

CONFERENCE CALL Q3 2011 REVENUE

October 18, 2011





+5.8%

Like-for-like
+€92m

■ L/L growth

- Hotels: +6.0%
 - Up & Midscale: +5.3%
 - Economy excl. US: +7.5%
 - Economy US: +5.1%
- Other businesses: flat

+1.9%

Expansion
+€30m

■ Expansion

- Q3: opening of 14,000 new rooms (116 hotels), of which
 - 4,700 rooms following the Adagio deal
 - 2,700 rooms for the multi-franchise agreement on 24 Mercure hotels in the UK

-3.9%

Disposals
€(61)m

■ Disposals: Asset Right Strategy

-1.1%

Currency
€(18)m

■ Currency effect

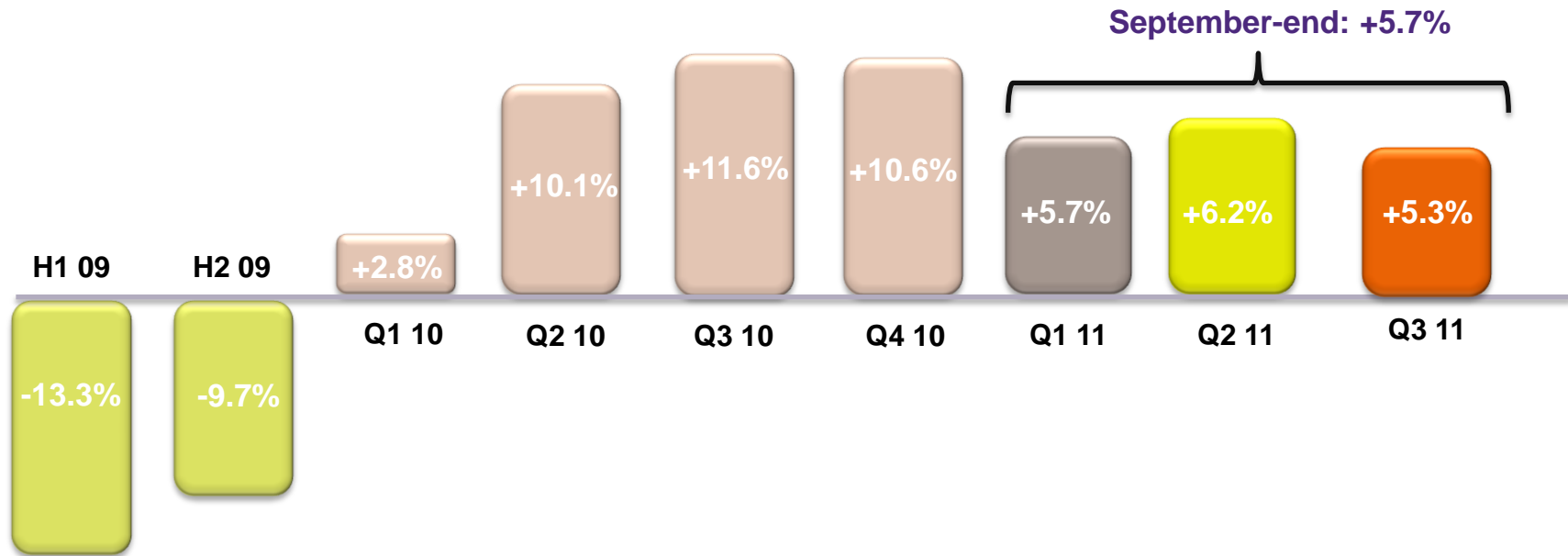
- AUD: +0.4%, +€6.6m
- CHF: +0.2%, +€3.8m
- GBP: -0.3%, €(5.0)m
- USD: -1.0%, €(15.7)m

