

**Press Release – Quarterly Information**

Paris, October 16, 2008

## Resilient performance in the first nine months of 2008: revenue up 4.1% like-for-like

- Services revenue up by a strong 12.6% over the first nine months  
Including 14.1% growth in the third quarter
- Hotels revenue up 3.7% over the first nine months  
Including 1.1% growth in the third quarter

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- In light of the global economic downturn, adjusted full-year earnings guidance: profit before tax at between €870m and €890m (vs. €910m and €930m previously)
- A sound financial position

Accor's consolidated revenue for the first nine months of 2008 totaled €5,787 million, up 4.1% like-for-like<sup>1</sup> over the same period of 2007 and down 5.4% on a reported basis.

(in € millions)	First 9 months 2007	First 9 months 2008	% change as reported	% change like-for-like
<b>Hotels</b>	<b>4,389</b>	<b>4,329</b>	<b>-1.4%</b>	<b>+3.7%</b>
Upscale and Midscale	2,442	2,569	+5.2%	+4.7%
Economy	1,244	1,306	+5.0%	+4.5%
Economy US	704	454	-35.6%*	-1.2%
<b>Services</b>	<b>624</b>	<b>693</b>	<b>+11.0%</b>	<b>+12.6%</b>
Other businesses	1,106	766	-30.7%	+0.9%
<b>Total</b>	<b>6,119</b>	<b>5,787</b>	<b>-5.4%</b>	<b>+4.1%</b>

\* Including disposal of Red Roof Inn and €/\$ currency effect

<sup>1</sup> Like-for-like = based on a comparable scope of consolidation and at constant exchange rates

The Group's revenue performance in the first nine months was shaped by the following factors:

- Like-for-like growth of 4.1%.
- The strategic refocusing on the Hotels and Services businesses (with the disposals of Red Roof Inn, Go Voyages and the Italian and Brazilian foodservices operations) and the continued deployment of the “asset-right” strategy, which together had a negative impact of €754 million or 12.3% on revenue for the period.
- The expansion strategy which added €298 million or 4.9% to growth, including the effects of the full consolidation of Orbis in the third quarter of 2008.
- A 2.1% negative currency effect resulting from the euro's appreciation against the dollar, the pound and most South American currencies.

### Services revenue up 12.6% like-for-like in the first nine months

Revenue from the Services business in the first nine months increased by 11.0% as reported and 12.6% like-for-like.

Acquisitions added 3.8% to growth. However, the currency effect was a negative 2.2%, mainly due to the weakness of Latin American currencies.

#### Q3 2008: up 14.1% like-for-like

Third quarter revenue growth was a strong 14.1% like-for-like, versus 11.8% in the first half.

**In Europe**, revenue rose by 11.8% like-for-like, reflecting gains of 16.9% like-for-like in France, following the deployment of a special action plan to boost meal voucher sales, and 8.9% like-for-like in the United Kingdom. In Belgium, adjusted for the loss of the Onem contract, revenue was up 5.2%, compared to a decline of 23.3% like-for-like.

**In Latin America**, like-for-like growth totaled 17.6%. Growth in Brazil accelerated to 17.5% in the third quarter, from 8.6% in the first half, while the other Latin American countries saw revenue rise an aggregate 17.6% like-for-like. This performance takes into account the 39.4% fall in revenue in Argentina in the third quarter following the withdrawal of payroll tax breaks. Excluding Argentina, revenue growth in Latin America came to 22%.

### Hotels revenue up 3.7% like-for-like in the first nine months

Hotels revenue amounted to €4,329 million in the first nine months of 2008, down 1.4% as reported but up 3.7% like-for-like, including increases of 5.1% in the first half and 1.1% in the third quarter. Adjusted for the effects of the Rugby World Cup, which created a high basis of comparison in third-quarter 2007, like-for-like growth for the quarter came to 1.4%.

