

Conference Call H1 2006 Revenue

July 20, 2006



H1 2006 Revenue: €3,690M



+6.0%

Like-for-like

+3.6%

Expansion

-3.4%

Disposals

+2.2%

Currency impact

+8.4%

Total reported

▶ **Good overall growth confirmed**

- +8.4% reported
- +6.0% like-for-like

▶ **Hotels: +5.5% like-for-like**

- Upscale and midscale hotels: +5.7% L/L
- Economy hotels: +4.7% L/L
- Economy US hotels: +6.0% L/L

▶ **Services: +16.3% like-for-like**

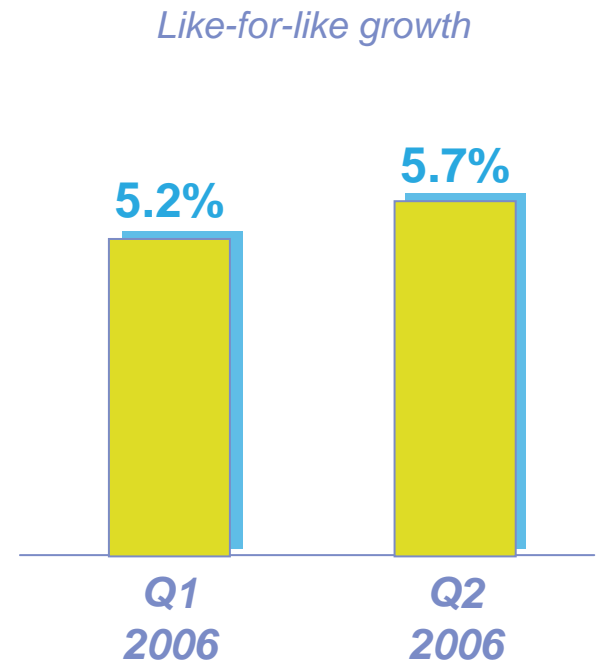
According to IFRS rules, all figures including Q1 and Q2 released in 2005 and 2006 have been restated, excluding Carlson Wagonlit Travel figures. 2006 Revenue including CWT: €3,939M

(cf. appendix p19)

Q2: overall acceleration

► Hotels: business activity in Q2 has benefited from:

- Confirmation of favorable trend in Northern Europe (Germany, UK, Benelux)
- France: better performance in Q2
- World Cup impact: +0.5pt in Q2
- Excluding World Cup effect and Easter holidays impact, Q2 is better than Q1: +5.6% L/L vs +4.6% L/L



Hotels

Group Revenue:

Contribution from expansion +3.6%



▶ Hotels: +3.9%

- Opening of 11,758 rooms during the period out of which 16% as owned and leased, 84% under franchise and management

▶ Services: +4.7%

- Growth essentially due to 4 acquisitions:
 - ✓ Hungastro (Romania) – meal vouchers, Q2 2005
 - ✓ Delicard (Sweden) – gift vouchers, Q3 2005
 - ✓ Stimula (France) – gift vouchers, Q4 2005
 - ✓ Commuter check (USA) – transportation vouchers, Q1 2006

Group Revenue: Impact from disposals -3.4%



- ▶ Disposal of 68 hotels within the program of 200 non priority hotels (of which 49 in 2005)
 - Disposal of Sofitel Forum Rive Gauche in Paris (Q2 2006)
 - Sofitel Sale & Management back program in the US (Q2 2006)

Upscale / Midscale Hotels



H1 Revenue

Upscale and Midscale hotels Highlights 1/2



- ▶ Overall growth of +5.2% reported and +5.7% like-for-like driven mainly by Germany, UK and Benelux
 - ✓ **Germany: +10.4% like-for-like**
 - Football World Cup contribution: 3.1%
 - Better economic environment: +7.3% L/L excluding World Cup effects
 - ✓ **UK: good performance, +7.5%L/L**
 - Sustained growth (London still outperforms the provinces)
 - ✓ **Benelux: sustained growth, +6.0% L/L**
 - Recovery due to a better economic environment

