



## Press Release

### First-Quarter 2006 Revenue Up 10.4% Good overall performance

(Paris – April 26, 2006) — The overall first-quarter performance was good. In Upscale and Midscale Hotels, growth was driven by the favorable impact of the shift in the Easter vacation calendar and by business in Germany. The Economy segment in Europe continued to expand. In the United States, the Economy segment was lifted by a favorable market environment. The Services business posted sharp increases. The Group is continuing to implement its strategic initiatives, as reflected in the asset disposal and expansion programs.

(in € millions)	2005	2006	% Change (reported)	% Change like-for-like*
<b>Hotels</b>	<b>1,127</b>	<b>1,233</b>	<b>+9.5%</b>	<b>+5.2%</b>
Upscale and Midscale	632	680	+7.8%	+5.5%
Economy	294	321	+9.2%	+3.6%
Economy US	201	232	+15.4%	+6.6%
<b>Services</b>	<b>140</b>	<b>179</b>	<b>+28.4%</b>	<b>+15.9%</b>
Other businesses	409	438	+6.8%	+4.4%
<b>Total</b>	<b>1,676</b>	<b>1,850</b>	<b>+10.4%</b>	<b>+5.9%</b>

\*At constant scope of consolidation and exchange rates

Accor's consolidated revenue rose 10.4% to €1,850 million in the first three months of 2006. At constant scope of consolidation and exchange rates, the increase was 5.9%.

In the Hotels business, the solid 5.2% like-for-like increase in revenue was due partly to a shift in the Easter vacation dates in a number of European countries, which had a positive 0.6-point impact on growth. Fees from management and franchise contracts for the quarter were up 13.3% at constant exchange rates.

The Services business posted a substantial 15.9% like-for-like increase in revenue.

Business expansion accounted for 3.4% of reported growth. Expansion in the Hotels business represented 3.8% of revenue growth, with the opening of 57 hotels, whereas in Services, it accounted for 5.3% of growth, mainly through four acquisitions: Hungastro in Romania, Delicard in Sweden, Stimula in France and Commuter Check in the United States.

Asset disposals had a negative 2.9-point impact on growth. As part of the disposal of 200 non-priority hotels, 52 hotels were sold during the past 12 months, as well as two non strategic activities: facilities management business in Brazil and public catering operations in Luxembourg.

The currency effect added 3.9 points to revenue growth and primarily reflected the appreciation of the Brazilian real and the US dollar against the euro.



### Upscale and Midscale Hotels

Revenue in the Upscale and Midscale segment rose by 7.8% as reported and 5.5% like-for-like.

Excluding the impact of the shift in the Easter holiday period, revenue was up 4.5% like-for-like for the period.

In Europe (excluding France), the trend was favorable, with revenue rising 8.1% like-for-like. Germany reported a 10.9% like-for-like increase, thanks to an improved economy, the favorable impact of the Easter holidays, and the fact that business seminars and conventions were moved forward because of the FIFA World Cup to be held, beginning of June. Revenue in the United Kingdom was up 9.5% like-for-like, reflecting a still favorable business cycle. Growth was led by an increase in business customers and a strong performance by hotels in London. In Italy, the 13.3% like-for-like increase was due mainly to the Winter Olympics.

In France, like-for-like growth in revenue, which was just 0.9%, was affected by the program to renovate 128 hotels as part of the Foncière des Murs transaction. Growth was greater in Paris (up 1.8%) than in other regions (up 0.3%).

In the rest of the world, the 8.5% like-for-like increase in revenue was led by strong demand, especially in North America, where revenue grew by 4.7% (11.5% when restated to take into account the Sofitel Los Angeles, currently being fully renovated), and in emerging markets, where the increase was 9.7%.

### Economy Hotels (outside the United States)

In the Economy segment (excluding the US), revenue rose by 9.2% as reported and 3.6% like-for-like.

The segment was relatively unaffected by the shift in the Easter vacation calendar, which had a positive but modest 0.4-point impact on growth.

In Europe (excluding France), the strong 4.9% like-for-like increase was led by Germany, which reported 6.0% growth due to the same reasons as already mentioned (more favorable economy and positive impact of the Easter holiday schedule).

In France, revenue growth (1.8% like-for-like) was held back by a three-point decline in the Formule 1 and Etap Hotel occupancy rate, specially outside the Greater Paris area.

### Economy Hotels in the US

The sharp rise in revenue was confirmed during the period, with a like-for-like increase of 6.6%. The currency effect accounted for 9.6 points of the 15.4% increase in reported revenue.

Like-for-like revenue was up 6.6% for Motel 6 and 5.2% for Red Roof Inn. Fees from franchise contracts for the quarter were up 29.8% at constant exchange rates



Implementation of the Red Roof Inn renovation program continued, with 107 hotels completed and 16 underway.

### Services

Revenue from the Services business climbed by 15.9% like-for-like and 28.4% as reported.

This strong performance, especially in Belgium (up 22.1% like-for-like), the United Kingdom (up 27.4%) and Venezuela (up 33.7%), was led by favorable changes in regulations and new product launches over the past months.

Like-for-like revenue increased by 12.5% in Europe and 21.5% in Latin America.

The currency effect, mainly linked to the appreciation of the Brazilian real, was a positive 9.2%.

### Other businesses

For the period, travel agency revenue was up 4.3% as reported and 4.1% like-for-like.

Revenue from the casino business rose by 0.8% like-for-like and 1.2% as reported.

Revenue from the restaurant business increased 8.9% like-for-like and 19.9% as reported.

