

***Conference Call  
2006 Revenue***

*January 17, 2007*

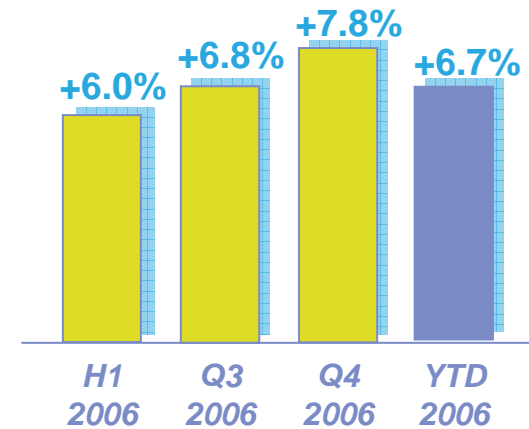


# 2006 Revenue: €7,607M



## ► Strong overall growth in 2006

- ✓ +6.6% reported
- ✓ +6.7% like-for-like

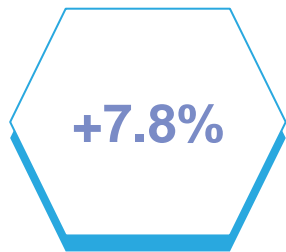


Revenue growth  
Like-for-like

## ► Strong performance in our two core businesses

- **Hotels: Year of the European recovery**
  - ✓ +5.2% reported
  - ✓ +6.1% like-for-like
- **Services: 2nd consecutive year of outstanding growth in the high end of our mid term growth brackets [8%-16%]**
  - ✓ +20.5% reported
  - ✓ +15.5% like-for-like

# Q4 2006 Revenue: €1,966M



+7.8%

*Like-for-like*



+3.1%

*Expansion*



-3.8%

*Disposals*



-1.8%

*Currency impact*



+5.3%

*Total reported*

## ► Expansion

- **Hotels +3.7%**  
21,675 rooms opened on a yearly basis  
(over 75% under Man. & Fran.)
- **Services +3.2%**  
3 major acquisitions since the beginning of  
the year

## ► Disposals

- **Hotels -4.7%**  
Mainly due to Sale & Management Back in  
the US and Sale & Franchise back in  
Europe

## ► Currency

- **Negative impact in Q4 due to US Dollar  
depreciation (-8.5%)**

# Q4 2006 Revenue Highlights



## ► Hotels: growth acceleration +7.2% like-for-like in Q4

### ■ Upscale & Midscale:

- ✓ France: strong rebound in Q4 (+6.6% L/L)
- ✓ Germany: recovery confirmed since Q1

### ■ Economy Europe: strong growth

- Economy US: in line with first 9 months, excluding hurricanes comps effect in Q4

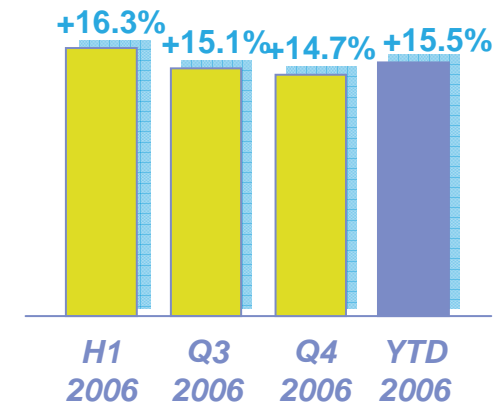


# Q4 2006 Revenue Highlights



► **Services: in line with beginning of the year  
+14.7% like-for-like**

- **Europe: growth acceleration +16.4% L/L vs. +12.5% L/L September-end**
- **Latin America: +11.8% L/L vs. 21.0% L/L September-end**
  - ✓ Decrease of interest rates
  - ✓ Competition in Brazil



