



## Press Release

### First-Half 2005 Revenues Up 6.8%

(in Euros million)	2004 IFRS	2005 IFRS	% change (reported)	% change (like-for-like)*
<b>Hotels</b>				
Upscale and Midscale	1,365	1,390	+1.8%	+2.5%
Economy	600	655	+9.3%	+4.3%
Economy US	449	448	-0.3%	+4.8%
<b>Services</b>	254	290	+14.4%	+12.6%
Other businesses	744	860	+15.6%	+7.6%
<b>Total Group</b>	<b>3 412</b>	<b>3 643</b>	<b>+6.8%</b>	<b>+5.0%</b>

\*Based on constant scope of consolidation and exchange rates

(Paris – July 27, 2005) — Accor's consolidated revenues rose 6.8% to Euros 3,643 million in the six months that ended June 30, 2005. Based on constant scope of consolidation and exchange rates, the like-for-like increase was 5.0%.

Revenues increased faster in the second quarter (up 6.0% like-for-like) than in the first (up 3.8%). When restated for differences in Easter vacation dates, which fell in April in 2004 and in March in 2005, revenues rose by 5.6% in second-quarter 2005, compared to 4.3% in the first quarter. The 1.3-point growth acceleration from one quarter to the next was due mainly to improved results in the Upscale and Midscale Hotel segment in Europe.

Expansion has contributed for up 4.3% of total sales growth. During the first half, 101 hotels (12,431 rooms) were opened, of which 80% were properties operated under management contracts or franchise agreements. Among the remaining 20% of owned or leased rooms, 60% were in the Economy segment and 40% in Upscale and Midscale hotels.

Disposals negatively impacted overall sales by -2.2%.

Sensitivity to currency changes are less and less important with a limited effect of -0.3% on first-half revenue growth.



## **Upscale and Midscale Hotels**

Upscale and Midscale Hotel revenues rose a like-for-like 2.5% in the first half.

Revenue growth was strong in countries where the business cycle is robust, with like-for-like increases of 10.7% in North America, 5.7% in the United Kingdom, 24.7% in Asia and 7.3% in South America.

In Continental Europe, revenues grew slowly, although an improvement was apparent in the second quarter. In France, Accor applied a marketing policy that privilege business travelers, driving an increase in average room rates of 4.8% during the period.

## **Economy Hotels (outside the United States)**

Economy Hotel revenues were up 4.3% like-for-like for the half : +4.2% in France and +3.1% in the rest of Europe.

## **Economy Hotels in the United States**

The sustained growth in like-for-like revenues in the US Economy Hotel segment continued throughout the first half, as revenues rose 4.8% during the period.

Implementation also continued on the Red Roof Inn renovation program, with 80 units renovated as of June 30 and 12 currently in renovation.

## **Services**

The Services business sped up its robust growth in the first half, when like-for-like revenues rose 12.6%. Revenues were up 9.2% in Europe and 19.2% in South America.

Favorable changes in local legislation supported expansion in new markets:

- In Belgium (up 21.8%), since the launch of the home services voucher in 2004,
- In the United Kingdom (up 15.9%), where additional childcare voucher tax advantages introduced in April spurred significant growth in revenues, which rose 20.4% in the second quarter compared to an 8.2% increase in the first three months,
- In Venezuela (up 58.5%), where companies must now provide food vouchers if they have 20 or more employees, compared to 50 employees in the past.

The currency effect had a positive 1.2% impact on first-half revenue growth.



## **Travel Agencies**

Travel agency revenues increased 23.0% as reported and 9.2% like-for-like. Revenues in France and the United States were lifted by the integration, respectively, of Protravel and Maritz. These acquisitions enabled Carlson Wagonlit Travel to win new contracts, create synergies and improve its negotiating power.

## **Casinos**

In the Casinos business, the key event was the December 2004 creation of the new Groupe Lucien Barrière by combining the assets of Accor Casinos and Groupe Barrière. The new company operates 36 casinos and 13 hotels.

First-half revenues amounted to Euros 152 million for Accor's stake.

## **Other activities**

Restaurants were up 9.1% like-for-like in the first-half.