Revenue in the onboard train service business declined by 0.1% like-for-like and by 0.5% as reported.

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With 168,000 people in 140 countries, **Accor** is the European leader and one of the world's largest groups in travel, tourism and corporate services, with two major international activities:

- **Hotels, with the Sofitel, Novotel, Mercure, Suitehotel, Ibis, Etap Hotel, Formule 1, Motel 6 and Red Roof Inn brands**, representing more than 4,000 hotels and 470,000 rooms in 90 countries, as well as such strategically related businesses as restaurants and food services (notably **Lenôtre**), casinos and travel agencies.

- **Services to corporate clients and public institutions**: 21 million people in 35 countries use a broad range of services engineered and managed by **Accor Services**, including restaurant and food vouchers and cards, people care and services, incentive programs and loyalty programs.

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## Revenue

In Euros thousand	Quarter 1		Quarter 1	
	2 005	2 006	Change Reported %	Change L/L % (*)
<b>HOTELS</b>				
Upscale and Midscale	631 473	680 442	7.8%	5.5%
Economy	294 400	321 437	9.2%	3.6%
Economy US	200 753	231 601	15.4%	6.6%
<b>Total HOTELS</b>	<b>1 126 626</b>	<b>1 233 480</b>	<b>9.5%</b>	<b>5.2%</b>
<b>SERVICES</b>	<b>139 716</b>	<b>179 360</b>	<b>28.4%</b>	<b>15.9%</b>
<b>Other Businesses</b>				
Travel Agencies	113 469	118 344	4.3%	4.1%
Casinos	76 070	76 980	1.2%	0.8%
Restauration	118 125	141 609	19.9%	8.9%
On-board train services	59 638	59 343	-0.5%	-0.1%
Other	42 102	41 022	-2.6%	5.6%
<b>Total other businesses</b>	<b>409 404</b>	<b>437 298</b>	<b>6.8%</b>	<b>4.4%</b>
<b>Total</b>	<b>1 675 746</b>	<b>1 850 138</b>	<b>10.4%</b>	<b>5.9%</b>

\*Based on constant scope of consolidation and exchange rates



## RevPAR by segment

HOTELS : RevPAR by segment  
at March-end 2006 (YTD)

	Occupancy Rate subsidiaries (reported)		Average room rate subsidiaries (reported)		RevPAR			
	(in %)	(var in pts)	(in %)	(var in %)	subsidiaries (reported basis)	subsidiaries (reported basis)	subsidiaries (like-for-like basis(1))	subsidiaries & managed (reported basis)
Upscale and Midscale Europe	56.7%	+1.0	97	4.4%	55	6.2%	4.5%	6.2%
Economy Europe	65.0%	-1.0	51	6.0%	33	4.4%	3.9%	4.1%
Economy US (in \$)	61.7%	+0.1	45	6.7%	28	6.8%	6.5%	6.8%

(1) at comparable scope



## RevPAR by country

UPSCALE AND MIDSCALE HOTELS RevPAR by country at March-end 2006 (YTD) (in local currency)	Number of rooms	Occupancy Rate		Average room rate		RevPAR			
		subsidiaries (reported)		subsidiaries (reported)		subsidiaries	subsidiaries	subsidiaries	subsidiaries & managed
		(in %)	(var in pts)	(var in %)	(reported basis)	(reported basis)	(like-for-like basis(1))	(reported basis)	
France	30 387	55.2%	-0.6	105	2.7%	58	1.7%	1.2%	1.6%
Germany	13 598	59.9%	+5.7	76	3.5%	46	14.3%	11.1%	12.7%
Netherlands	3 696	52.5%	-3.0	103	5.9%	54	0.2%	0.2%	0.2%
Belgium	2 230	57.6%	-0.7	103	4.3%	59	3.1%	3.1%	7.4%
Spain	2 241	51.8%	-3.8	101	7.0%	52	-0.4%	8.5%	-0.6%
Italy	2 935	58.1%	+6.2	107	1.4%	62	13.6%	13.6%	13.6%
UK (in £)	5 145	71.1%	+3.2	79	4.2%	56	9.1%	9.4%	9.1%
USA (in \$)	3 449	68.8%	-2.3	179	11.9%	123	8.2%	8.2%	8.6%

ECONOMY HOTELS RevPAR by country at March-end 2006 (YTD) (in local currency)	Number of rooms	Occupancy Rate		Average room rate		RevPAR			
		subsidiaries (reported)		subsidiaries (reported)		subsidiaries	subsidiaries	subsidiaries	subsidiaries & managed
		(in %)	(var in pts)	(var in %)	(reported basis)	(reported basis)	(like-for-like basis(1))	(reported basis)	
France	44 333	66.2%	-2.2	45	6.0%	30	2.6%	2.5%	2.7%
Germany	15 187	65.3%	+1.8	53	3.6%	35	6.5%	6.4%	6.4%
Netherlands	2 215	62.7%	+3.0	67	2.3%	42	7.4%	7.4%	7.4%
Belgium	2 477	65.5%	-1.5	63	6.8%	42	4.4%	4.4%	4.4%
Spain	3 623	68.7%	+1.5	51	6.6%	35	9.0%	9.8%	9.0%
Italy	1 339	51.2%	+1.7	77	1.9%	40	5.4%	10.8%	5.4%
UK (in £)	6 566	66.3%	-5.1	51	6.6%	34	-1.0%	0.2%	-0.3%
USA (in \$)	108 072	61.7%	+0.1	45	6.7%	28	6.8%	6.5%	6.8%

(1) at comparable scope