*Total Services Revenue  
Like-for-like growth*

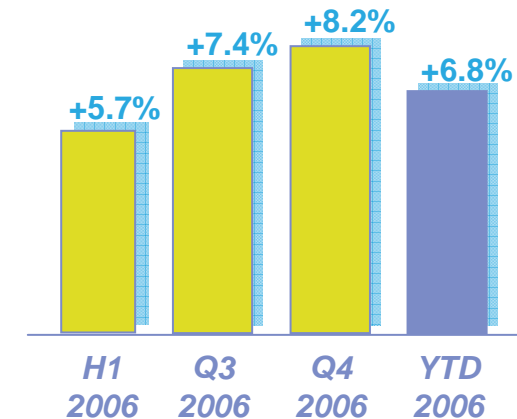
## Upscale / Midscale Hotels



# Upscale and Midscale hotels FY 2006 Highlights: €2,995M



- ▶ Overall growth: +6.8% like-for-like in 2006
- ▶ Northern Europe: strong trend confirmed since the beginning of the year
  - Germany: +10.2% L/L (+8.0% L/L excluding World Cup effect)
  - UK: +8.7% L/L
- ▶ Southern Europe: growth acceleration in 2nd half of the year
  - Spain: +11.3% L/L
  - France: +3.8% L/L



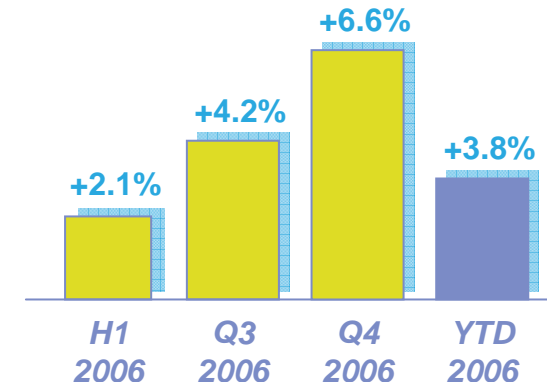
*Upscale & Midscale Revenue growth  
Like-for-like*

# Upscale and Midscale hotels Q4 Highlights Focus France



## ► France: strong growth acceleration

- **Sofitel Revenue: +10.3% vs. +4.6% Sept. end**
- **Novotel Revenue: +5.0% vs. +0.6% Sept. end**
  - ✓ Renovations still have a negative impact on growth of appr. 2.8 pts
- **Mercure Revenue: +6.1% vs. +4.0% Sept. end**



*France*  
*Upscale & Midscale Revenue growth*  
*Like-for-like*

## Economy hotels



# Economy hotels FY 2006 Highlights



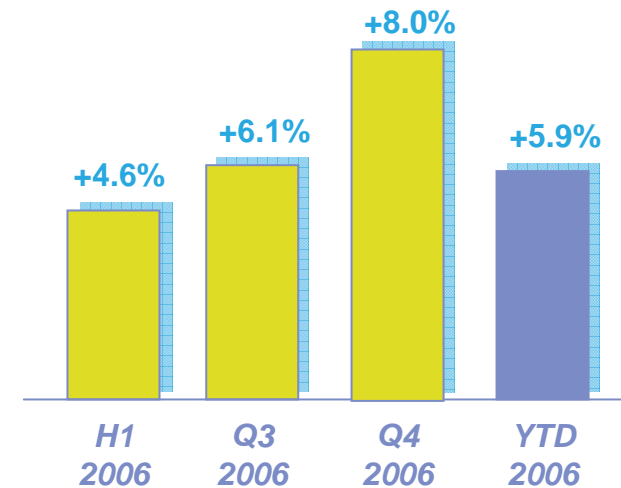
► Overall growth: +5.9% like-for-like

► Northern Europe

- Germany: +5.9% L/L
- Benelux: +9.7% L/L

► Southern Europe

- France: +4.1% L/L
- Spain: +10.7% L/L



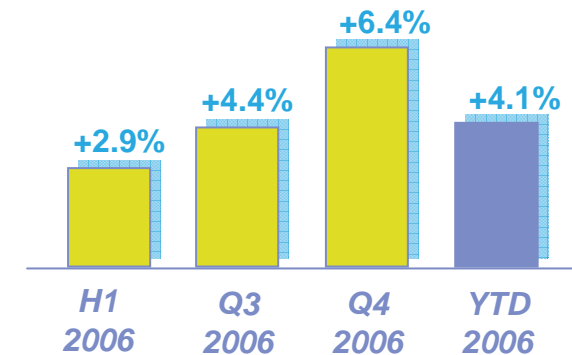
*Economy Europe Revenue growth  
Like-for-like*