+2.7%

Reported
+€43m



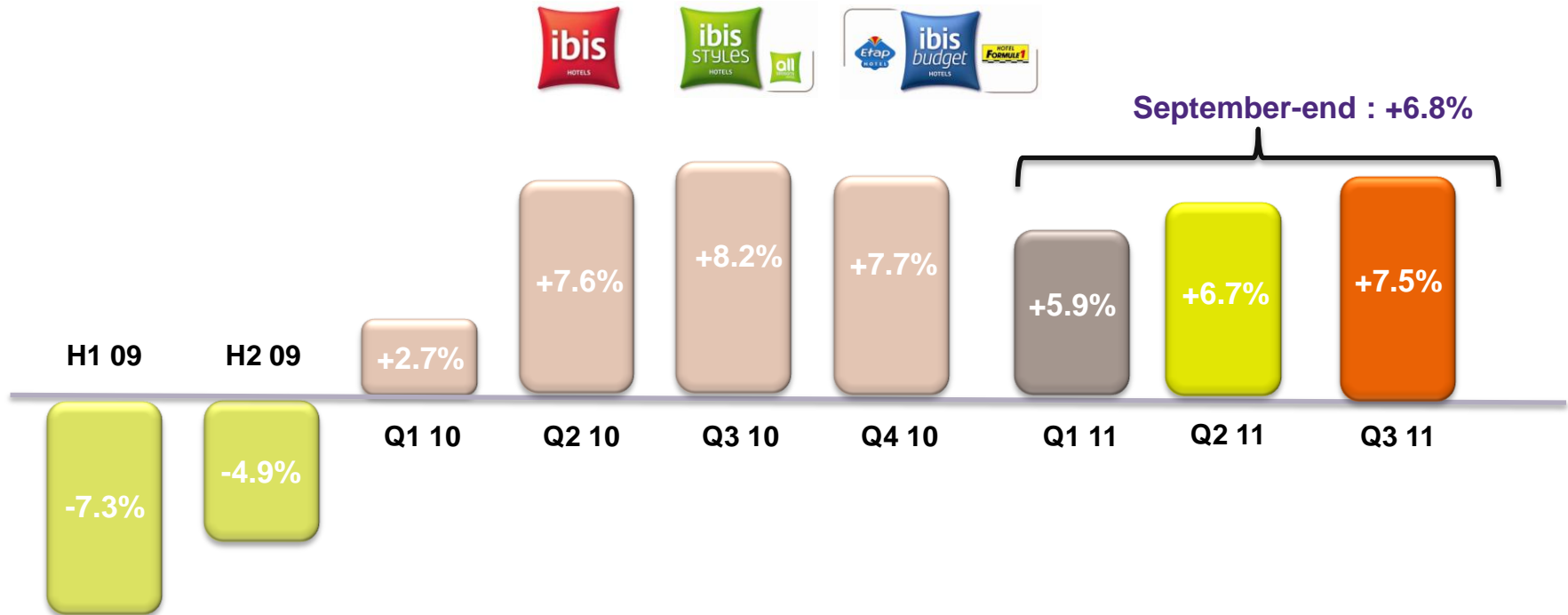
Up & Midscale – Q3 2011 Revenue: €907m, +5.3% L/L



- Solid performance in Q3 despite increasingly tough comps effects
- Occupancy and price equal contributors to RevPAR growth
- Emerging markets still booming: Q3 revenue up 10.0% in Asia Pacific and 10.8% in Latin America



Economy excl. US – Q3 2011 Revenue: €516m, +7.5% L/L



- Accelerated RevPAR growth vs. H1
- Growth still mostly driven by occupancy in Europe
- Continued solid performance in emerging countries: Q3 revenue up 10.9% in Asia Pacific and 19.0% in Latin America



France: Strong Performance in Q3



RevPAR

Revenue

H1 2011

Q3 2011

H1 2011

Q3 2011

€ Δ (L/L, pts)

€ Δ (L/L, %)

€m Δ (L/L, %)

€m Δ (L/L, %)

Up & Midscale

76.2

+9.5

84.1

+7.6

613

+7.1

325

+6.7

Economy

37.7

+4.7

40.0

+5.4

351

+5.6

187

+7.1

- Very good summer season especially in Paris
- RevPAR growth now driven by price in the Up & Midscale and by occupancy on the Economy segment



Germany: Stabilization at High Level



RevPAR

Revenue

	RevPAR				Revenue			
	H1 2011		Q3 2011		H1 2011		Q3 2011	
	€	Δ (L/L, pts)	€	Δ (L/L, %)	€m	Δ (L/L, %)	€m	Δ (L/L, %)
Up & Midscale	54.9	+5.4	57.4	+0.6	277	+4.5	141	+1.8
Economy	37.6	+5.4	42.3	+2.6	121	+4.7	71	+2.6

- As expected, negative calendar effect on fairs weighing on prices
- Positive impact of yield management on occupancy (Up & Midscale at 70.6%, Economy hotels at 77.5%)