The Hotels revenue performance in the first nine months was shaped by the following factors:

- Like-for-like growth of 3.7%.
- The sale of Red Roof Inn and other hotel units under the “asset-right” strategy, which had a negative impact of €291 million or 6.6% on revenue for the period.

- The expansion strategy, added €182 million or 4.1% to growth, with the consolidation of Orbis in the third quarter adding €59 million (of which €51million in the Upscale & Midscale Hotels segment and €8million in the Economy Hotels in Europe segment).
- The currency effect, mainly due to the weakness of the dollar (1.7% unfavorable effect) and the pound (1.1% un favorable effect), which was a negative 2.6%.

### **Upscale and Midscale Hotels**

#### **2008 YTD: up 4.7% like-for-like**

In Upscale and Midscale Hotels, revenue rose by 4.7% like-for-like in the first nine months of 2008.

#### **Q3 2008: up 1.8% like-for-like**

Third quarter growth was 1.8% like-for-like, compared with 6.2% in the first half, reflecting a more difficult economic environment. Adjusted for the effects of the Rugby World Cup, the growth rate was 2.4%. Revenue in France rose 1.0% excluding the effects of the Rugby World Cup. In Germany, revenue was up 2.2% like-for-like, with RevPAR climbing 4.8% in the third quarter. In the United Kingdom, revenue expanded by a strong 4.1% like-for-like, reflecting high activity levels in London where RevPAR rose 7.6% compared with a 0.2% increase in the regions.

### **Economy Hotels (outside the United States)**

#### **2008 YTD: up 4.5% like-for-like**

In the Economy Hotels segment, revenue for the first nine months of 2008 rose 4.5% like-for-like.

#### **Q3 2008: up 1.7% like-for-like**

Business growth slowed in the third quarter, with revenue gaining 1.7% like-for-like compared with 6.1% in the first half. In France, revenue was up 1.8% like-for-like, led by the Ibis brand which reported 3.7% like-for-like revenue growth and a 7.0% increase in RevPAR for its Paris units. F1 revenues were adversely affected by the hotel renovation program, but nevertheless remained stable compared with the third quarter of 2007 despite the fact that 30 units are currently being renovated. In Germany, the performance of the Economy Hotels segment was dampened by renovation work at 13 hotels. Adjusted for these effects, revenues were up 1.3% like-for-like in the third quarter, versus an unadjusted decline of 0.2%. In the United Kingdom, revenue expanded 5.1%, helped by strong demand in London where Ibis hotels' RevPAR was 10% higher, compared with a 1.7% increase in the regions.

### **Economy Hotels in the United States**

#### **2008 YTD: down 1.2% like-for-like**

Like-for-like Motel 6 revenue contracted by 1.2% in the first nine months of 2008, reflecting a challenging economic environment as well as higher gas prices.

#### **Q3 2008: down 2.7% like-for-like**

On a like-for-like basis, revenue contracted by 2.7% in the third quarter, after dipping 0.4% in the first half. The downturn stemmed from the unfavorable economic environment and extreme weather conditions, including the hurricanes that hit Texas and Ohio during the quarter. Franchise revenues were up 13.1%.

## Significant transactions and events of the period

### **Accor has confirmed its commitment to expanding in Poland by raising its stake in the Orbis hotel group to 50%**

As part of its hotel development strategy in Central Europe, a market with very strong growth potential, Accor announced in early September that it had raised to 50.01% its holding in the Orbis group, which is listed on the Warsaw Stock Exchange. Accor, which had held 45.48% of the company since August 2007, recently acquired an additional 4.53% stake at a price of PLN 55.4 per share, representing an investment of approximately €35 million.

Orbis, which earned net profit of €41 million on revenue of €307 million in 2007, has been fully consolidated with effect from July 1, 2008.

In addition to hotels, the company also has operations in travel services, car rental, intercity bus services and casinos. It has a total of some 4,600 employees.

