

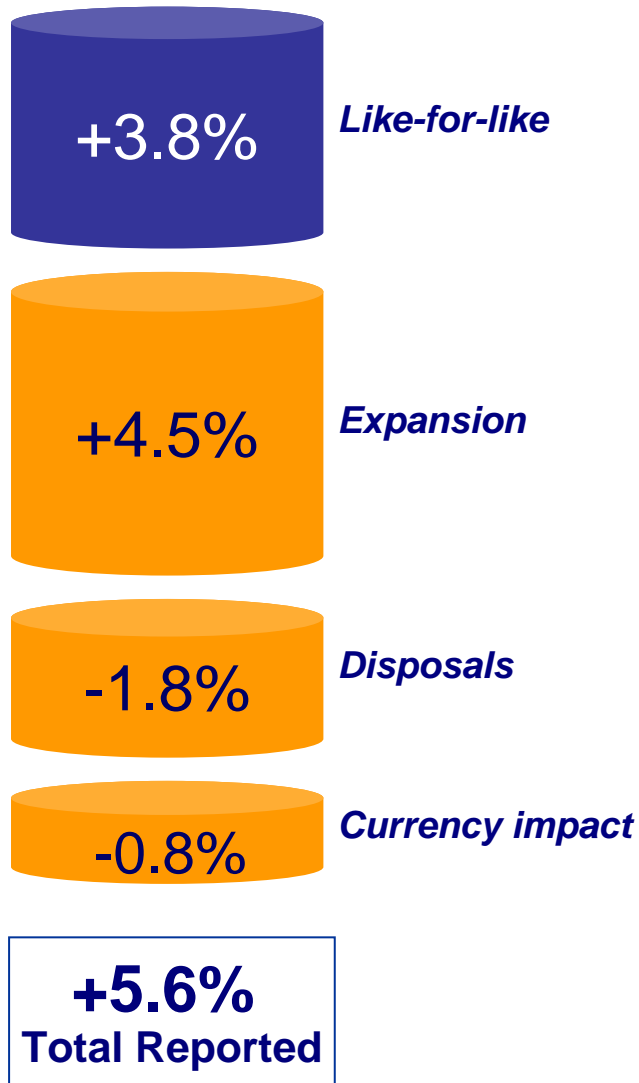


Conference Call to Analysts

Comments on Q1 2005 sales

27 April 2005

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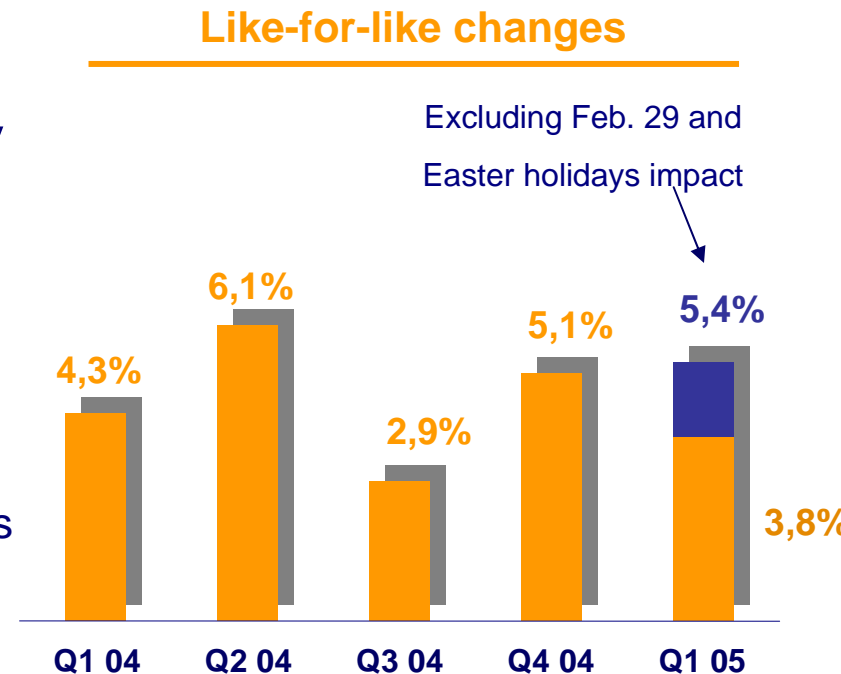
- ▶ Strong overall sales growth: +5.6%, +3.8% like-for-like
- ▶ Sound growth in Economy hotels:
 - Worldwide excl. US: +3.5% like-for-like
 - US: +4.5% like-for-like
- ▶ Strong growth in Services: +11.8% like-for-like
- ▶ Upscale Midscale hotels still lagging: +0.5% like-for-like