UK: Robust Growth led by London

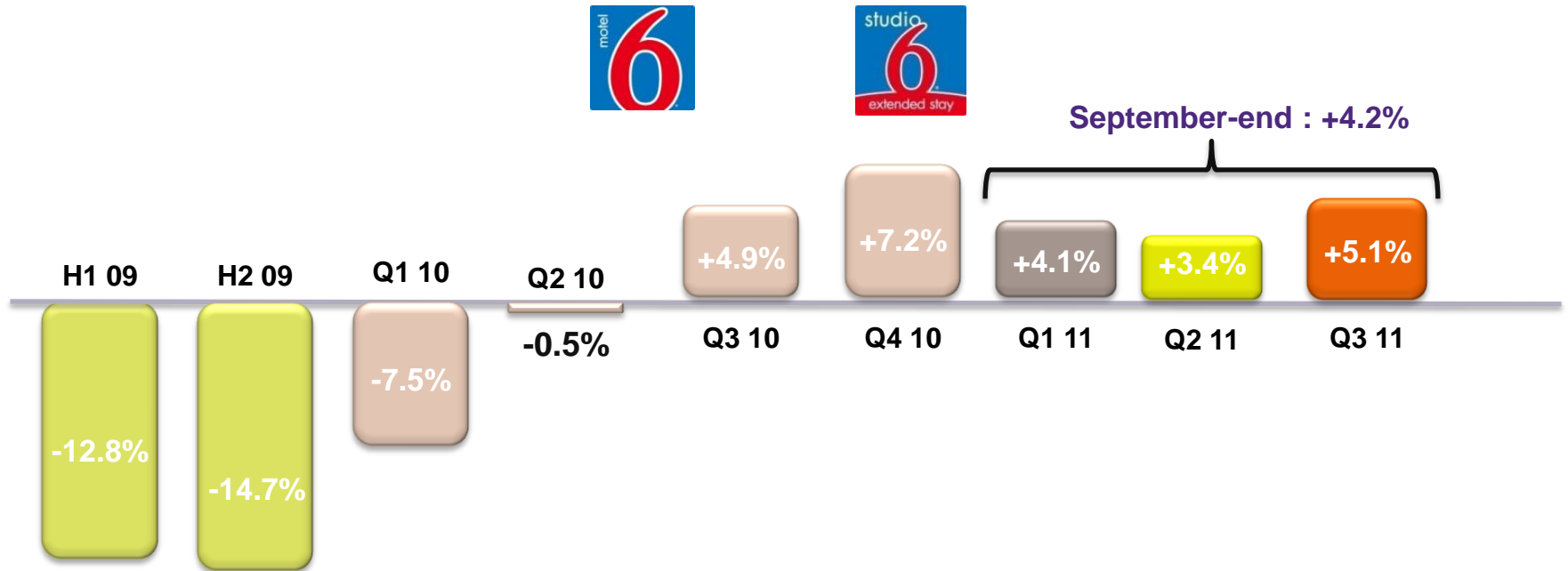


	RevPAR				Revenue			
	H1 2011		Q3 2011		H1 2011		Q3 2011	
	€	Δ (L/L, pts)	€	Δ (L/L, %)	€m	Δ (L/L, %)	€m	Δ (L/L, %)
Up & Midscale	72.4	+6.7	77.7	+7.6	112	+7.2	58	+6.6
Economy	39.0	+6.6	44.7	+10.2	76	+5.0	44	+9.8

- London remains at record levels (occupancy above 90%)
- Strong improvement in demand in the Provinces
- Good balance between occupancy and price in the RevPAR growth