# Economy hotels Q4 Highlights Focus France



## ► Overall growth acceleration: +6.4% like-for-like

- Ibis: good trend +7.3% vs. +3.9% Sept. end
- Etap / Formule 1:
  - ✓ Better balanced RevPar mix (OR/ARR)
  - ✓ Positive impact on OR of more adapted pricing policy



*France Revenue growth  
Like-for-like*

## Economy US Hotels



# Economy U.S. hotels Highlights

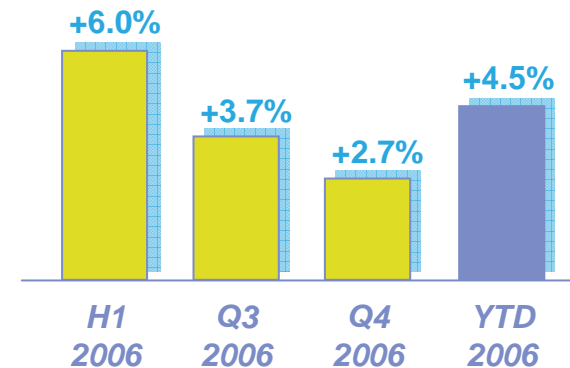


► Full year overall growth: +2.7% reported, +4.5% like-for-like

- Motel 6: +4.5% L/L
- Red Roof Inn: +4.0% L/L

► Q4: +2.7% like-for-like

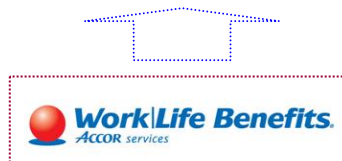
- Excluding hurricane comps effect, revenue growth: +4.9%



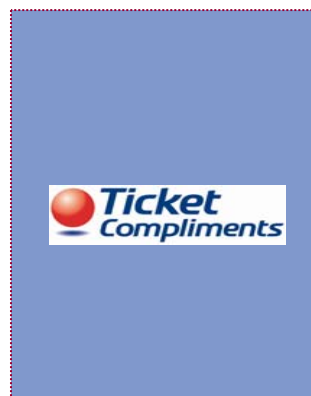
*Economy US Revenue growth  
Like-for-like*

# SERVICES

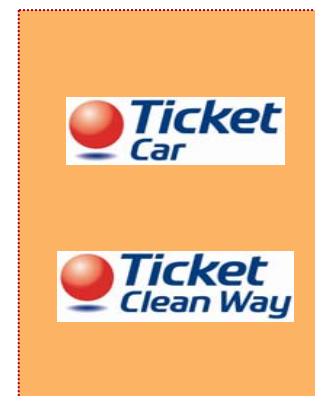
## Human Resources



## Marketing Services



## Expense Management



# Services FY 2006 Highlights



*Like-for-like*



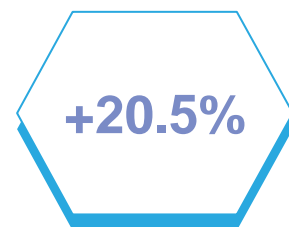
*Expansion*



*Disposals*



*Currency impact*



*Total reported*

## ▶ Outstanding year:

- +20.5% reported
- +15.5% like-for-like

## ▶ Europe: +13.6% like-for-like

- Benelux: +24.3% L/L
- UK: +18.5% L/L

## ▶ Latin America: +18.2% like-for-like

- Brazil: +8.9% L/L
- Venezuela: +33.3% L/L



# Services Q4 Highlights



- ▶ Reported growth +15.3%, despite a negative currency impact of -2.1% (vs. +3.7% Sept. end)
- ▶ Like-for-like growth in line with beginning of the year: +14.7%
  - Europe: +16.4% L/L
    - ✓ Growth acceleration due to roll-out and creation of new products
  - Latin America: +11.8% L/L
    - ✓ Decrease of interest rates
    - ✓ Brazil: more competitive environment



