



## Press Release

Paris, April 23 2007

# Accor announces the sale of Red Roof Inns to Citi Global Special Situations Group and Westbridge for 1.32 billion dollars

Based on the strategic review undertaken in 2006, Accor today announced the sale of Red Roof Inns to a consortium comprised of Citi's Global Special Situations Group and Westbridge Hospitality Fund, L.P. for 1.32 billion dollars.

The Global Special Situations Group of Citigroup Global Markets Holdings Inc is a principal investment group that invests Citi's capital in event-driven and special situation strategies globally.

Westbridge is a partnership between Westmont Hospitality Group and a number of Canadian pension fund managers, including Cadim Inc., a division of Caisse de dépôt et placement du Québec, and Régime de rentes du Mouvement Desjardins. Westmont is one of the largest private owner/operator of hotels in the world.

The Red Roof Inn network will have 326 properties and 35,238 rooms (after rebranding of 9 Red Roof Inns as Motel 6 units prior to the sale), located mainly in the East coast and Midwest regions of the United States.

The transaction will be based on 11.2 times 2006 EBITDAR (which totaled 118 million dollars excluding the rebranded Motel 6 units). Financially, the transaction will enable Accor to reduce its adjusted net debt by 830 million euros (1.08 billion dollars), of which 470 million euros (610 million dollars) will be added to the Group's cash reserves.

Following the divestment, Accor is refocusing on a single brand, Motel 6, the leading economy hotel chain in the United States. Motel 6 operates 928 hotels across North America, especially on the US West Coast, where it is market leader in California with 181 units. The chain enjoys very high brand recognition and a unique positioning, established more than 30 years ago, as offering "the best price of any national chain".

Refocusing on the Motel 6 brand will enable the US Economy Hotel business to generate ROCE of more than 10% in 2007.

Regarding this operation, Gilles Pélisson, CEO, says : "The United States are a key market for us. With the ambition of being the world leader in economy and budget hotels, Accor plans to step up development of Motel 6 by opening more than 200 units in the United States and Canada by 2010."

Accor's financial advisor on the transaction was Bank of America.

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**Accor**, the European leader in hotels and tourism, and a global leader in corporate services, operates in nearly 100 countries with 170,000 employees. It offers to its individual and corporate clients 40 years of expertise in its two core businesses:

- **Hotels**, with the **Sofitel, Novotel, Mercure, Suitehotel, Ibis, All Seasons, Etap Hotel, Formule 1 and Motel 6 brands**: around 3.800 hotels and 450,000 rooms in 90 countries, as well as strategically related activities, such as **Lenôtre** ;
- **Services to corporate clients and public institutions**: 23 million people in 35 countries benefit from **Accor Services** products (human resources, marketing services, expense management, social programs management).

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## Appendix

### Key Figures Red Roof Inn

(in million dollars )	2006 Reported	P/L 2006 – Units sold
Total number of hotels	335	326
Of which:		
<i>Owned properties</i>	87	221
<i>Leased properties</i>	143	-
<i>Franchised properties</i>	105	105
Revenues	352	328
EBITDAR	126.7	119.5
Rental expenses for transferred hotels	(1.7)	(1.7)
EBITDA (before S&L Back)	125	117.8
Rental Expenses	(60)	-
<b>EBITDA</b>	<b>65.0</b>	<b>117.8</b>

Repurchase of the leases for 710 million dollars (including expenses related to the transaction).