Economy US – Q3 2011 Revenue: €153m, up +5.1% L/L

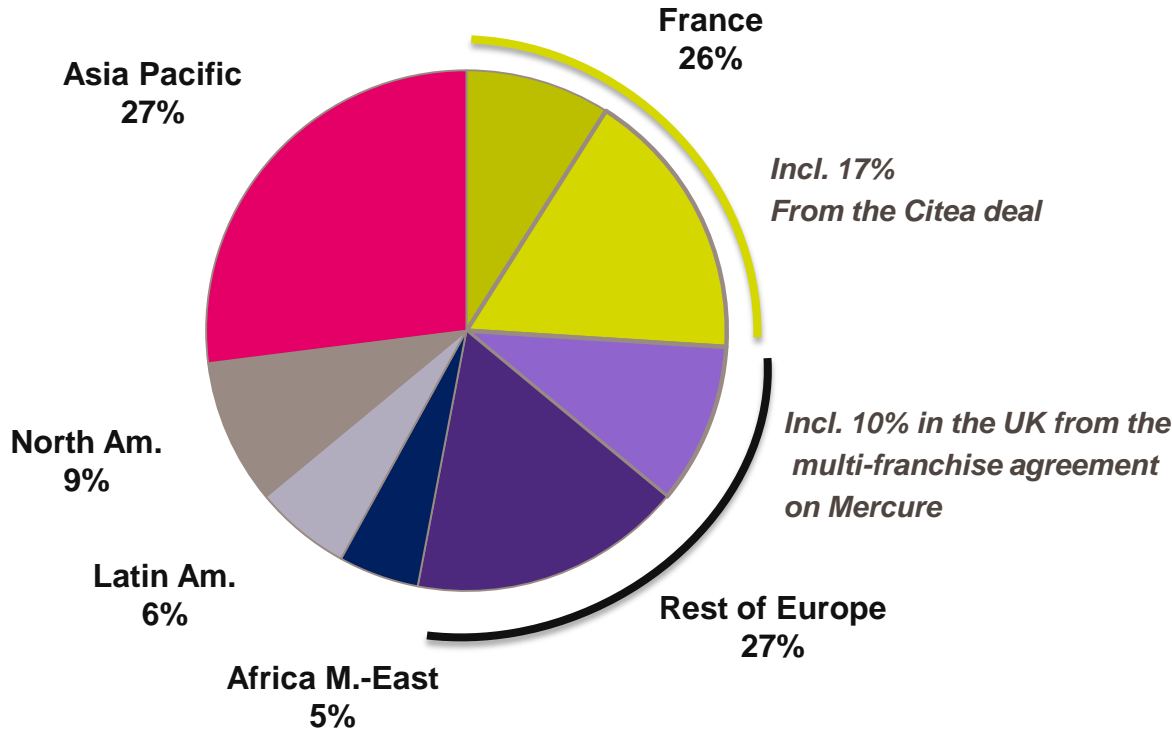


- Continued RevPAR growth still mostly driven by occupancy (up 1.8 pts) with improving prices (up 1.7%)
- Solid expansion: 31 franchise openings as of September 30, 2011

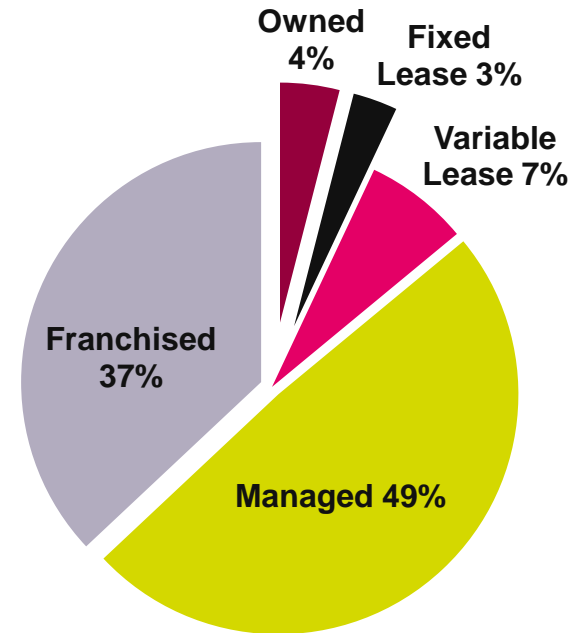


Solid expansion as of Sept. 30, 2011: 28k rooms (224 hotels)

Openings in September 2011 YTD
by region (1)



Openings in September 2011 YTD
by ownership structure (1)



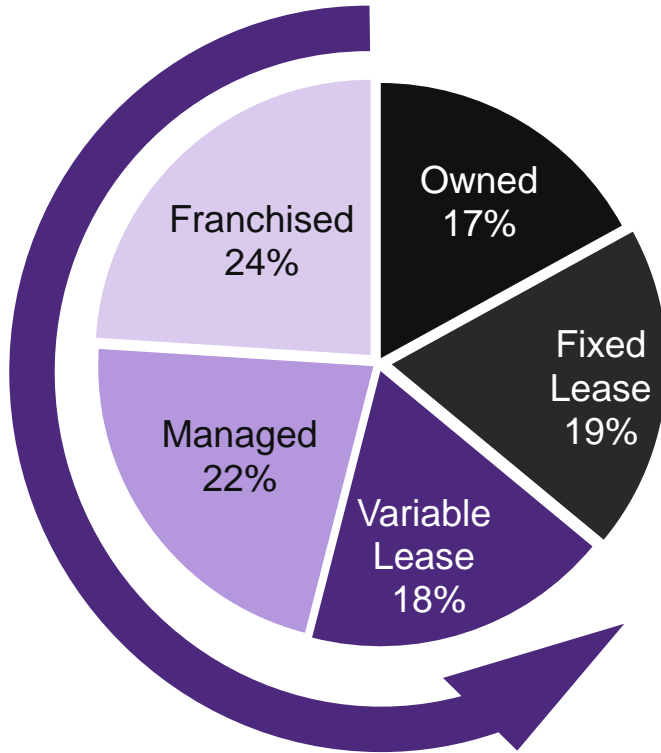
**86% in Management and Franchise
93% Asset-Light**