Upscale and Midscale hotels Highlights 2/2



✓ France: slight improvement, +2.1% like-for-like

- H1 sale increase: +3.9% restated from impact of Foncière des Murs Renovation program
- Acceleration in Q2 (+3.0%) vs Q1 (+0.9%)
- Improvement in Sofitel in Q2: RevPAR +11.4% in Q2 vs +2.8% in Q1

Economy hotels



H1 Revenue

Economy hotels Highlights



- ▶ **Solid growth of +8.7% reported and +4.7% like-for-like fueled by the good performance of Northern Europe**
 - ✓ **Germany: growth +7.7% like-for-like**
 - Football World Cup contribution: 3.4%
 - Better economic environment: +4.3% L/L excluding World Cup effects
 - ✓ **Benelux: good performance, +9.3% like-for-like**
 - Netherlands, strong recovery, +12.9% L/L
 - Belgium +5.4% L/L, good business activity in Brussels
 - ✓ **France: better momentum, +3.1% like-for-like**
 - Sales growth acceleration in Q2 (+4.1% L/L vs +1.8% L/L in Q1)
 - Good performance for Ibis
 - Occupancy rates are stabilizing for Etap and Formule 1

Economy US Hotels



H1 Revenue

Economy U.S. hotels Highlights



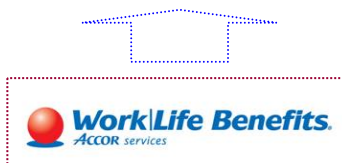
- ▶ **Steady overall growth: +6.0% like-for-like**
 - **RevPAR Motel 6: +6.7%**
 - **RevPAR RRI: +5.3%**

- ▶ **Renovation program at Red Roof Inn:**
 - **121 hotels renovated up to date**
 - **16 hotels under renovation**

- ▶ **Slight deceleration in June in an environment impacted by rising energy costs**

SERVICES

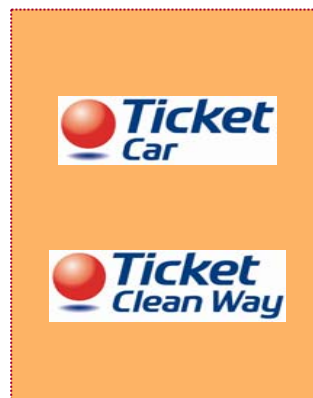
Human Resources



Marketing Services



Expense Management



Services Highlights



▶ Outstanding growth: +16.3% like-for-like

- Latin America: +22.1% L/L
- Europe: +12.6% L/L

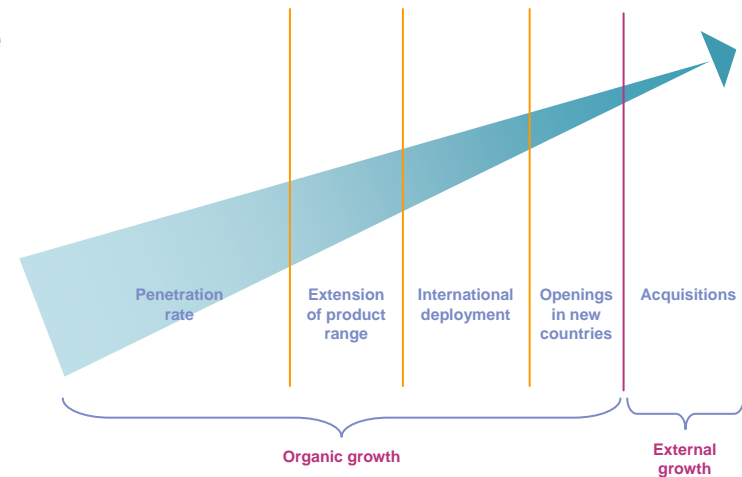
▶ Organic growth driven by:

- Extension of product range
 - ✓ Belgium: +22.5% L/L => Ticket Emploi Service
 - ✓ UK: +21.1% L/L => Childcare voucher
 - ✓ Mexico: +21.1% L/L => Ticket Car
- Increase of penetration rate
 - ✓ Venezuela: +40.7% L/L