► Unusual items :

1. Impact in 2005 of one business day less (Feb. 29): -1.1%
2. Shift of Easter holidays: -0.5%

➡ Adjusted L/L growth: +5.4% in Q1

► IFRS impact: -12 M€ (Restated figures for Q1 2004 (IAS) 1 586 M€ vs. 1 598 M€ reported in 2004)





Hotels

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Upscale Midscale Hotels





- ▶ In the US, UK and Asia : moving ahead in the business cycle through increase of occupancy and price
 - Example US: RevPAR +14.6% L/L in Q1 05
- ▶ In Continental Europe: yield management focused on price optimization
 - Example France: ARR +4.0% L/L in Q1 05
- ▶ In Germany, UK, Belgium and Spain: negative impact on occupancy due to Easter holidays
 - Impact of -3.1% on quarterly sales figure in Europe (excl. France) which have been offset in the first two weeks of April



	Q1 05	Change		L/L excl. Feb. 29 & Easter vac.
	In € million	Reported	Like-for-like	
▶ France	239	-0.8%	-0.5%	+0.6%
▶ Europe (excl. France)	230	-2.3%	-2.7%	+1.5%
▶ North America	42	+3.6%	+8.0%	+9.1%
▶ Emerging Markets	112	+6.1%	+6.7%	+7.8%
Total Worldwide	632	+0.1%	+0.5%	+2.8%

Economy hotels





- ▶ Steady growth worldwide: +3.5% in Q1 2005
- ▶ Expansion accounted for +4.1% sales growth (Spain, UK)
- ▶ Sales growth essentially driven by pricing management
- ▶ Segment less sensitive to Easter holidays



	Q1 05	Change		L/L excl. Feb. 29
	In € million	Reported	Like-for-like	
▶ France	141	+3.8%	+4.1%	+5.1%
▶ Europe (excl. France)	128	+8.1%	+1.4%	+2.5%
Total Economy Worldwide <i>(excl. U.S.)</i>	294	+6.7%	+3.5%	+4.6%

Economy US Hotels





- ▶ Recovery confirmed: RevPAR +6.1% reported
 - Motel 6: +6.3% RevPAR
 - RRI: +5.5% RevPAR excl. renovations: +7.7%
- ▶ Positive impact of renovations Red Roof Inn (74 hotels renovated)



	Q1 05	Change		L/L excl. Feb. 29
	In € million	Reported	Like-for-like	
Motel 6	133	-0.3%	+5.1%	+6.2%
Red Roof Inn	57	-1.9%	+3.2%	+4.3%
Total Sales	201	-0.7%	+4.5%	+5.6%

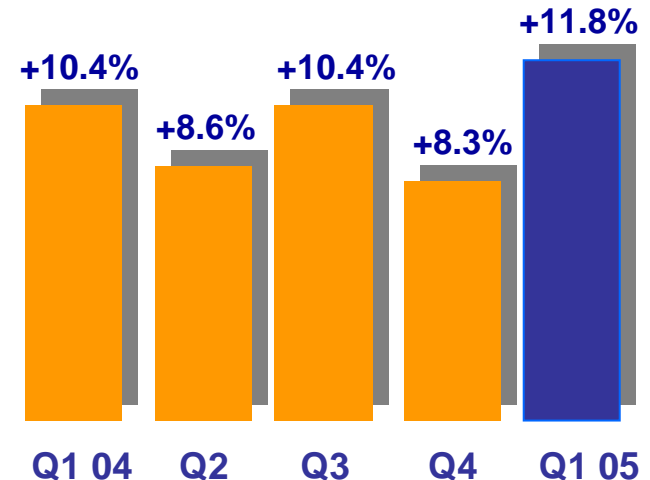


Services

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- ▶ Business activity in Europe fueled by new products: +7.6% L/L
- ▶ Strong business activity in South America due to solid economic recovery: +20.3% L/L
- ▶ Positive impact of acquisitions: +2.0% Capital Incentives (UK), Hungastro (Romania)

Change L/L



	Q1 05	Change	
	In € million	Reported	Like-for-like
▶ Europe	83	+11.6%	+7.6%
▶ Latin America	49	+17.7%	+20.3%
Total Services	140	+13.2%	+11.8%





Other businesses

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	Q1 05	Change	
	In € million	Reported	Like-for-like
▶ Europe	69	+22.3%	+10.1%
▶ US / Canada	30	+30.9%	+0.6%
▶ Other	10	+13.1%	+14.1%
Total	109	+23.6%	+8.1%