(1) In number of rooms



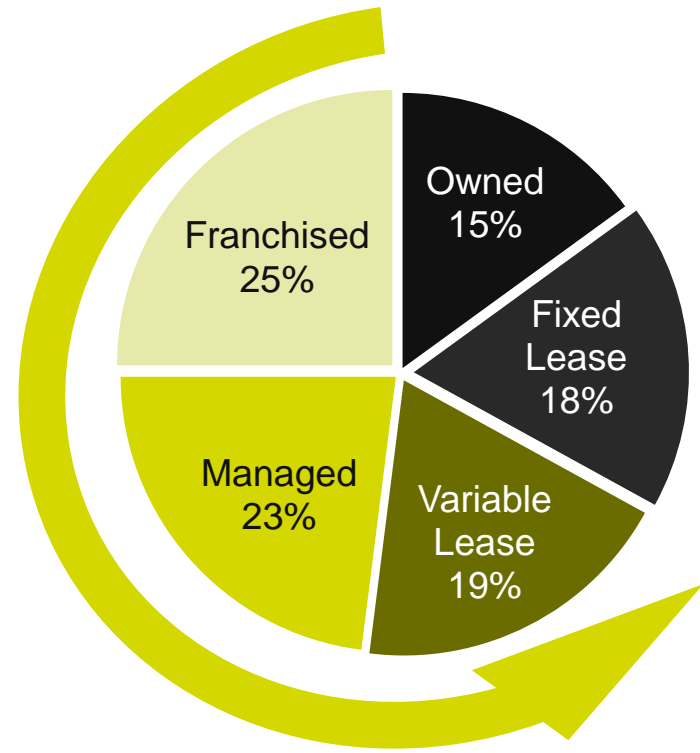
Portfolio as of September 30, 2011

2010
507,000 rooms



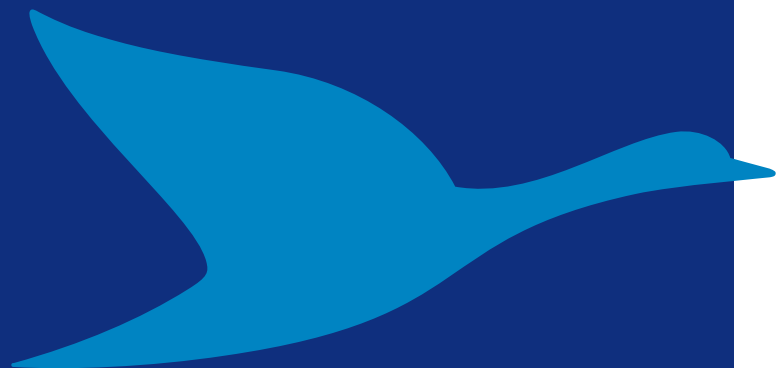
64% Asset Light
(325k rooms)

As of September 30, 2011
524,000 rooms



67 % Asset Light
(346 k rooms)

+3 pts



CONCLUSION



Conclusion

Robust Revenue Growth in Q3

- Good summer season and solid trends in September
- Accelerated growth in the Economy segment

FY 2011 target of 35k room openings well on track

- 28,000 room openings as of Sept. 30, 2011

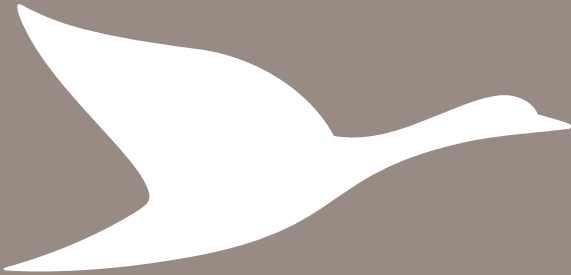
Solid business level to carry on in Q4

**2011 EBIT Target Confirmed:
between €510m and €530m**

Agenda:

January 17, 2012 – Q4 revenue / Conference Call

Appendices





+5.8%

Like-for-like
+€257m

■ L/L growth

- Hotels: +5.9%
 - Up & Midscale: +5.7%
 - Economy excl. US: +6.8%
 - Economy US: +4.2%
- Other businesses: +2.9%

+1.8%

Expansion
+€80m

■ Expansion

- September YTD: opening of 28,000 new rooms (224 hotels)

-3.7%

Disposals
€(163)m

■ Disposals: Asset Right Strategy

-0.2%

Currency
€(7)m

■ Currency effect

- AUD: +0.5%, +€23.4m
- CHF: +0.2%, +€9.9m
- GBP: -0.1%, €(4.7)m
- USD: -0.7%, €(32.5)m

+3.8%

Reported
+€168m



Hotels September-end 2011 RevPAR by segment

<i>Excl. VAT</i>	Occupancy rate			Average Room Rate			RevPAR			
	Subsidiaries			Subsidiaries			Subsidiaries			Subsidiaries & managed
	(in %)	(chg in pts, rep.)	(chg in pts, L/L)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(chg in %, reported)
Up & Midscale Europe (in €)	66.2%	+2.4	+2.3	94	+4.4%	+3.1%	62	+8.4%	+6.8%	+7.9%
Economy Europe (in €)	72.1%	+3.1	+2.7	54	+1.8%	+1.1%	39	+6.4%	+5.1%	+6.6%
Economy US (in \$)	64.1%	+1.8	+1.5	43	+1.9%	+1.3%	27	+4.9%	+3.7%	+4.9%



Hotels Q3 2011 RevPAR by segment

<i>Excl. VAT</i>	Occupancy rate			Average Room Rate			RevPAR			
	Subsidiaries			Subsidiaries			Subsidiaries			Subsidiaries & managed
	(in %)	(chg in pts, rep.)	(chg in pts, L/L)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(chg in %, reported)
Up & Midscale Europe (in €)	72.6%	+2.4	+2.3	92	+3.1%	+1.9%	67	+6.7%	+5.4%	+4.4%
Economy Europe (in €)	77.7%	+2.8	+2.6	54	+2.1%	+1.8%	42	+6.0%	+5.3%	+5.9%
Economy US (in \$)	69.4%	+2.4	+1.8	45	+2.5%	+1.7%	31	+6.1%	+4.5%	+6.1%



Up & Midscale Hotels September-end 2011 RevPAR by Country

<i>Excl. VAT</i> <i>(in local currency)</i>	Number of rooms	Occupancy Rate		Average Room Rate		RevPAR			
		Subsidiaries		Subsidiaries		Subsidiaries			Subsidiaries & managed
		(in %)	(chg in pts, rep.)	(in €)	(chg in %, rep.)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(reported)
France	27,769	68.0%	+2.9	116	+6.5%	79	+11.3%	+8.8%	+8.5%
Germany	18,528	66.6%	+2.4	84	+1.8%	56	+5.6%	+3.7%	+5.8%
Netherlands	3,528	70.4%	+3.8	89	+3.7%	63	+9.5%	+9.5%	+14.6%
Belgium	1,677	70.7%	-2.0	100	+6.3%	70	+3.4%	+3.5%	+4.2%
Spain	2,739	60.0%	+1.5	75	+1.7%	45	+4.3%	+4.0%	+5.3%
Italy	3,884	63.0%	+1.5	91	-0.2%	58	+2.2%	+4.3%	+2.0%
UK (in £)	5,541	80.2%	+2.7	81	+4.6%	65	+8.1%	+7.0%	+7.4%



Up & Midscale Hotels Q3 2011 RevPAR by Country

<i>Excl. VAT</i> <i>(in local currency)</i>	Number of rooms	Occupancy Rate		Average Room Rate		RevPAR			
		Subsidiaries		Subsidiaries		Subsidiaries			Subsidiaries & managed
		(in %)	(chg in pts, rep.)	(in €)	(chg in %, rep.)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(reported)
France	27,769	73.7%	+2.9	114	+5.6%	84	+9.8%	+7.6%	+2.2%
Germany	18,528	70.6%	+2.1	81	-0.8%	57	+2.3%	+0.6%	+2.6%
Netherlands	3,528	75.3%	+1.4	86	+5.2%	64	+7.2%	+7.2%	+8.9%
Belgium	1,677	75.7%	-2.1	89	+4.0%	68	+1.2%	+0.4%	+1.6%
Spain	2,739	68.7%	+2.8	72	+4.5%	50	+8.9%	+8.8%	+7.3%
Italy	3,884	70.3%	+3.0	96	-0.2%	67	+4.3%	+4.4%	+0.3%
UK (in £)	5,541	86.3%	+3.9	79	+3.5%	68	+8.4%	+7.6%	+6.2%