## Financial position and results

### **Changes in scope of consolidation**

- **Expansion**

In Services, acquisitions accounted for 3.8% of revenue growth for the first nine months of 2008, in line with the Group's medium-term objectives.

In Hotels, expansion initiatives – including the opening of 19,450 rooms, of which 8,450 during the third quarter – boosted revenue for the nine-month period by 4.1%.

- **Acquisitions**

The consolidation of Orbis from July 1, 2008 added €109 million to consolidated revenue for the period.

### **Currency effect**

The currency effect reduced revenue for the first nine months by 2.1%, or €126 million. The 8.6% fall in the dollar against the euro since the start of the year had a €64 million negative impact, while the euro's appreciation against the pound trimmed revenue by €50 million or 14.2%.

### **Share buybacks**

Under the 22.5-million share buyback program approved by the Annual Shareholders' Meeting of May 13, 2008, a total of 812,699 shares were bought back during the first nine months of 2008, representing an investment of €33.6 million.

### **Financing**

Accor has a sound financial position with a 24.2% FFO<sup>1</sup> / Adjusted net debt ratio as of June 30, 2008. The Group had €1.4 billion in unused confirmed credit lines as of end-September 2008. No major refinancing transactions are planned in the period to 2012.

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<sup>1</sup> FFO = Adjusted Fund From Ordinary Activities

## 2008 earnings objective

The third quarter 2008 figures reflect the first signs of a real economic downturn. Given the unusual lack of visibility for the coming months, Accor is revising slightly its 2008 earnings guidance. The Group now expects profit before tax and non-recurring items to stand at between €870 million and €890 million (vs. €910 million to €930 million previously).

This guidance of €870 million to €890 million would represent around 12% growth in profit before tax like-for-like<sup>1</sup> for the year, of which 25% growth for the first half and a 3% growth for the second.

In the current economic slowdown, Accor benefits from a sound financial position. By anticipation, the Group has already launched a €75 million cost savings plan, of which €50 million in 2009.

The Group relies on its two-low cyclical businesses, Services and Economy hotels in Europe, which represent 67% of consolidated EBIT. The targeted second half profit before tax and non recurring items of around 3% like-for-like<sup>1</sup> reflects this resilience.

## Financial calendar

- January 20, 2009: Fourth-quarter revenue release

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<sup>1</sup> excluding the impact of the return to shareholders

Accor, a major global group and the European leader 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**, **MGallery**, **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.

### MEDIA CONTACTS

**Emmanuelle Baumgartner**  
Senior Vice President  
Media Relations Department  
Phone: +33 1 45 38 84 77

**Alain Delrieu**  
Senior Media Relations  
Officer  
Senior  
Phone: +33 1 45 38 84 85

### INVESTOR RELATIONS

**Eliane Rouyer-Chevalier**  
Senior Vice President  
Investor Relations and Financial  
Communication  
Phone: +33 1 45 38 86 26

**Solène Zammito**  
Deputy Director  
Investor Relations  
Phone: +33 1 45 38 86 33

## Revenue

in € thousand	Quarter 1		Quarter 2		Semester 1		Quarter 3		September end (YTD)	
	2007 adjusted (1)	2 008	2007 adjusted (1)	2 008	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	845 286	887 929	2 441 613	2 569 198
Economy	364 770	387 196	427 857	455 013	792 627	842 209	451 014	463 792	1 243 641	1 306 001
Economy US	215 940	137 255	245 286	149 573	461 227	286 827	242 971	166 729	704 198	453 557
<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>1 539 272</b>	<b>1 518 451</b>	<b>4 389 452</b>	<b>4 328 757</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>206 261</b>	<b>233 571</b>	<b>624 028</b>	<b>692 578</b>
<b>Other Businesses</b>										
Casinos	78 172	86 252	80 619	83 471	158 791	169 723	91 942	87 513	250 733	257 236
Restaurants (3)	151 766	100 937	164 521	32 605	316 287	133 543	147 666	24 792	463 954	158 334
On-board train services	59 704	69 461	70 568	78 795	130 272	148 256	75 109	82 804	205 381	231 059
Holding & Other (4)	67 737	21 919	73 507	22 887	141 245	44 805	44 401	74 383	185 646	119 189
<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>359 118</b>	<b>269 492</b>	<b>1 105 713</b>	<b>765 818</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>	<b>2 104 650</b>	<b>2 021 514</b>	<b>6 119 193</b>	<b>5 787 153</b>