Groupe
Lucien Barrière

- ▶ Creation of Groupe Lucien Barrière (dec. 2004)
 - 36 casinos (2004 gross gaming revenues: 824 M€)
 - 13 hotels

- ▶ Consolidation according to the proportional method at 30.19%

- ▶ Total Sales Q1 05: 76 M€
 - +42.7% reported
 - +3.9% L/L



Conclusion

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- ▶ Strong growth in 2/3 of our business:
 - Economy hotels (excl. US) +3.5%
 - Economy hotels US +4.5%
 - Services +11.8%
 - Other businesses +6.6%

- ▶ Still slow growth in 1/3 of our business where:
 - Positive swing in Europe due to Easter holidays in April
 - Proactive management strategy should help speed up growth



Appendix

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	Q1 2004	Q1 2004	Q1 2005	Change	
	French GAAP	IFRS	IFRS	Reported	Like-for-like
Hôtellerie					
HMG	646	631	632	+0.1%	+0.5%
Eco.	277	276	294	+6.7%	+3.5%
Eco. US	202	202	201	-0.7%	+4.5%
Services					
Services	121	123	140	+13.2%	+11.8%
Autres					
Autres	352	354	409	+15.6%	+6.6%
TOTAL	1 598	1 586	1 676	+5.6%	+3.8%



Hotels: RevPAR by segment as of March 31 2005 Year-To-Date

	Occupancy rate		A.R.R.	A.R.R.	RevPAR (Δ in %)	
	(in %)	(Δ in pts)	(€)	(Δ in %)	Sub. Only Like-for-like	Sub. and Managed Reported
▶ Upscale and Midscale Europe	55.6%	-1.6	92	+1.7%	-0.7%	-1.6%
▶ Economy Europe	65.9%	-0.3	48	+3.1%	+3.1%	+2.6%
▶ Economy U.S (\$)	61.6%	+1.8	42	+2.9%	+5.9%	+6.1%



Hotels RevPAR by country as of March 31 2005 Year-To-Date

Upscale - Midscale
in local currency

	Number of available rooms	Occupancy rate		A.R.R		RevPar in Value (€)	RevPar (change in %)		
		in %	in pts	in €	in %		Sub. Reported	Sub. L/L	Sub+Mgt Repor.
France	30 302	55.8%	-1.8	100	3.9%	56	0.7%	1.1%	1.1%
Germany	16 204	54.2%	-1.5	74	-0.9%	40	-3.6%	-4.2%	3.9%
Netherlands	3 697	55.5%	0.6	97	0.4%	54	1.4%	1.4%	4.4%
Belgium	2 230	58.2%	-4.3	99	1.6%	57	-5.4%	-5.4%	-2.5%
Spain	1 891	55.6%	-7.0	95	-9.5%	53	-19.6%	-10.4%	-19.6%
Italy	2 933	51.8%	-1.1	106	-1.6%	55	-3.6%	-0.1%	-3.6%
UK (£)	5 037	67.9%	-3.2	75	4.9%	51	0.1%	2.4%	0.9%
USA (\$)	3 449	71.1%	2	160	11.4%	114	14.6%	14.6%	14.5%



Hotels RevPAR by country as of March 31 2005 Year-To-Date

Economy

in local currency

	Number of available rooms	Occupancy rate		A.R.R		RevPar in Value (€)	RevPar (change in %)		
		in %	in pts	in €	in %		Sub. Reported	Sub. L/L	Sub+Mgt Repo.
France	44 563	68.4%	0.0	42	4.1%	29	4.1%	4,2%	4.1%
Germany	14 879	63.5%	-1.1	51	0.5%	33	-1.2%	-0.5%	-1.6%
Netherlands	2 215	59.8%	-2.1	65	2.3%	39	-1.2%	3.0%	-1.2%
Belgium	2 468	67.0%	1.4	59	-2.1%	40	0.1%	0.1%	0.1%
Spain	3 201	67.2%	1.4	48	6.1%	32	8.4%	13.3%	8.4%
Italy	1 156	49.5%	-0.7	76	-11.7%	38	-12.9%	-8.4%	-12.9%
UK (£)	5 968	71.3%	0.8	48	3.5%	34	4.6%	5.1%	3.6%
USA (\$)	109 344	61.6%	1.8	42	2.9%	26	6.1%	5.9%	6.1%



Reconciliation like-for-like RevPAR / Sales

	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	-1.6%	-0.7%	-1.5%	-1.6%
▶ Economy Europe	+2.6%	+3.1%	+2.4%	+2.8%
▶ Economy U.S (\$)	+6.1%	+5.9%	+4.9%	+4.5%



Questions and Answers

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Comments on Q2 2005 sales

27 July 2005