Economy Hotels September-end 2011 RevPAR by Country

<i>Excl. VAT</i> <i>(in local currency)</i>	Number of rooms	Occupancy Rate		Average Room Rate		RevPAR			
		Subsidiaries		Subsidiaries		Subsidiaries			Subsidiaries & managed
		(in %)	(chg in pts, rep.)	(in €)	(chg in %, rep.)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(reported)
France	37,985	73.3%	+2.8	53	+2.9%	38	+6.9%	+4.9%	+6.9%
Germany	15,391	71.5%	+3.4	55	+0.7%	39	+5.8%	+4.3%	+5.7%
Netherlands	2,414	75.8%	+2.3	74	+6.3%	56	+9.6%	+9.6%	+9.6%
Belgium	2,691	73.4%	+0.8	65	+0.7%	47	+1.8%	+5.1%	+0.4%
Spain	4,838	59.4%	+3.3	49	-1.8%	29	+3.9%	+4.8%	+3.9%
Italy	1,552	73.0%	+8.0	57	-3.9%	42	+7.9%	+7.9%	+7.9%
UK (in £)	9,121	77.7%	+5.4	46	+0.1%	36	+7.6%	+7.9%	+7.2%
USA (in \$)	70,353	64.1%	+1.8	43	+1.9%	27	+4.9%	+3.7%	+4.9%



Economy Hotels Q3 2011 RevPAR by Country

<i>Excl. VAT</i> <i>(in local currency)</i>	Number of rooms	Occupancy Rate		Average Room Rate		RevPAR			
		Subsidiaries		Subsidiaries		Subsidiaries			Subsidiaries & managed
		(in %)	(chg in pts, rep.)	(in €)	(chg in %, rep.)	(in €)	(chg in %, rep.)	(chg in %, L/L)	(reported)
France	37,985	77.3%	+2.5	52	+4.0%	40	+7.5%	+5.4%	+7.4%
Germany	15,391	77.5%	+2.5	55	-0.0%	42	+3.3%	+2.6%	+3.2%
Netherlands	2,414	81.1%	-0.9	76	+8.2%	61	+7.0%	+7.0%	+7.0%
Belgium	2,691	80.7%	+4.1	61	+1.8%	49	+7.2%	+7.7%	+4.8%
Spain	4,838	68.4%	+6.5	49	+0.4%	34	+10.8%	+11.2%	+10.8%
Italy	1,552	76.5%	+6.0	58	+0.2%	44	+8.8%	+8.8%	+8.8%
UK (in £)	9,121	84.3%	+6.6	46	+1.1%	39	+9.7%	+10.3%	+9.4%
USA (in \$)	70,353	69.4%	+2.4	45	+2.5%	31	+6.1%	+4.5%	+6.1%



Reconciliation: September-end 2011 L/L RevPAR vs Revenue

	RevPAR Sub. and Managed Reported	RevPAR Sub. Only Like-for-like	Like-for-like room revenues	Total Like-for-like revenues
Up & Midscale Europe	+7.9%	+6.8%	+6.8%	+5.8%
Economy Europe	+6.6%	+5.1%	+5.2%	+5.4%
Economy U.S (\$)	+4.9%	+3.7%	+3.5%	+4.2%



Reconciliation: Q3 2011 L/L RevPAR vs Revenue

	RevPAR Sub. and Managed Reported	RevPAR Sub. Only Like-for-like	Like-for-like room revenues	Total Like-for-like revenues
Up & Midscale Europe	+4.4%	+5.4%	+5.5%	+5.0%
Economy Europe	+5.9%	+5.3%	+5.3%	+6.1%
Economy U.S (\$)	+6.1%	+4.5%	+4.5%	+5.1%



September-end 2011 Management & Franchise Fees by Segment

<i>Revenue (in €m)</i>	September-end 2010 (reported)			September-end 2011 (reported)			Change, at constant exchange rates		
	Managed	Franchised	Total	Managed	Franchised	Total	Managed	Franchised	Total
Up & Midscale	101,393	23,795	125,188	101,769	28,801	130,570	+5.3%	+21.2%	+8.3%
Economy	15,011	27,309	42,320	17,633	33,255	50,888	+18.8%	+21.2%	+20.4%
Economy US	-	11,431	11,431	-	13,507	13,507	N/A	+26.3%	+26.3%
TOTAL	116,404	62,535	178,939	119,402	75,563	194,966	+7.1%	+22.2%	+12.3%