# OTHER BUSINESSES



Groupe  
Lucien Barrière

LENÔTRE  
PARIS








GEMEAZ CUSIN  
La Grande Ristorazione all'Italiana

compagnie des  
wagons-lits



# Other businesses 2006 Revenue



	Q4 2006	FY 2006
	variation L/L	variation L/L
 <b>Casinos</b>	<b>+4.7%</b>	<b>+3.6%</b>
  <b>Restaurants</b>	<b>+9.1%</b>	<b>+5.8%</b>
 <b>Onboard Train Services</b>	<b>+2.3%</b>	<b>-0.6%</b>
 <b>Holding &amp; Other</b>	<b>+8.4%</b>	<b>+9.6%</b>
<b>TOTAL</b>	<b>+6.7%</b>	<b>+4.6%</b>

# Conclusion



## ► Strong overall growth in 2006

- **Hotels: recovery is now global**
  - ✓ Upscale & Midscale: strong growth acceleration led by France and Germany
  - ✓ Economy Europe: good overall performance
  - ✓ Economy US: resilient growth despite hurricane comps effect
  
- **Services: outstanding year**
  - ✓ Strong worldwide growth catalysts

**New 2006 Profit Before Tax objective**  
**€700M / €720M**

**Conference Call  
2006 Revenue**

# ***Questions and Answers***

*January 17, 2007*



# Upscale and Midscale hotels FY 2006 Revenue



	FY 06 In €million	Change	
		Reported	Like-for-like
Total Worldwide	2,984	+4.5%	+6.8%
<i>Of which:</i>			
▶ France	1,109	+3.9%	+3.8%
▶ Europe (excl. France)	1,179	+8.4%	+8.5%
▶ North America	159	-22.6%	+7.1%
▶ Emerging countries	502	+8.2%	+9.2%

# Economy hotels FY 2006 Revenue



	FY 06 In € million	Change	
		Reported	Like-for-like
Total Economy Worldwide (excl. U.S.)	1,492	+8.6%	+5.9%
▶ France	649	+3.8%	+4.1%
▶ Europe (excl. France)	700	+11.3%	+6.8%
▶ Other	143	+19.0%	+9.7%

# Economy U.S. hotels FY 2006 Revenue



	FY 06 In €million	Change	
		Reported	Like-for-like
Total Revenue	991	+2.7%	+4.5%
Motel 6	693	+3.3%	+4.5%
Red Roof Inn	281	+0.9%	+4.0%
Other	17	+12.3%	+13.2%

# Services FY 2006 Revenue



	FY 2006 In €million	Change	
		Reported	Like-for-like
Total Services	760	+20.5%	+15.5%
<i>Of which:</i>			
▶ Europe	415	+17.4%	+13.6%
▶ Latin America	304	+24.0%	+18.2%

# Reconciliation like-for-like 2006 RevPAR / Revenue



	RevPAR Sub. and Managed Reported	RevPAR Sub. Only Like-for-like	Like-for-like room revenues	Total Like-for-like revenues
▶ <b>Upscale and Midscale Europe</b>	<b>+9.0%</b>	<b>+8.0%</b>	<b>+7.4%</b>	<b>+6.2%</b>
▶ <b>Economy Europe</b>	<b>+6.2%</b>	<b>+5.7%</b>	<b>+5.7%</b>	<b>+5.5%</b>
▶ <b>Economy U.S (\$)</b>	<b>+4.8%</b>	<b>+4.5%</b>	<b>+4.4%</b>	<b>+4.5%</b>

