Press Release
August 27, 2009

2009 First-Half Results

- **Prepaid Services: firm resistance of revenue (up 5.7% like-for-like[1]) and margin (up 0.4 points like-for-like)**

- **Hotels:**
  - Economy hotels outside the US: resilient revenue (down 7.3% like-for-like) and margin (down 2.3 points like-for-like), led by a solid performance in France
  - Upscale and Midscale Hotels and Economy Hotels in the United States: two segments severely impacted by the crisis

- **Operating profit before tax and non-recurring items: €182 million** (down 44.5% like-for-like)

- **Robust balance sheet:** Funds from operations/adjusted net debt ratio of **21.5%**

- **Cost-cutting plans already 50% completed** in the first half: owned/leased hotels operating costs reduced by €72 million and support costs by €37 million

  Operating costs reduction plan in the owned/leased hotels **raised to €150 million from €120 million**

***

- **Full-year target for operating profit before tax** and non-recurring items: **€400 million to €450 million**

***

- **Given the depth and speed of the changes ahead, the transformation and development of the two core businesses will be stepped up.**

  As part of this process, the Board of Directors has approved Chairman and CEO Gilles Pélisson's recommendation to conduct a review of the potential benefits of demerging the two businesses into two independent companies, each with their own strategy and resources for growth.

1 At constant scope of consolidation and exchange rates

2009 first-half financial results

(in € millions)	**First-Half 2008 Adjusted[(1)]**	**First-Half 2009**	**% change as reported**	**% change like-for-like[(2)]**
Revenue	3,758	3,410	-9.3%	-8.1%
EBITDAR[(3)]	**1,088**	**924**	**-15.1%**	**-15.0%**
EBITDAR margin	*29.0%*	*27.1%*	*-1.9pt*	*-2.2pts*
EBIT	425	242	-43.0%	-39.0%
Operating profit before tax and non-recurring items	**393**	**182**	**-53.7%**	**-44.5%**
Operating profit before non-recurring items, net of tax	**264**	**114**	**-56.8%**	**-**
Net profit/(loss), Group share	310	(150)	n/a	-
ROCE[(4)]	14.5%	12.1%	-2.4pts	-

(1) As a result of applying IFRIC 13 from January 1, 2009, the Group reviewed its accounting policy for recognizing award credits under customer loyalty programs. The new accounting method has been applied on a retrospective basis, with pro forma data provided for the six months ended June 30, 2008.
(2) At constant scope of consolidation and exchange rates
(3) Earnings before interest, taxes, depreciation, amortization and rental expense.
(4) ROCE: Corresponding to EBITDA expressed as a percentage of fixed assets at cost plus working capital.

In an extremely weak economic environment, **consolidated revenue** for the first half of 2009 totaled €3,410 million, down 9.3% on a reported basis and 8.1% like-for-like compared with first-half 2008.

PREPAID SERVICES

Revenue from the Prepaid Services business **rose by 5.7% like-for-like** in the first half, overcoming the adverse impact of i) sharply higher unemployment rates, which are affecting corporate customers, particularly in Europe, and ii) lower interest rates, which are reducing interest income recognized in revenue. Operating revenue (i.e. excluding interest income) rose by 6.8% over the period, compared with a 1.2% decline in interest income.

Revenue growth was led by **stepped-up marketing and sales initiatives**, which drove the development of new products and the penetration of new markets, in particular with the launch of travel agency cards in the United Kingdom and holiday vouchers in Romania. Other initiatives targeted France's prefunded Universal Employment Service Vouchers (CESU Social) program, which is designed to support people most hurt by the recession.

EBIDTAR margin stood at **43.2%, up 0.8 points on a reported basis** and **0.4 points like-for-like.** The margin improvement reflected the 1.1-point like-for-like gain in the margin on operating revenue (51.3% flow-through ratio[2] excluding interest income). The decline in interest income reduced total margin for the period by 0.7 points like-for-like.

In Europe, EBITDAR margin narrowed by 1.4 points like-for-like, impacted by rising jobless rates in the region and the steep decline in interest rates. In Latin America, it improved by 2.0 points like-for-like, despite the decelerated growth in interest income following the steady drop in interest rates since May 2009.

[2] The ratio of the change in like-for-like EBITDAR/change in like-for-like revenue is known as the flow-through ratio when like-for-like revenue goes up and as the response ratio when like-for-like revenue goes down (in which case it is equal to 1 – [change in like-for-like EBITDAR/change in like-for-like revenue]).