in € thousand	Quarter 1		Quarter 2		Semester 1		Quarter 3		September end (YTD)	
	Change reported	Change L/L(2)	Change reported	Change L/L(2)	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%	5,0%	1,8%	5,2%	4,7%
Economy	6,1%	5,3%	6,3%	6,8%	6,3%	6,1%	2,8%	1,7%	5,0%	4,5%
Economy US	-36,4%	0,1%	-39,0%	-0,8%	-37,8%	-0,4%	-31,4%	-2,7%	-35,6%	-1,2%
<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>-1,4%</b>	<b>1,1%</b>	<b>-1,4%</b>	<b>3,7%</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>13,2%</b>	<b>14,1%</b>	<b>11,0%</b>	<b>12,6%</b>
<b>Other Businesses</b>										
Casinos	10,3%	6,1%	3,5%	-1,7%	6,9%	2,1%	-4,8%	-9,3%	2,6%	-2,1%
Restaurants (3)	-33,5%	8,7%	-80,2%	-2,5%	-57,8%	2,9%	-83,2%	1,1%	-65,9%	2,3%
On-board train services	16,3%	8,5%	11,7%	1,0%	13,8%	4,4%	10,2%	1,6%	12,5%	3,4%
Holding & Other (4)	-67,6%	-4,3%	-68,9%	-0,7%	-68,3%	-2,4%	67,5%	0,8%	-35,8%	-1,6%
<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>-25,0%</b>	<b>-1,5%</b>	<b>-30,7%</b>	<b>0,9%</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>	<b>-4,0%</b>	<b>1,9%</b>	<b>-5,4%</b>	<b>4,1%</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 (Q3 2008)

HOTELS : RevPAR by segment Q3	Occupancy Rate		Average room rate		RevPAR			
	Subsidiaries (reported) (in %)	(chg in pts)	Subsidiaries (reported) (chg in %)	Subsidiaries (reported) (chg in %)	Subsidiaries (reported) (chg in %)	Subsidiaries (like-for-like(1))	Subsidiaries & managed (reported)	
Upscale and Midscale Europe (in €)	67,8	-3,8	101	+0,3%	68	-5,1%	+0,1%	-4,4%
Economy Europe (in €)	76,5	-3,7	57	+4,5%	44	-0,3%	+1,0%	-0,4%
Economy US (in \$)	69,8	-2,8	47	+0,0%	33	-3,8%	-4,4%	-3,8%

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

## RevPAR by segment (September YTD 2008)

HOTELS : RevPAR by segment Sept YTD 2008	Occupancy Rate		Average room rate		RevPAR			
	Subsidiaries (reported) (in %)	(chg in pts)	Subsidiaries (reported) (chg in %)	Subsidiaries (reported) (chg in %)	Subsidiaries (reported) (chg in %)	Subsidiaries (like-for-like(1))	Subsidiaries & managed (reported)	
Upscale and Midscale Europe (in €)	66,2	-1,1	105	+3,3%	70	+1,6%	+3,8%	+0,9%
Economy Europe (in €)	73,2	-1,4	57	+4,8%	42	+2,8%	+3,7%	+2,7%
Economy US (in \$)	66,3	-2,1	46	+0,9%	30	-2,2%	-2,6%	-2,2%

