%	+6.1%
Economy US	461	287	-37.8%	-0.4%
<b>Services</b>	<b>418</b>	<b>459</b>	<b>+9.9%</b>	<b>+11.8%</b>
Other businesses	747	496	-33.5%	+2.0%
<b>Total</b>	<b>4,015</b>	<b>3,765</b>	<b>-6.2%</b>	<b>+5.2%</b>

(1) At constant scope of consolidation and exchange rates.

First-half 2008 revenue performance was shaped by the following factors:

- **The solid 5.2% increase in revenue at constant scope of consolidation and exchange rates, reflecting growth of 4.8% in the first quarter and 5.6% in the second.**
- The impact of the Group's expansion strategy, which added 3.4% to revenue growth.
- The negative 12.6% impact of asset disposals, including Go Voyages, the Italian and Brazilian food services businesses, Red Roof Inn in the United States, and property as part of the "asset-right" strategy.
- A negative 2.2% currency effect resulting from the appreciation of the euro against the dollar, the pound and most South American currencies.

## Services revenue up 11.8% like-for-like

Revenue from the Services business increased by 9.9% as reported. Like-for-like growth for the period amounted to 11.8%, of which 10.4% in the first quarter and **13.3% in the second**. Restated from the impact of the loss of the Titres-Services contract in Belgium (ONEM) and the gradual elimination of tax breaks in Argentina, Services revenue would have been up 14.6% for the first six months of the year.

Acquisitions added 4.0% to growth. However, the currency effect was a negative 2.8%, mainly due to the weakness of Latin American currencies.

**In Europe**, revenue was up 10.4% like-for-like for the period, of which 9.5% in the first quarter and 11.4% in the second. The second quarter saw:

- Strong 16.2% like-for-like growth in France, led by the implementation of a sales force action plan to increase meal voucher sales.
- 12.8% like-for-like growth in the United Kingdom.
- 13.6% growth in Belgium, restated from the loss of the ONEM contract, compared to a reported decline of 16.4%.

**In Latin America**, revenue grew 13.4% like-for-like, reflecting increases of 10.6% in the first quarter and 16.2% in the second. In the second quarter:

- Revenue in Brazil continued to climb, gaining 12.0% compared to 5.1% in the first three months of the year.
- The other Latin American countries saw revenue rise an aggregate 21.0% like-for-like, even after taking into account the negative 10.2% decline in Argentina revenue following changes in tax legislation.

## Hotels revenue up 5.1% like-for-like

Hotels revenue amounted to €2,810 million in the first half, a decline of 1.4% compared to the prior-year period on a reported basis. This figure takes into account the impact of:

- **Like-for-like growth of 5.1%**, of which 3.7% in the first quarter and 6.3% in the second. Restated from the shift in Easter vacation to March (2008) from April (2007) in most European countries (mainly Germany, the United Kingdom, Benelux and Spain), growth in both the first and second quarters would have been 5.1%.
- The expansion strategy, which led to the opening of 11,000 rooms during the first six months of the year and added 3.3% to growth.
- The sale of Red Roof Inn and other hotel units as part of changes in ownership structures ("asset-right" strategy), which reduced first-half revenue growth by 7.0%.
- The currency effect, mainly due to the weakness of the dollar and the pound, which was a negative 2.8%.

### **Upscale and Midscale Hotels (Sofitel, Pullman, Novotel, Mercure and Suitehotel): up 6.2% like-for-like**

In the upscale and midscale segment, revenue rose by 6.2% like-for-like in the first half, including 3.9% in the first quarter and 8.2% in the second. The second quarter was shaped by:

- Sustained 7.0% like-for-like revenue growth in France, led by the very robust performance of the Novotel and Mercure brands, whose RevPAR rose 9.0% and 9.2% respectively. Performances were more contrasted in the upscale segment due to re-brandings and renovations at certain Sofitel and Pullman hotels.
- 12.6% like-for-like growth in Germany.
- 7.2% revenue growth in the United Kingdom.

## **Economy Hotels outside the US (Ibis, all seasons, Etap Hotel and Formule 1): up 6.1% like-for-like**

In economy hotels, revenue rose by 6.1% like-for-like in first-half 2008, of which 5.3% in the first quarter and 6.8% in the second. During the second quarter, revenue rose by:

- A strong 5.9% like-for-like in France, lifted by the good performance of the Ibis brand, which reported RevPAR up 11.0%.
- 8.1% like-for-like in Germany.
- 9.8% like-for-like in the United Kingdom.