▶ External growth

- +4.7% from acquisitions

▶ Currency impact: +5.9% despite real depreciation in Q2



OTHER BUSINESSES



Groupe
Lucien Barrière

LENÔTRE
PARIS







GEMEAZ CUSIN
La Grande Ristorazione all'Italiana

compagnie des
wagons-lits 

Other businesses H1 2006 Revenue



		H1 2006		
		in € million	variation reported	variation L/L
 Groupe Lucien Barrière	Casinos	158	4.0%	3.7%
 LE NÔTRE PARIS	Restaurants	283	12.6%	2.7%
 GEMEAZ CUSIN La Grande Ristorazione all'Italiana				
 compagnie des wagons-lits	Onboard Train Services	125	-2.8%	-2.5%
	Holding & Other	94	4.7%	11.9%
	TOTAL	660	6.2%	3.2%

Conclusion



- ▶ Good overall sales growth

- ▶ **Hotels:** good momentum
 - Northern Europe: confirmation of growth acceleration fueled by solid growth in Germany, Benelux and the UK

 - Southern Europe: moderate growth with encouraging signs of improvement in France in Q2

 - Economy US: solid growth with slight deceleration in June

- ▶ **Services:** outstanding growth

**Conference Call
H1 2006 Revenue**


Questions and Answers

July 20, 2006



Disposal of Carlson Wagonlit Travel: IFRS restatement

Group revenue in € million

	Reported		Proforma
Q1 2005	1,676		1,562
Q2 2005	<u>1,967</u>		<u>1,842</u>
H1 2005	3,643		3,404
Q1 2006	1,850		1,733
Q2 2006	<u>2,089</u>		<u>1,957</u>
H1 2006	3,939		3,690

All figures 2005 and 2006 have been restated excluding CWT

Disposal of Carlson Wagonlit Travel: P&L IFRS restatement



H1 2005 P&L on a proforma basis following the disposal of Carlson Wagonlit Travel

	<i>H1 2005 Reported</i>	<i>Adjustments from CWT</i>	<i>H1 2005 Proforma</i>
Consolidated Revenue	3 643	(239)	3 404
EBITDAR	904	(40)	864
EBITDA	498	(29)	469
EBIT	290	(24)	266
Operating Profit Before Tax and Non Recurring Items	230	(24)	206
Profit Before tax	238	(21)	217
Income Tax Expense	(69)	6	(63)
Profit or Loss From Discontinued Operations	0	15	15
Net Profit	169	0	169
Minority Interest	(13)	0	(13)
Net Profit, Group Share	156	0	156

**Carlson Wagonlit Travel Net Profit will be fully consolidated under
'Profit or Loss From Discontinued Operations'**

Disposal of Carlson Wagonlit Travel: P&L IFRS restatement



FY 2005 P&L on a proforma basis following the disposal of Carlson Wagonlit Travel

	<i>FY 2005 Reported</i>	<i>Adjustments from CWT</i>	<i>FY 2005 Proforma</i>
Consolidated Revenue	7 622	(486)	7 136
EBITDAR	1 986	(80)	1 906
EBITDA	1 149	(52)	1 097
EBIT	717	(36)	681
Operating Profit Before Tax and Non Recurring Items	603	(34)	569
Profit Before tax	488	(29)	459
Income Tax Expense	(124)	7	(117)
Profit or Loss From Discontinued Operations	0	22	22
Net Profit	364	0	364
Minority Interest	(31)	0	(31)
Net Profit, Group Share	333	0	333

**Carlson Wagonlit Travel Net Profit will be fully consolidated under
'Profit or Loss From Discontinued Operations'**

Hotels: H1 2006 RevPAR by segment



	Occupancy Rate		Average room Rate		RevPAR			
	(Reported)		(Reported)		Sub. Reported	Sub. Reported	Sub. L/L(1)	Sub.+Mgt Reported
	In %	In pts	In €	In %				
Upscale and Midscale Europe	63.2%	+1.5	99	4.8%	62	7.3%	6.4%	7.5%
Economy Europe	71.0%	-0.4	52	6.2%	37	5.7%	4.9%	5.5%
Economy U.S (\$)	64.7%	-0.2	46	6.6%	30	6.3%	6.0%	6.3%

