

## Press Release

Paris, July 17, 2007

# First-Half 2007 Revenue Up A Solid 8.8%

Accor's consolidated revenue rose 8.8% to 4,015 million euros in the first six months of 2007. At constant scope of consolidation and exchange rates, the like-for-like increase was 6.1%, confirming that the environment remains favorable in the Services and Hotels businesses.

The Group's expansion strategy accounted for 7.5% of revenue growth for the period, while disposals carried out as part of the ongoing asset-right strategy in the Hotels business reduced revenue by 3.6%.

The currency effect was a negative 1.3% for the period.

(in million euros)	First-Half 2006	First-Half 2007	% change as reported	% change like-for-like <sup>(1)</sup>
<b>Hotels</b>	<b>2,666</b>	<b>2,896</b>	<b>+8.6%</b>	<b>+5.2%</b>
Upscale and Midscale	1,457	1,663	+14.1%	+6.1%
Economy	717	772	+7.7%	+5.8%
Economy US	492	461	-6.2%	+1.9%
<b>Services</b>	<b>364</b>	<b>418</b>	<b>+14.6%</b>	<b>+12.0%</b>
Other businesses	660	701	+6.2%	+6.5%
<b>Total</b>	<b>3,690</b>	<b>4,015</b>	<b>+8.8%</b>	<b>+6.1%</b>

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

## Services: up 14.6%

Revenue from the Services business increased by 14.6% as reported and by 12.0% like-for-like, in line with Accor's medium-term organic growth target of 8 to 16% a year between 2006 and 2010.

In Europe, revenue was up 13.5% like-for-like for the period, reflecting organic growth of 16.0% in the first quarter and 11.1% in the second. In Latin America, like-for-like growth totaled 8.6%, with 10.7% in the first quarter and 6.6% in the second.

Second-quarter performance was shaped by strong growth in the United Kingdom (up 13.8%) and Belgium (up 23.4%), but also by persistently tough competition in Brazil (where revenue declined 1.2% like-for-like) and the non-renewal of certain contracts in Romania and Venezuela.

In line with the Group's medium-term objectives, acquisitions accounted for 4.8% of first-half revenue growth. In particular, the acquisition of the Kadéos gift vouchers and cards business in France added 2.4%.

The currency effect on the first six months was a negative 1.5%, primarily attributable to the declines of the Mexican peso (down 0.5%) and the Venezuelan bolivar (down 0.7%) against the euro.

## Hotels: up 8.6%

The 8.6% reported increase in Hotels revenue confirms the continuing uptrend in the European hospitality industry cycle underway since fourth-quarter 2006. Growth in Europe was led by increases in both the occupancy rate (up 1.1 point) and the average room rate (up 6.9%).

At constant scope of consolidation and exchange rates, the like-for-like increase was 5.2%, comprising organic growth of 7.2% in the first quarter and 3.6% in the second. Most of the second-quarter slowdown was due to non-recurring events that skewed comparisons, specifically the FIFA World Cup in Germany in June and July 2006 and the decline in demand in France during the May 2007 presidential election. Excluding the comparative impact of these non-recurring events, hotel revenue in Europe was up 5.5% for the period, confirming the upturn in the hotel industry cycle in the region, which accounts for 70% of Accor's hotel revenue.

Business expansion represented 9.5% of revenue growth, with the consolidation of 52 Dorint hotels in Germany accounting for 6.1% of the increase and the opening of 13,824 rooms during the period for 2.3%.

In line with the asset-right strategy, the Group is continuing to dispose of hotel properties, in most cases under sale and management-back or franchise-back agreements. This process is reducing revenue, by 4.5% in first-half 2007.

The currency effect was a negative 1.6%, mainly due to the appreciation of the euro against US dollar.

## Upscale and Midscale Hotels

Revenue in the Upscale and Midscale segment rose 14.1% as reported and 6.1% like-for-like. Growth was 8.5% in the first quarter and 4.0% in the second.

In France, revenue rose 7.0% like-for-like during the half, with second-quarter performance shaped by slower demand in May due to the presidential election. June, on the other hand, was particularly vibrant, with a 16.6% surge in RevPar attesting to the positive underlying trend. During the second quarter alone, RevPAR was up 11.7% at Sofitel and 11.1% at Novotel.