## **Economy Hotels in the US (Motel 6 and Studio 6): down 0.4% like-for-like**

In a market impacted by a slowing economy and rising gas prices, like-for-like revenue in the US economy hotels segment slightly declined by 0.4% in the first half of the year, reflecting a stable performance at +0.1% in the first quarter and a 0.8% modest decline in the second.

The 37.8% reported drop in the division's revenue for the period was mainly attributable to the disposal of Red Roof Inn in August 2007 as well as to the weaker US dollar. The sale of Red Roof Inn has considerably reduced the Group's exposure to the United States, a market that tends to be more cyclical than Europe. In 2007, the US accounted for only 8% of consolidated EBIT\*.

## **Outlook**

After reporting a solid set of figures in first-half 2008, Accor will leverage its operating performance in its Services and European Economy Hotels businesses. These two businesses represented nearly 70% of consolidated EBIT\* in 2007:

- In Services, Accor holds a global leadership position with major market shares in 40 countries. The Group will continue to pursue sustained organic growth in this business, which has demonstrated strong resilience to economic cycles.
- In the European Economy Hotels business, Accor will benefit from its large market shares in countries where, furthermore, hotels supply growth has been limited over recent years. This will enable the Group to drive sustained growth and effectively resist cyclical downturns.

\* Pro forma 2007 EBIT, after the disposal of Go Voyages, Red Roof Inn and the Italian and Brazilian food services businesses.

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**Accor**, the European leader and a major global group in hotels, as well as the global leader in services to corporate clients and public institutions, operates in nearly 100 countries with 150,000 employees. It offers to its clients over 40 years of expertise in two core businesses:

- **Hotels**, with the **Sofitel, Pullman, Novotel, Mercure, Suitehotel, Ibis, all seasons, Etap Hotel, Formule 1 and Motel 6** brands, representing 4,000 hotels and nearly 500,000 rooms in 90 countries, as well as strategically related activities, such as **Lenôtre**.
- **Services**, with 30 million people in 40 countries benefiting from Accor Services products in employee and public benefits, rewards and loyalty and expense management.

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## Revenue

in € thousand	Quarter 1		Quarter 2		First Half 2008	
	2007 adjusted(1)	2 008	2007 adjusted(1)	2 008	2007 adjusted(1)	2 008
<b>HOTELS</b>						
Up & Midscale	742 364	761 765	853 963	919 504	1 596 326	1 681 269
Economy	364 770	387 196	427 857	455 013	792 627	842 209
Economy US	215 940	137 255	245 286	149 573	461 227	286 827
<b>Total HOTELS</b>	<b>1 323 074</b>	<b>1 286 216</b>	<b>1 527 106</b>	<b>1 524 089</b>	<b>2 850 180</b>	<b>2 810 305</b>
<b>SERVICES</b>	<b>206 984</b>	<b>226 635</b>	<b>210 783</b>	<b>232 372</b>	<b>417 767</b>	<b>459 007</b>
<b>Other Businesses</b>						
Casinos	78 172	86 252	80 619	83 471	158 791	169 723
Restaurants (3)	151 766	100 937	164 521	32 605	316 287	133 543
On-board train services	59 704	69 461	70 568	78 795	130 272	148 256
Holding & Other (4)	67 737	21 919	73 507	22 887	141 245	44 805
<b>TOTAL OTHER BUSINESSES</b>	<b>357 380</b>	<b>278 569</b>	<b>389 216</b>	<b>217 758</b>	<b>746 595</b>	<b>496 327</b>
<b>TOTAL</b>	<b>1 887 437</b>	<b>1 791 420</b>	<b>2 127 105</b>	<b>1 974 219</b>	<b>4 014 542</b>	<b>3 765 639</b>