(1) At comparable scope of currency and perimeter

Hotels: H1 2006 RevPAR by country



UPSCALE -MIDSCALE <i>In local currency</i>	Number of rooms	Occupancy Rate		Average room Rate		RevPAR			
		(Reported)		(Reported)		Sub. Reported	Sub. Reported	Sub. L/L(1)	Sub.+Mgt Reported
		In %	In pts	In €	In %				
France	30,395	61.4%	+0.5	105	2.2%	64	3.1%	2.9%	3.0%
Germany	13,623	63.8%	+5.0	79	8.6%	50	17.7%	15.4%	15.2%
Netherlands	3,696	64.8%	+0.1	113	12.1%	73	12.3%	12.3%	11.6%
Belgium	2,230	66.2%	+0.4	102	2.8%	67	3.4%	3.4%	6.6%
Spain	2,250	60.0%	-2.2	99	3.6%	59	0.0%	11.8%	-0.2%
Italy	3,023	64.3%	+4.3	113	0.2%	73	7.3%	7.3%	7.3%
UK (in £)	5,146	74.4%	+2.5	79	3.5%	59	7.1%	7.4%	7.3%
USA (in \$)	2,626	70.5%	-3.8	197	16.0%	139	10.0%	9.5%	10.7%

(1) At comparable scope of currency and perimeter

Hotels: H1 2006 RevPAR by country



ECONOMY HOTELS <i>In local currency</i>	Number of rooms	Occupancy Rate		Average room Rate		RevPAR			
		(Reported)		(Reported)		Sub. Reported	Sub. Reported	Sub. L/L(1)	Sub.+Mgt Reported
		In %	In pts	In €	In %				
France	44,353	71.9%	-1.4	45	5.4%	32	3.4%	3.2%	3.4%
Germany	15,259	69.3%	+1.1	55	7.1%	38	8.9%	8.6%	9.1%
Netherlands	2,215	77.1%	+6.0	73	6.3%	57	15.3%	15.3%	15.3%
Belgium	2,477	74.0%	+0.4	64	4.9%	47	5.5%	5.5%	5.5%
Spain	3,623	74.3%	+2.5	51	6.4%	38	10.2%	9.7%	10.2%
Italy	1,317	58.2%	+0.3	75	1.3%	44	1.9%	5.4%	1.9%
UK (in £)	6,632	71.4%	-3.2	50	5.0%	36	0.5%	0.8%	0.9%
USA (in \$)	107,970	64.7%	-0.2	46	6.6%	30	6.3%	6.0%	6.3%

(1) At comparable scope of currency and perimeter

Reconciliation like-for-like RevPAR / Revenue



	RevPAR Sub. and Managed Reported	RevPAR Sub. Only Like-for-like	Like-for-like room revenues	Total Like-for-like revenues
▶ Upscale and Midscale Europe	+7.5%	+6.4%	+6.0%	+4.9%
▶ Economy Europe	+5.5%	+4.9%	+4.8%	+4.5%
▶ Economy U.S (\$)	+6.3%	+6.0%	+5.9%	+6.0%

Upscale and Midscale hotels H1 2006 Revenue



	H1 06 In € million	Change	
		Reported	Like-for-like
Total Worldwide	1 462	5.2%	5.7%
<i>Of which:</i>			
▶ France	542	3.1%	2.1%
▶ Europe (excl. France)	574	8.4%	7.8%
▶ North America	83	-12.7%	4.0%
▶ Emerging countries	243	9.9%	9.8%

Economy hotels H1 2006 Revenue



	H1 06 In €million	Change	
		Reported	Like-for-like
▶ France	316	2.9%	3.1%
▶ Europe (excl. France)	332	12.2%	6.0%
▶ Other	64	22.5%	6.9%
 Total Economy Worldwide (excl. U.S.)	 712	 8.7%	 4.7%

Economy U.S. hotels H1 2006 Revenue



	H1 06 In € million	Change	
		Reported	Like-for-like
Motel 6	344	10.2%	5.8%
Red Roof Inn	140	7.6%	4.7%
Other	8	22.7%	17.4%
Total Revenue	492	9.9%	6.0%

Services H1 2006 Revenue



	H1 2006 In € million	Change	
		Reported	Like-for-like
Total Services	364	25.6%	16.3%
<i>Of which:</i>			
▶ Europe	198	16.4%	12.6%
▶ Latin America	148	39.6%	22.1%