In the United Kingdom, revenue rose 8.1% like-for-like during the half, led by a strong performance in London (RevPar up 11.5% in the second quarter, versus 9.9% in the first).

In Germany, revenue declined by 4.5% in the second quarter, but the comparison is not very significant in light of the strong prior-year performance, driven by the World Cup.

Adjusted for the comparative effect of non-recurring events in France and Germany, revenue in the Upscale and Midscale segment was up 5.7% in the second quarter, instead of the 4.0%.

## Economy Hotels (outside the United States)

In the Economy Hotel segment, revenue rose by 7.7% as reported and 5.8% like-for-like in the first half. Over the period, like-for-like growth was 3.6% in France, 0.6% in Germany and 12.4% in the United Kingdom.

For the same reasons of comparison noted above for Germany and France, growth slowed in the second quarter to 4.0% (5.2% excluding the comparative effect) from 8.0% in the first three months.

## US Economy Hotels

In the US Economy Hotel segment, revenue ended the first half up by 1.9% like-for-like, but down 6.2% as reported due to the dollar's weakness against the euro. Revenue rose 3.5% at Red Roof Inn and 1.2% at Motel 6, whose business was hurt by the surge in gasoline prices, which particularly affects leisure customers.

## Conclusion

The first half confirmed the uptrend in the Hotels business in Europe and saw sustained organic growth in Services, in line with the Group's target of 8 to 16% a year.

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**Accor**, the European leader in hotels and tourism, and a global leader in corporate services, operates in nearly 100 countries with 170,000 employees. It offers to its individual and corporate clients 40 years of expertise in its two core businesses:

- **Hotels**, with the **Sofitel, Novotel, Mercure, Suitehotel, Ibis, All Seasons, Red Roof Inn, Etap Hotel, Formule 1 and Motel 6** brands: with nearly 3,800 hotels and 450,000 rooms in 90 countries, as well as strategically related activities, such as **Lenôtre** ;
- **Services to corporate clients and public institutions**: 23 million people in 38 countries benefit from **Accor Services** products – meal and food vouchers, people care, incentive and loyalty programs.

## MEDIA CONTACTS

**Armelle Volkringer**  
Senior Vice President, Corporate  
Communications and External Relations  
Tel.: +33 (0)1 45 38 84 85

**Sandrine Guendoul**  
**Anne-Sophie Sibout**  
Press Officers  
Tel.: +33 (0)1 45 38 84 76 / 84

## INVESTOR CONTACTS

**Eliane Rouyer**  
Senior Vice President, Investor Relations  
and Financial Communications  
Tel.: +33 (0)1 45 38 86 26

## Revenue

In Euros thousand	Quarter 1		Quarter 2		Half Year	
	2 006	2007	2 006	2007	2 006	2007
<b>HOTELS</b>						
Upscale and Midscale	678,568	774,932	778,605	887,727	1,457,173	1,662,659
Economy	323,411	355,471	393,521	416,654	716,932	772,125
Economy US	231,601	215,941	260,157	245,286	491,758	461,227
<b>Total HOTELS</b>	<b>1,233,580</b>	<b>1,346,344</b>	<b>1,432,283</b>	<b>1,549,667</b>	<b>2,665,863</b>	<b>2,896,010</b>
<b>SERVICES</b>	<b>179,360</b>	<b>206,984</b>	<b>185,118</b>	<b>210,783</b>	<b>364,479</b>	<b>417,767</b>
<b>Other Businesses</b>						
Casinos	76,980	78,172	80,759	80,619	157,739	158,791
Restaurants	141,609	151,766	141,505	164,521	283,114	316,287
On-board train services	59,343	59,704	65,572	70,568	124,915	130,272
Other	42,338	44,467	51,783	50,947	94,121	95,414
<b>Total other businesses</b>	<b>320,270</b>	<b>334,109</b>	<b>339,619</b>	<b>366,655</b>	<b>659,889</b>	<b>700,765</b>
<b>Total</b>	<b>1,733,210</b>	<b>1,887,437</b>	<b>1,957,020</b>	<b>2,127,106</b>	<b>3,690,231</b>	<b>4,014,543</b>