in € thousand	Quarter 1		Quarter 2		First Half 2008	
	Change reported	Change L/L(2)	Change reported	Change L/L(2)	Change reported	Change L/L(2)
<b>HOTELS</b>						
Up & Midscale	2,6%	3,9%	7,7%	8,2%	5,3%	6,2%
Economy	6,1%	5,3%	6,3%	6,8%	6,3%	6,1%
Economy US	-36,4%	0,1%	-39,0%	-0,8%	-37,8%	-0,4%
<b>Total HOTELS</b>	<b>-2,8%</b>	<b>3,7%</b>	<b>-0,2%</b>	<b>6,3%</b>	<b>-1,4%</b>	<b>5,1%</b>
<b>SERVICES</b>	<b>9,5%</b>	<b>10,4%</b>	<b>10,2%</b>	<b>13,3%</b>	<b>9,9%</b>	<b>11,8%</b>
<b>Other Businesses</b>						
Casinos	10,3%	6,1%	3,5%	-1,7%	6,9%	2,1%
Restaurants (3)	-33,5%	8,7%	-80,2%	-2,5%	-57,8%	2,9%
On-board train services	16,3%	8,5%	11,7%	1,0%	13,8%	4,4%
Holding & Other (4)	-67,6%	-4,3%	-68,9%	-0,7%	-68,3%	-2,4%
<b>TOTAL OTHER BUSINESSES</b>	<b>-22,1%</b>	<b>5,6%</b>	<b>-44,1%</b>	<b>-1,4%</b>	<b>-33,5%</b>	<b>2,0%</b>
<b>TOTAL</b>	<b>-5,1%</b>	<b>4,8%</b>	<b>-7,2%</b>	<b>5,6%</b>	<b>-6,2%</b>	<b>5,2%</b>

(1) After reclassification of timeshares in Asia from "Upscale and Midscale Hotels" to "Holding and Other".

(2) At constant scope of consolidation and exchange rates.

(3) Including the Italian and Brazilian food services businesses.

(4) Including Go Voyages and Scapa Italia

## RevPAR by segment

### HOTELS : RevPAR by segment Q2 2008

	Occupancy Rate Subsidiaries (reported)		Average room rate Subsidiaries (reported)		RevPAR			
	(in %)	(chg in pts)		(chg in %)	Subsidiaries (reported) (chg in %)	Subsidiaries (like-for-like(1))	Subsidiaries & managed (reported)	
Upscale and Midscale Europe (in €)	71.1%	+0.8	111	+6.4%	79	+7.5%	+7.8%	+6.5%
Economy Europe (in €)	76.6%	-0.1	58	+6.2%	45	+6.1%	+6.8%	+5.8%
Economy US (in \$) (2)	67.3%	-2.2	46	+1.8%	31	-1.4%	-1.8%	-1.4%

(1) at comparable scope of consolidation and exchange rates.

(2) Excluding Red Roof Inn

### HOTELS : RevPAR by segment at end of June 2008 (YTD)

	Occupancy Rate Subsidiaries (reported)		Average room rate Subsidiaries (reported)		RevPAR			
	(in %)	(chg in pts)		(chg in %)	Subsidiaries (reported) (chg in %)	Subsidiaries (like-for-like(1))	Subsidiaries & managed (reported)	
Upscale and Midscale Europe (in €)	65.3%	+0.2	108	+4.9%	71	+5.2%	+5.5%	+3.9%
Economy Europe (in €)	71.4%	-0.3	58	+5.0%	41	+4.6%	+5.3%	+4.4%
Economy US (in \$) (2)	64.6%	-1.8	45	+1.5%	29	-1.2%	-1.6%	-1.2%

(1) at comparable scope of consolidation and exchange rates.

(2) Excluding Red Roof Inn

## RevPAR by country (Q2 2008)

UPSCALE AND MIDSACLE HOTELS		Occupancy Rate		Average room rate		RevPAR			
RevPAR by country at Q2 2008		Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries	Subsidiaries & managed
(in euros)		(in %)	(chg in pts)	(chg in %)		(chg in %)		(like-for-like(1))	(reported)
France	30 141	72.0%	+1.4	118	+7.8%	85	+10.0%	+8.2%	+8.5%
Germany	20 187	67.7%	+3.0	98	+8.6%	67	+13.7%	+13.7%	+13.4%
Netherlands	4 183	73.5%	-2.4	122	+4.9%	90	+1.5%	+0.7%	+1.5%
Belgium	1 802	76.5%	-0.1	115	+12.0%	88	+11.9%	+6.2%	+10.7%
Spain	2 259	70.5%	-1.5	102	+1.4%	72	-0.7%	-0.7%	-0.7%
Italy	3 551	63.3%	-5.6	121	+1.4%	77	-6.9%	-3.2%	-6.8%
UK	5 226	80.3%	+1.3	92	+7.8%	74	+9.6%	+7.9%	+5.7%
USA (in \$)	480	95.2%	+1.2	265	+3.8%	252	+5.1%	+5.1%	+8.4%

(1) at comparable scope of consolidation and exchange rates.