HOTELS

In a severely depressed business environment, **Hotels revenue fell 11.4% like-for-like** in the first half.
Although the Upscale and Midscale Hotels and US Economy Hotels segments have been hard hit, with revenue contracting by 13.3% and 12.8% respectively over the period, the Economy Hotels outside the US segment demonstrated firmer resistance, holding revenue weakness to 7.3%.

The Group's ability to limit the revenue decline compared with the competition was supported by a certain **number of marketing and sales initiatives** deployed as part of the **battle for revenue** process. The battle for revenue is also being supported by the success of the A|Club loyalty program, whose more than 3 million cardholders account for 10% of retail customer revenue, just one year after launch.

In addition, **the first half already saw** operating costs in the owned/leased hotels **reduced by €72 million**, out of the announced €120-million target for the year.

Accor confirms its objective of opening **30,000 new rooms in 2009**. 12,100 have already been opened in the first six months of the year, of which 78% under low capital-intensive ownership structures (management contracts, franchise agreements and variable rent leases), 58% in the Economy and Budget segments, 35% in Europe and 35% in Asia. Pursuing this expansion dynamic remains a priority, with **103,000 rooms in the pipeline.**

- **Upscale and Midscale Hotels hard hit by recession**

In the Upscale and Midscale segment, revenue declined by 11.9% as reported in the first half, and by 13.3% like-for-like.
EBITDAR margin came to 23.6% of revenue, down 4.1 points as reported and like-for-like. The response ratio, excluding support costs, stood at 33.9% and at 45.5% after accounting for the €25-million reduction in support costs driven by the cost-cutting plans.

- **Economy hotels outside the United States: resilient revenue and margins, led by a solid performance in France**

In a lackluster economic environment, Economy Hotels proved to be more resilient than the other segments, with revenue retreating by 7.6% as reported during the first half and by 7.3% like-for-like.
At 34.1%, EBITDAR margin narrowed by 1.9 points as reported and 2.3 points like-for-like. The firm resistance was primarily due to operations in France, where margin was down just 0.4-points like-for-like, to 30.5% on reported basis. The response ratio, including support costs, was 34.9%.

- **Economy Hotels US: deeply impacted by two years in a row of recession**

Motel 6 **revenue** contracted by **2.0% on a reported basis in the first half** and by 12.8% like-for-like.

Although still affected by the severely weakened US economy, Motel 6 is still faring better than the competitors, with RevPAR two points higher than the peer group's. In the United States, the Economy segment is generally outperforming the Upscale and Midscale segment by around 10 points of RevPAR.

EBITDAR margin amounted to 30.8%, down 7.1 points as reported and 5.7 points like-for-like, while the response ratio was 18.7%, in a country that has been in recession for more than two years.

CONSOLIDATED RESULTS

Consolidated EBITDAR[3] amounted to €924 million in the first half of 2009, down 15.0% like-for-like compared with the year-earlier period and 15.1% as reported. EBITDAR for the period reflected the support-cost savings already achieved in the first half, which **totaled €37 million out of the full-year target of €80 million.**

It represented 27.1% of consolidated revenue, compared with 29.0% in first-half 2008.
The firm resistance of the Group's two main core businesses, Prepaid Services and Economy Hotels outside the US, helped to limit the decline in margin to 1.9 points as reported and 2.2 points like-for-like.

EBIT fell by 43.0% to €242 million as reported and by 39.0% like-for-like. The fact that some rental expense is indexed to revenue helped to save around €15 million over the period.

Operating profit before tax and non-recurring items stood at €182 million for the period, down 44.5% like-for-like and 53.7% as reported.

Operating profit before non-recurring items, net of tax amounted to €114 million, compared with €264 million in first-half 2008.

The **net loss, Group share**, which came to €150 million, was impacted by €194 million in asset impairment losses (of which €118 million on Motel 6 goodwill). These losses reflected the decline in the assets' balance sheet value and did not have any cash impact. In addition, the net loss includes €53 million in restructuring costs, primarily related to Group reorganization programs.
In first-half 2008, the Group reported a net profit, Group share of €310 million, lifted by €130 million in capital gains on asset disposals.

Funds from operations declined to €378 million from €487 million in first-half 2008.

Net debt stood at €1,961 million at June 30, 2009, after €193 million in **expansion expenditure** in the Hotels and Prepaid Services businesses, €77 million in **asset disposals** and the payment of €201 million in dividends. Net debt also includes two non-recurring items: the acquisition of an additional 15% interest in Groupe Lucien Barrière for €269 million and the payment of €242 million to the French State in settlement of tax assessments on Compagnie Internationale des Wagons Lits (CIWLT). Note that the Group has contested these assessments before the court.