	Quarter 1		Quarter 2		Half Year	
	Change Reported %	Change L/L % (*)	Change Reported %	Change L/L % (*)	Change Reported %	Change L/L % (*)
<b>HOTELS</b>						
Upscale and Midscale	14.2%	8.5%	14.0%	4.0%	14.1%	6.1%
Economy	9.9%	8.0%	5.9%	4.0%	7.7%	5.8%
Economy US	-6.8%	2.0%	-5.7%	1.8%	-6.2%	1.9%
<b>Total HOTELS</b>	<b>9.1%</b>	<b>7.2%</b>	<b>8.2%</b>	<b>3.6%</b>	<b>8.6%</b>	<b>5.2%</b>
<b>SERVICES</b>	<b>15.4%</b>	<b>14.1%</b>	<b>13.9%</b>	<b>10.0%</b>	<b>14.6%</b>	<b>12.0%</b>
<b>Other Businesses</b>						
Casinos	1.5%	3.5%	-0.2%	1.2%	0.7%	2.3%
Restaurants	7.2%	9.1%	16.3%	15.2%	11.7%	12.1%
On-board train services	0.6%	-2.3%	7.6%	4.3%	4.3%	1.2%
Other	5.0%	9.1%	-1.6%	-1.3%	1.4%	3.4%
<b>Total other businesses</b>	<b>4.3%</b>	<b>5.7%</b>	<b>8.0%</b>	<b>7.2%</b>	<b>6.2%</b>	<b>6.5%</b>
<b>Total</b>	<b>8.9%</b>	<b>7.6%</b>	<b>8.7%</b>	<b>4.8%</b>	<b>8.8%</b>	<b>6.1%</b>

\*Based on constant scope of consolidation and exchange rates

## RevPAR by segment

HOTELS : RevPAR by segment  
at June-end 2007 (YTD)

	Occupancy Rate		Average room rate		RevPAR			
	Subsidiaries (reported) (in %)	(chg in pts)	Subsidiaries (reported)	(chg in %)	Subsidiaries (reported) (chg in %)	Subsidiaries (like-for-like(1))	Subsidiaries & managed (reported)	
Upscale and Midscale Europe (in €)	65.3%	+2.1	103	+4.6%	67	+8.0%	+7.4%	+10.7%
Economy Europe (in €)	71.7%	+0.7	54	+4.3%	39	+5.2%	+4.9%	+5.5%
Economy US (in \$)	64.5%	-0.2	47	+2.9%	31	+2.6%	+2.1%	+2.6%

## RevPAR by country

UPSCALE AND MIDSACLE HOTELS RevPAR by country at June-end 2007 (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	30,062	65.0%	+3.6	109	+4.2%	71	+10.4%	+9.0%	+10.8%
Germany	21,322	63.0%	-0.8	91	+14.9%	57	+13.4%	+4.4%	+6.7%
Netherlands	4,302	67.8%	+3.0	115	+1.1%	78	+5.8%	+6.1%	+5.3%
Belgium	2,232	69.0%	+2.7	105	+2.8%	72	+7.0%	+7.0%	+9.2%
Spain	2,259	66.3%	+6.3	103	+3.9%	68	+14.8%	+14.8%	+14.9%
Italy	3,021	62.1%	-2.2	115	+1.5%	71	-2.0%	-1.0%	-2.0%
UK ( in £)	5,349	76.6%	+2.2	84	+6.5%	65	+9.6%	+7.8%	+3.2%
USA (in \$)	540	90.1%	+19.5	216	+9.6%	194	+40.0%	+23.0%	+22.3%

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

ECONOMY HOTELS RevPAR by country at June-end 2007 (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	44,297	71.8%	-0.1	47	+3.8%	33	+3.6%	+3.2%	+3.6%
Germany	15,187	68.8%	-0.6	57	+3.3%	39	+2.4%	+2.1%	+2.8%
Netherlands	2,215	81.5%	+4.4	77	+4.7%	63	+10.6%	+10.6%	+10.6%
Belgium	2,569	74.4%	+0.3	66	+3.0%	49	+3.5%	+6.2%	+3.5%
Spain	3,910	76.7%	+2.4	54	+4.8%	41	+8.2%	+8.6%	+8.2%
Italy	1,436	62.2%	+3.0	74	-1.0%	46	+4.0%	+4.1%	+4.0%
UK ( in £)	7,329	74.5%	+3.2	53	+4.8%	39	+9.5%	+11.7%	+9.8%
USA (in \$)	106,563	64.5%	-0.2	47	+2.9%	31	+2.6%	+2.1%	+2.6%

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