ECONOMY HOTELS		Occupancy Rate		Average room rate		RevPAR			
RevPAR by country at Q2 2008		Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries	Subsidiaries & managed
(in euros)		(in %)	(chg in pts)	(chg in %)		(chg in %)		(like-for-like(1))	(reported)
France	43 318	76.5%	-0.5	51	+8.3%	39	+7.7%	+6.3%	+7.8%
Germany	15 059	73.5%	+1.9	60	+6.9%	44	+9.8%	+9.7%	+8.2%
Netherlands	2 152	83.9%	-6.6	89	+9.9%	75	+1.8%	-0.2%	+1.8%
Belgium	2 560	83.6%	+1.9	71	+8.5%	59	+11.1%	+11.1%	+11.1%
Spain	4 452	76.1%	-4.9	57	+5.1%	43	-1.2%	-1.4%	-1.2%
Italy	1 550	71.0%	-0.6	74	+2.6%	53	+1.6%	+2.0%	+1.6%
UK	7 686	78.4%	+1.0	57	+6.9%	45	+8.3%	+9.3%	+7.8%
USA (in \$) (2)	80 063	67.3%	-2.2	46	+1.8%	31	-1.4%	-1.8%	-1.4%

(1) at comparable scope of consolidation and exchange rates.

(2) Excluding Red Roof Inn

## RevPAR by country (H1 2008)

UPSCALE AND MIDSCALE HOTELS RevPAR by country at end of June 2008 (YTD) (in local currency)	Number of rooms	Occupancy Rate		Average room rate		RevPAR			
		Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries	Subsidiaries & managed
		(in %)	(chg in pts)	(chg in %)		(chg in %)		(like-for-like(1))	(reported)
France	29 611	66.5%	+1.7	117	+6.6%	78	+9.4%	+7.8%	+7.1%
Germany	20 282	62.7%	-0.2	96	+6.1%	60	+5.7%	+5.3%	+5.7%
Netherlands	4 151	65.5%	-2.3	118	+3.2%	77	-0.2%	-0.3%	-0.2%
Belgium	1 802	69.9%	+1.0	113	+8.4%	79	+9.9%	+3.7%	+8.9%
Spain	2 259	64.2%	-2.1	105	+2.6%	68	-0.6%	-0.6%	-0.6%
Italy	3 371	57.6%	-4.4	116	+1.2%	67	-6.1%	-3.5%	-5.9%
UK	5 230	77.0%	+0.4	90	+6.2%	69	+6.7%	+5.0%	+1.0%
USA (in \$)	480	94.2%	+4.5	234	+8.2%	221	+13.6%	+5.1%	+7.5%

(1) at comparable scope of consolidation and exchange rates.

ECONOMY HOTELS RevPAR by country at end of June 2008 (YTD) (in local currency)	Number of rooms	Occupancy Rate		Average room rate		RevPAR			
		Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries	Subsidiaries & managed
		(in %)	(chg in pts)	(chg in %)		(chg in %)		(like-for-like(1))	(reported)
France	43 518	71.7%	-0.2	50	+6.8%	36	+6.4%	+5.2%	+6.6%
Germany	15 094	68.4%	-0.4	60	+5.2%	41	+4.6%	+4.7%	+3.6%
Netherlands	2 151	76.0%	-5.5	84	+9.1%	64	+1.7%	-0.2%	+1.7%
Belgium	2 560	76.4%	+2.1	70	+6.9%	54	+9.9%	+9.4%	+9.9%
Spain	4 388	72.8%	-3.9	57	+5.4%	41	+0.1%	-0.6%	+0.1%
Italy	1 550	61.3%	-0.9	77	+3.4%	47	+1.9%	+3.3%	+1.9%
UK	7 651	74.9%	+0.4	56	+6.3%	42	+6.8%	+7.5%	+6.7%
USA (in \$) (2)	80 063	64.6%	-1.8	45	+1.5%	29	-1.2%	-1.6%	-1.2%

(1) at comparable scope of consolidation and exchange rates.

(2) Excluding Red Roof Inn