



Groupe
Lucien Barrière



ColonyCapital

Press release

Creation of a French-based group, one of the major European players in the casino sector

Partnership between the Barrière Desseigne family, Accor and Colony/Colyzeo

(Paris - January 19, 2004) - The Barrière Desseigne family, Accor and Colony Capital have signed an agreement to create a group with a leading position in the European casino sector.

The agreement is based on the combination of the casino and hotel assets of Société Hôtelière de la Chaîne Lucien Barrière (SHCLB), Société des Hôtels et Casino de Deauville (SHCD), Accor Casinos, and their respective subsidiaries.

The Barrière Desseigne family currently owns 100% of SHCLB and 54% of SHCD. Accor owns 35% of SHCD and 50% of Accor Casinos, with Colony Capital owning the remaining 50% of Accor Casinos. On completion of this important external growth transaction, the Groupe Lucien Barrière will simplify the shareholding structure, with the Barrière Desseigne family 51% in the Group, with Accor holding 34% and Colony Capital holding 15%. In addition to its shareholding, Colony Capital, through its European fund Colyzeo, will invest EUR100 million in the Group, further strengthening the Group's financial structure.

The new shareholding structure will be accompanied by a shareholders' agreement setting forth the Group's governance, in particular with respect to certain of the Group's major decisions, in accordance with usual practice in this type of shareholding structure. Under the shareholders' agreement, Colony Capital will have an option to sell its shareholding to Accor, with Accor holding a similar option to buy Colony Capital's shareholding.

SHCLB, to be renamed Groupe Lucien Barrière, will be transformed into a "simplified joint stock company" (*société par actions simplifiée*). Dominique Desseigne will be appointed Chairman of the Supervisory Board with specific additional powers, Benjamin Cohen will be Vice Chairman. Sven Boinet will chair the Management Board.

Pro-forma for the transaction, gross revenues for the Group were approximately EUR900 million for FY2003. The Group will operate 37 casinos, with close to 5,000 slot machines in locations that include Deauville, Enghien, La Baule, Montreux,

Bordeaux, Biarritz and Nice. Additionally, the Group will operate 13 luxury hotels and a substantial restaurant business, including Fouquet's on the Champs-Élysées in Paris.

The transaction will combine the respective strengths of the Groupe Lucien Barrière and Accor, in the commercial, industrial and financial areas to attract new clients, improve the profitability of the Group and continue the consolidation of the casino sector in Europe.

The transaction will take the form of an acquisition by Groupe Lucien Barrière of the outstanding shares of SHCD and Accor Casinos currently held by the Barrière Desseigne family, Accor and Colony Capital.

Groupe Lucien Barrière will also acquire the "Lucien Barrière" brand from the Barrière Desseigne family and will license the use of the brand to all the casinos and hotels within the Group, on the terms set by an external valuation.

The agreement is subject to certain conditions precedent, in particular approval by the antitrust authorities and the casino supervisory authorities.

➤ **The Barrière Group** is organised around a concept: the resort, a holiday centre where luxury hotels, restaurants, sports and fitness facilities are provided around a casino, for both private and corporate clients.

The Barrière Group currently operates 13 hotels (2,000 rooms), at La Baule, Cannes, Deauville, Dinard, and Enghien-les-Bains, 14 casinos in France of which the Casino Barrière at Enghien-les-Bains has been ranked the top casino in France for the second consecutive year, and a casino in Switzerland (Montreux) that is the largest casino in French-speaking Switzerland. The Barrière Group also operates 57 restaurants including the renowned Fouquet's Paris as well as discotheques, 3 golf courses, 1 thalassotherapy centre and 2 tennis clubs.

In addition, the ultra luxury hotel development, Hôtel Fouquet's Barrière, is expected to open in 2005.

As of October 31, 2003 The Groupe Lucien Barrière had 4,400 employees, with revenues of €646 million.

➤ **Accor**, with 150,000 associates in 140 countries, is the European leader and one of the world's largest groups in travel, tourism and corporate services with two major international business activities: hotels, with nearly 4,000 units, and services to corporate clients and public institutions.

Accor Casinos, a subsidiary of Accor and Colony Capital, today operates 24 casinos (3 are in the course of being opened) including Ruhl (Nice), Bordeaux, Les Sables d'Olonne, Cannes Mandelieu, Saint Raphaël, Sainte Maxime, Carry Le Rouet, Carnac, Perros-Guirec, Chamonix and Le Touquet.

For fiscal 2003, Accor Casinos had revenues of EUR389 million.

➤ **Colony Capital** is a private investment fund, specialising in real estate, with invested capital of more than US\$10 billion since 1991, of which US\$4 billion was in Europe. Colony Capital has been investing in the casino sector since 1999 and is one of the few funds to meet the requirements of the American casino regulators. Funds managed by Colony Capital own Resorts International at Atlantic City, Costa Smeralda in Sardinia and the Guanahani on Saint Bart's. Colony Capital recently announced that it has entered into an agreement to buy the Las Vegas Hilton. Since 1999, Colony Capital and Accor have entered into several partnership agreements in the hotel and casino sector.

Colyzeo is the European investment fund formed from a partnership between Colony Capital and Eurazeo.

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Shareholders' Information: accor.com/finance