The main financial ratios attest to the **solidity of Accor's balance sheet** at June 30, 2009. Backed by the two bond issues totaling €1.2 billion carried out in the first half, the Group has €1.8 billion in unused, confirmed lines of credit at June 30, 2009. No significant amount of debt has to be repaid over the next three years. The **ratio of funds from operations to adjusted net debt**[4] stood at **21.5%** at June 30, 2009, compared with 24.2% at June 30, 2008 and 25.8% at December 31, 2008.

Return on capital employed declined by 2.4 points during the first half, to 12.1% at period-end from 14.5% at June 30, 2008.

---

[3] EBITDAR: Earnings before interest, taxes, depreciation, amortization and rental expense.
[4] The ratio of funds from operations before non-recurring items to adjusted net debt is calculated according to a method used by the main rating agencies, with net debt adjusted for the 8% discounting of future minimum lease payments and funds from operations adjusted for interest expense on these payments. Funds from operations before non-recurring items corresponds to cash flow from operating activities before non-recurring items and changes in working capital requirement.

Outlook for 2009

- **July business trends**

Prepaid Services: growth in revenue despite the faster decline in interest income
Revenue was up 0.6% like-for-like and year-on-year in July, reflecting a 4.4% increase in operating revenue and a 21.9% drop in interest income recognized in revenue.

Latin America is faring better than Europe, as stronger operating revenue growth (up 6.3% versus 3.3% in Europe) offset a steeper decline in interest income (down 26.5% versus 18.8% in Europe). The decline in interest income that emerged in May 2009 is gaining momentum as the third quarter begins.

Hotels: improving trends in July, buoyed by the increase in the proportion of leisure travelers during the summer
In **Upscale and Midscale Hotels in Europe**, July RevPAR was down 12.7% like-for-like, compared with a 19.2% decline in the second quarter.
In the **Economy Hotels segment in Europe**, July RevPAR was down 8.5% like-for-like, compared with a 9.7% decline in the second quarter.
In the **US Economy Hotels business**, July RevPAR was down 15.2% for the month, versus a 15.7% decline in the second quarter.

- **2009 earnings guidance**

In the absence of any visibility in the economic environment, the target for operating profit before tax and non-recurring items has been based on the following assumptions:

In Prepaid Services:
- A more than 25% decline in interest income in the second half, causing like-for-like revenue to show a slight gain for the year.
- An operating margin of more than 40% for the year.

In the Hotels business:
- No major improvement in business expected in the second half.
- The **plan to reduce operating costs** in the owned/leased hotels **will be stepped up to €150 million from €120 million**, to ensure that the response rate holds steady at 35%.

Consolidated earnings:
- Support costs will be reduced by €80 million over the year.

As a result he target for operating profit before tax and non-recurring items **has been set at between €400 million and €450 million.**

Business strategy

Give the depth and speed of the changes ahead, the transformation and development of the two core businesses will be stepped up.
As part of this process, the Board of Directors has approved Chairman and CEO Gilles Pélisson's recommendation to conduct a review of the potential benefits of demerging the two businesses into two independant companies, each with their own strategy and resources for growth.

Upcoming events

- *October 15: Quarterly Report (third-quarter revenue)*

MEDIA CONTACTS

Armelle Volkringer
Vice President, Corporate Communication and External Relations
Tél. : +33 1 45 38 87 52

Alain Delrieu
Tél. : +33 1 45 38 84 85

INVESTOR RELATIONS CONTACTS

Eliane Rouyer-Chevalier
Senior Vice President Investor Relations and Financial Communications
Tél. : +33 1 45 38 86 26

Solène Zammito
Investor Relations
Tél. : +33 1 45 38 86 33

Accor, a major global group and the European leader in hotels, as well as the global leader in services to corporate clients and public institutions, operates in nearly 100 countries with 150,000 employees. It offers to its clients over 40 years of expertise in two core businesses:

- Hotels, with the **Sofitel, Pullman, MGallery, Novotel, Mercure, Suitehotel, Ibis, all seasons, Etap Hotel, Formule 1 and Motel 6 brands**, representing 4,000 hotels and nearly 500,000 rooms in 90 countries, as well as strategically related activities, such as **Lenôtre.**

- Services, with 32 million people in 40 countries benefiting from Accor Services products in employee and constituent benefits, rewards and incentives, and expense management.