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

## RevPAR by country (Q3 2008)

UPSCALE AND MIDSCALE HOTELS RevPAR by country Q3 (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	29 884	69,2	-2,3	113	+4,5%	78	+1,1%	+0,4%	+2,7%
Germany	20 103	65,6	-1,7	94	+7,0%	62	+4,3%	+4,8%	+4,1%
Netherlands	4 005	67,8	-3,5	99	-1,3%	67	-6,1%	-6,4%	-10,8%
Belgium	1 801	72,7	-3,1	99	+6,0%	72	+1,7%	-2,6%	+0,8%
Spain	2 259	66,6	-1,8	90	-2,9%	60	-5,4%	-5,4%	-5,4%
Italy	3 617	61,8	-2,3	122	-2,5%	75	-5,9%	-1,9%	-6,0%
UK ( in £)	5 226	81,7	+0,1	87	+5,5%	71	+5,5%	+3,8%	+3,7%
USA (in \$)	480	93,7	-2,1	258,0	+5,0%	242,0	+2,7%	+2,7%	+1,3%

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

ECONOMY HOTELS RevPAR by country Q3 (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	42 671	76,2	-3,0	51	+8,1%	39	+3,9%	+2,6%	+4,0%
Germany	14 994	75,0	-2,5	58	+4,6%	44	+1,2%	+1,0%	+0,0%
Netherlands	2 209	76,7	-11,4	81	+3,1%	62	-10,2%	-11,8%	-10,2%
Belgium	2 560	79,3	-3,7	65	+5,1%	52	+0,4%	+0,4%	+0,4%
Spain	4 595	75,2	-8,1	56	+2,3%	42	-7,7%	-5,9%	-7,7%
Italy	1 550	65,6	-2,0	70	-2,8%	46	-5,7%	-7,2%	-5,7%
UK ( in £)	7 923	79,3	-3,4	56	+6,4%	45	+2,0%	+5,5%	+2,1%
USA (in \$)	79 678	69,8	-2,8	47	+0,0%	33	-3,8%	-4,4%	-3,8%

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



## RevPAR by country (September YTD 2008)

UPSCALE AND MIDSCALE HOTELS RevPAR by country Sept YTD 2008 (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	29 703	67,4	+0,3	115	+5,9%	78	+6,4%	+5,2%	+5,5%
Germany	20 222	63,7	-0,7	96	+6,4%	61	+5,2%	+5,2%	+5,1%
Netherlands	3 983	67,1	-1,9	108	+3,6%	73	+0,7%	+0,7%	-3,8%
Belgium	1 802	70,9	-0,4	108	+7,8%	77	+7,2%	+1,7%	+6,2%
Spain	2 259	65,0	-2,0	100	+0,8%	65	-2,1%	-2,1%	-2,1%
Italy	3 454	59,1	-3,7	118	-0,2%	70	-6,1%	-2,8%	-5,9%
UK ( in £)	5 229	78,6	+0,3	89	+5,9%	70	+6,3%	+4,6%	+1,9%
USA (in \$)	480	94,0	+2,2	242,0	+7,5%	228,0	+10,0%	+4,2%	+5,4%

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

ECONOMY HOTELS RevPAR by country Sept YTD 2008 (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	43 233	73,2	-1,2	51	+7,2%	37	+5,5%	+4,2%	+5,6%
Germany	15 060	70,6	-1,1	59	+5,0%	42	+3,4%	+3,4%	+2,3%
Netherlands	2 171	76,2	-7,5	83	+7,0%	63	-2,6%	-4,4%	-2,6%
Belgium	2 560	77,4	+0,1	69	+6,4%	53	+6,6%	+6,3%	+6,6%
Spain	4 457	73,6	-5,4	57	+4,3%	42	-2,8%	-2,6%	-2,8%
Italy	1 550	63,0	-1,0	74	+1,3%	47	-0,3%	+0,1%	-0,3%
UK ( in £)	7 743	76,4	-0,9	56	+6,3%	43	+5,1%	+6,8%	+5,1%
USA (in \$)	79 886	66,3	-2,1	46	+0,9%	30	-2,2%	-2,6%	-2,2%

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