Q3 2011 Management & Franchise Fees by Segment

<i>Revenue (in €m)</i>	Q3 2010 (reported)			Q3 2011 (reported)			Change, at constant exchange rates		
	Managed	Franchised	Total	Managed	Franchised	Total	Managed	Franchised	Total
Up & Midscale	35,756	9,381	45,137	34,237	10,434	44,671	+4.0%	+12.1%	+5.7%
Economy	5,143	10,619	15,762	5,897	12,889	18,786	+17.6%	+21.2%	+20.0%
Economy US	-	4,665	4,665	-	5,248	5,248	N/A	+22.4%	+22.4%
TOTAL	40,898	24,666	65,564	40,134	28,571	68,706	+5.7%	+18.0%	+10.3%



September-end 2011 Exchange Rates

1€ = X foreign currency	September-end 2010 average rate	September-end 2011 average rate	2011 vs 2010 Change
Australian dollar (AUD)	1.47	1.35	+7.7%
Brazilian real (BRL)	2.35	2.30	+2.1%
Sterling (GBP)	0.86	0.87	-1.6%
Swiss Franc (CHF)	1,40	1.24	+11.8%
US Dollar (USD)	1.32	1.41	-6.9%
Chinese Yuan (CNY)	8.96	9.15	-2.1%



Q3 2011 Exchange Rates

1€ = X foreign currency	Q3 2010 average rate	Q3 2011 average rate	2011 vs 2010 Change
Australian dollar (AUD)	1.43	1.34	+5.9%
Brazilian real (BRL)	2.23	2.31	-2.2%
Sterling (GBP)	0.83	0.88	-5.4%
Swiss Franc (CHF)	1,33	1.17	+12.5%
US Dollar (USD)	1.29	1.41	-9.4%
Chinese Yuan (CNY)	8.74	9.07	-3.8%



2010 RevPAR excl. VAT – by segment

	Occupancy rate (%)				ARR				RevPAR			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Up & Midscale Europe (in €)	54.1	67.0	69.9	62.5	90	92	89	93	48	61	62	58
Economy Europe (in €)	59.3	72.6	74.8	67.3	53	54	53	54	31	39	39	37
Economy US (in \$)	56.6	63.2	67.0	57.5	40	42	44	40	23	26	29	23



2010 RevPAR excl. VAT – Up & Midscale

	Number of rooms	Occupancy rate (%)				ARR (in € exc. UK)				RevPAR (in € exc. UK)			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
France	29,597	54.9	69.6	70.9	62.8	108	110	108	115	59	77	77	72
Germany	19,409	58.5	65.5	68.4	67.0	82	82	82	85	48	54	56	57
Netherlands	3,475	54.9	70.8	73.9	68.7	88	89	81	87	48	63	60	60
Belgium	1,802	62.6	77.5	77.8	74.4	100	97	86	102	62	75	67	76
Spain	2,385	46.4	61.7	65.9	56.0	75	76	69	72	35	47	46	40
Italy	3,715	49.4	66.7	67.3	59.2	83	93	96	86	41	62	65	51
UK (in £)	5,641	71.3	79.0	82.4	77.0	77	78	76	83	55	62	63	64



2010 RevPAR excl. VAT – Economy Hotels excl. US

	Number of rooms	Occupancy rate (%)				ARR (in € exc. UK & USA)				RevPAR (in € exc. UK & USA)			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
France	41,538	61.6	75.0	74.7	67.9	52	52	50	53	32	39	37	36
Germany	15,274	59.6	69.5	75.0	69.6	54	54	55	55	32	38	41	38
Netherlands	2,410	57.7	80.4	82.1	72.4	64	73	70	69	37	58	57	50
Belgium	2,392	64.6	75.9	76.7	72.6	66	67	60	68	43	51	46	49
Spain	4,680	47.5	58.5	62.0	50.4	50	50	49	49	24	30	30	25
Italy	1,552	53.9	70.4	70.5	64.9	61	61	57	56	33	43	40	37
UK (in £)	8,984	63.4	75.5	77.8	72.5	45	46	46	48	29	35	36	35
USA (in \$)	76,071	56.6	63.2	67.0	57.5	40	42	44	40	23	26	29	23