# Hotels: RevPAR by segment as of December 2006 (YTD)



	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	65.3%	+2.3	98	+5.0%	64	+8.7%	+8.0%	+9.0%
Economy Europe	72.7%	+0.2	53	+6.1%	38	+6.5%	+5.7%	+6.2%
Economy U.S (\$)	64.9%	-0.9	47	+6.3%	31	+4.8%	+4.5%	+4.8%

(1) At comparable scope of currency and perimeter

# Hotels: RevPAR by country as of December 2006 (YTD)



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	30,047	63.1%	+1.7	104	+3.1%	66	+5.9%	+5.4%	+6.5%
Germany	13,459	65.9%	+4.7	77	+7.9%	51	+16.1%	+14.3%	+13.6%
Netherlands	3,692	66.5%	+1.0	111	+9.0%	74	+10.7%	+10.6%	+10.8%
Belgium	2,231	68.8%	+1.9	98	+2.4%	68	+5.2%	+5.2%	+8.1%
Spain	2,254	61.7%	+0.5	95	+0.7%	59	+1.6%	+12.7%	+1.1%
Italy	3,064	64.0%	+3.0	115	+2.0%	73	+7.0%	+7.0%	+7.0%
UK (in £)	5,223	76.9%	+3.9	80	+4.3%	61	+9.8%	+9.9%	+10.0%
USA (in \$)	2,213	72.7%	-1.0	217	+21.9%	158	+20.2%	+14.6%	+14.4%

(1) At comparable scope of currency and perimeter

# Hotels: RevPAR by country as of December 2006 (YTD)



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	44,209	72.8%	-0.7	45	+5.5%	33	+4.4%	+4.1%	+4.4%
Germany	15,284	71.1%	+0.0	54	+6.6%	38	+6.6%	+6.5%	+7.0%
Netherlands	2,215	80.7%	+6.5	74	+6.1%	59	+15.3%	+15.3%	+15.3%
Belgium	2,477	76.0%	+0.7	63	+4.2%	48	+5.1%	+5.1%	+5.1%
Spain	3,642	76.2%	+3.7	52	+5.9%	40	+11.2%	+11.0%	+11.2%
Italy	1,364	59.3%	+1.7	72	+1.0%	43	+4.0%	+6.1%	+4.0%
UK (in £)	6,824	74.1%	+0.3	51	+4.5%	37	+4.9%	+6.0%	+5.4%
USA (in \$)	107,720	64.9%	-0.9	47	+6.3%	31	+4.8%	+4.5%	+4.8%

(1) At comparable scope of currency and perimeter

# Management & Franchise Revenue



## Management and Franchise fees

2006

In k€	Q1 2006	Q2 2006	H1 2006	Q3 2006	Q4 2006	2 006
	Total	Total	Total	Total	Total	Total
Upscale and Midscale	32 788	38 305	71 093	36 900	41 855	149 848
Economy	6 801	8 423	15 223	9 450	8 817	33 490
Economy US	3 977	4 470	8 447	4 808	3 940	17 195
<b>Total</b>	<b>43 566</b>	<b>51 198</b>	<b>94 763</b>	<b>51 158</b>	<b>54 612</b>	<b>200 534</b>

## Management and Franchise fees

2005

In k€	Q1 2006	Q2 2006	H1 2006	Q3 2006	Q4 2006	2 006
	Total	Total	Total	Total	Total	Total
Upscale and Midscale	27 658	34 616	62 274	34 195	33 084	129 552
Economy	6 844	7 067	13 910	9 045	6 105	29 060
Economy US	2 811	4 005	6 816	4 697	3 532	15 044
<b>Total</b>	<b>37 312</b>	<b>45 688</b>	<b>83 000</b>	<b>47 937</b>	<b>42 721</b>	<b>173 657</b>