On board train services revenues increased by 8.6% (like-for-like).

## **Conclusion**

First-half 2005 confirmed the positive trends for 75% of the Accor business portfolio:

- Economy Hotels (outside the US): up 4.3%.
- US Economy Hotels: up 4.8%.
- Upscale and Midscale Hotels (excluding Continental Europe): up 6.6%.
- Services: up 12.6%.
- Other businesses: up 7.6%.

Growth in the Upscale/Midscale segment in Continental Europe (25% of sales) is still weak, although the second quarter has shown new encouraging signs of recovery.

## **Contact**

Eliane Rouyer  
Director  
Investor Relations  
Tél : 00 33 (1) 45.38.86.26

Anthony Pallier  
Investor Relations  
Tél : 00 33 (1) 45.38.86.33



	Quarter 1			Quarter 2			Half Year		
	Revenues 2004	Revenues 2004 IFRS	Revenues 2005 IFRS	Revenues 2004	Revenues 2004 IFRS	Revenues 2005 IFRS	Revenues 2004	Revenues 2004 IFRS	Revenues 2005 IFRS
<b>HOTELS</b>									
Upscale and Midscale	646 225	630 510	631 433	758 274	734 784	758 185	1 404 499	1 365 294	1 389 617
Economy	276 826	275 834	294 400	324 781	323 960	361 011	601 608	599 794	655 411
Economy US	202 220	202 220	200 753	246 658	246 658	246 767	448 879	448 879	447 521
<b>Total HOTELS</b>	<b>1 125 272</b>	<b>1 108 564</b>	<b>1 126 586</b>	<b>1 329 714</b>	<b>1 305 402</b>	<b>1 365 963</b>	<b>2 454 985</b>	<b>2 413 966</b>	<b>2 492 549</b>
<b>SERVICES</b>	<b>121 152</b>	<b>123 395</b>	<b>139 716</b>	<b>127 680</b>	<b>130 287</b>	<b>150 374</b>	<b>248 832</b>	<b>253 682</b>	<b>290 090</b>
<b>Other Businesses</b>									
Travel Agencies	87 714	88 085	108 857	105 661	106 169	130 033	193 375	194 254	238 890
Casinos	53 341	53 289	76 070	53 200	53 148	75 597	106 541	106 437	151 667
Restauration	109 504	111 624	118 125	113 061	115 108	133 275	222 565	226 732	251 400
On-board train services	58 669	58 669	59 638	65 049	65 049	68 842	123 718	123 718	128 479
Other	42 293	42 563	46 714	50 202	50 485	43 247	92 495	93 048	89 960
<b>Total other businesses</b>	<b>351 521</b>	<b>354 230</b>	<b>409 404</b>	<b>387 173</b>	<b>389 958</b>	<b>450 993</b>	<b>738 694</b>	<b>744 189</b>	<b>860 397</b>
<b>Total</b>	<b>1 597 945</b>	<b>1 586 189</b>	<b>1 675 705</b>	<b>1 844 566</b>	<b>1 825 647</b>	<b>1 967 330</b>	<b>3 442 511</b>	<b>3 411 837</b>	<b>3 643 036</b>

	Quarter 1		Quarter 2		Half Year	
	Change Report. IFRS	Change L.L. % (*)	Change Report. IFRS	Change L.L. % (*)	Change Report. IFRS	Change L.L. % (*)
<b>HOTELS</b>						
Upscale and Midscale	0.1%	0.5%	3.2%	4.2%	1.8%	2.5%
Economy	6.7%	3.5%	11.4%	4.9%	9.3%	4.3%
Economy US	-0.7%	4.5%	0.0%	5.0%	-0.3%	4.8%
<b>Total HOTELS</b>	<b>1.6%</b>	<b>2.0%</b>	<b>4.6%</b>	<b>4.6%</b>	<b>3.3%</b>	<b>3.4%</b>
<b>SERVICES</b>	<b>13.2%</b>	<b>11.8%</b>	<b>15.4%</b>	<b>13.4%</b>	<b>14.4%</b>	<b>12.6%</b>
<b>Other Businesses</b>						
Travel Agencies	23.6%	8.1%	22.5%	10.0%	23.0%	9.2%
Casinos	42.7%	3.9%	42.2%	-3.2%	42.5%	0.3%
Restauration	5.8%	4.1%	15.8%	13.9%	10.9%	9.1%
On-board train services	1.7%	6.2%	5.8%	10.8%	3.8%	8.6%
Other	9.8%	13.7%	-14.3%	3.3%	-3.3%	8.1%
<b>Total other businesses</b>	<b>15.6%</b>	<b>6.6%</b>	<b>15.7%</b>	<b>8.6%</b>	<b>15.6%</b>	<b>7.6%</b>
<b>Total</b>	<b>5.6%</b>	<b>3.8%</b>	<b>7.8%</b>	<b>6.0%</b>	<b>6.8%</b>	<b>5.0%</b>

(\*) L.L. : Like for Like



HOTELS : RevPAR by segment at June-end 2005 (YTD)	Occupancy Rate		Average room rate		RevPAR			
	(in %)	(var in pts)		(var in %)	subsidiaries reported basis (1)	subsidiaries reported basis	subsidiaries like-for-like basis	subsidiaries & managed reported basis
Upscale and Midscale Europe	61.9%	-0.8	94	2.7%	58.0	1.3%	2.0%	0.2%
Economy Europe	71.4%	-0.2	49	3.7%	35.0	3.4%	3.6%	3.3%
Economy US (in USD)	64.9%	+1.3	43	3.6%	28.1	5.8%	5.7%	5.8%

(1) at comparable scope



UPSCALE AND MIDSACLE HOTELS RevPAR by country at June-end 2005 (YTD) (in local currency)	Number of rooms (1)	Occupancy Rate		Average room rate		RevPAR			
		(in %)	(var in pts)	(var in %)	subsidiaries	subsidiaries	subsidiaries	subsidiaries & managed	
					reported basis (1)	reported basis	like-for-like basis	reported basis	
France	30 599	60.9%	-1.3	101	4.8%	61	2.5%	2.7%	3.3%
Germany	13 529	59.5%	+0.0	74	0.0%	44	0.0%	0.0%	8.0%
Netherlands	3 697	64.6%	+0.7	101	0.0%	65	1.2%	1.2%	1.7%
Belgium	2 230	65.9%	-2.1	99	2.3%	65	-0.9%	-0.9%	-0.2%
Spain	1 948	62.2%	-2.6	95	-8.4%	59	-12.1%	-3.2%	-12.1%
Italy	3 014	60.1%	+2.0	113	-1.5%	68	1.8%	2.6%	1.8%
UK ( in £)	5 093	71.9%	-1.5	77	7.1%	55	5.0%	6.6%	5.6%
USA (in \$)	3 449	74.3%	+2.6	170	12.8%	126	16.9%	16.9%	16.9%

ECONOMY HOTELS RevPAR by country at June-end 2005 (YTD) (in local currency)	Number of rooms (1)	Occupancy Rate		Average room rate		RevPAR			
		(in %)	(var in pts)	(var in %)	subsidiaries	subsidiaries	subsidiaries	subsidiaries & managed	
					reported basis (1)	reported basis	like-for-like basis	reported basis	
France	44 540	73.3%	-0.5	43	4.6%	31	3.8%	4.0%	3.9%
Germany	14 985	68.2%	+0.2	51	0.5%	35	0.8%	1.0%	0.9%
Netherlands	2 215	71.1%	-2.1	69	1.5%	49	-1.4%	0.4%	-1.4%
Belgium	2 473	73.6%	+1.8	61	-1.2%	45	1.3%	1.3%	1.3%
Spain	3 259	71.8%	-0.9	48	5.9%	35	4.6%	9.6%	4.6%
Italy	1 163	57.9%	+4.5	74	-10.6%	43	-3.0%	-0.2%	-3.0%
UK ( in £)	5 995	74.5%	+1.3	48	4.7%	36	6.6%	7.1%	6.0%
USA (in \$)	109 360	64.9%	+1.3	43	3.6%	28	5.8%	5.7%	5.8%

(1) at comparable scope