Press Release
Paris – February 24, 2010

2009 operating profit before tax[1] of €448 million, at the upper end of the €400-450 million target

Dividend of €1.05 per share recommended at the June 29, 2010 Annual Meeting

Prepaid Services: resilient EBITDAR margin despite a difficult economic and business environment

Hotels: limited decline in EBITDAR margin thanks to greater than expected cost-savings

- **Operating profit before tax and non-recurring items: €448 million**, at the upper end of the announced €400-450 million target, despite the €39 million negative impact from the devaluation of the Venezuelan bolivar
- **Limited 1.5 point decline in EBITDAR margin to 28.0%**
- **Net loss of €282 million** due to the impact of impairment losses and restructuring costs totaling €514 million
- **Solid financial position,** with a funds from operations/adjusted net debt ratio of 20.0%[2]; €2.5 billion in unused confirmed lines of credit

2009 Results

(in € millions)	**2008**[4]	**2009**	**Change (reported)**	**Change (like-for-like)**[3]
Revenue	7,722	7,065	- 8.5%	- 7.9%
EBITDAR	2,290	1,976	- 13.7%	- 12.5%
EBITDAR margin	*29.7%*	*28.0%*	*-1.7 pts*	*-1.5 pts*
Operating profit before tax and non-recurring items	875	448	- 48.9%	- 38.0%
Operating profit before non-recurring items, net of tax	603	328	- 45.6%	n/a
Net loss, Group share	575	(282)	n/a	n/a

[1]Operating profit before tax and non-recurring items
[2]Adjusted funds from operations to adjusted net debt is calculated with net debt adjusted for the 8% discounting of future minimum lease payments.
[3]Excluding changes in scope of consolidation and exchange rates
[4] Impact of the retrospective application of IFRIC 13 – Customer Loyalty Programs from January 1, 2008

- **Operating profit before tax and non-recurring items of €448 millions**

Consolidated revenue totaled €7,065 million in 2009, representing a **decline of 7.9% at comparable scope of consolidation and exchange rates** (like-for-like) and of 8.5% as reported. Reported revenue was adversely impacted by a difficult economic environment as well as by asset disposals (which reduced growth by 3.5%) and the negative 1.4% currency effect.

- The slight 1.4% like-for-like increase in **Prepaid Services** revenue (down 3.6% as reported), including operating revenue rise of 3.9% like-for-like reflected its strong, sustainable growth fundamentals, in spite of the year's exceptionally severe global crisis. Financial revenue was down 15.0% like-for-like by the fall in interest rates.

- **Hotels** revenue contracted by 10.1% like-for-like and 9.8% on a reported basis, highlighting the greater resilience of the Economy segment in Europe and reflecting a slight upturn in business at year-end. In all, revenue declined by 6.1% in the Economy segment, 11.5% in Upscale and Midscale hotels, and 13.8% in the US Economy segment, which has yet to show any signs of a recovery.

Consolidated **EBITDAR** amounted to €1,976 million, for an **EBITDAR margin** of 28.0%, down 1.7 points as reported and 1.5 points like-for-like compared with 2008.

- **Prepaid Services** showed a limited 0.3 point like-for-like decline in EBITDAR margin to 41.8%, confirming its resilience despite rising unemployment and falling interest rates. Adjusted for financial revenue, EBITDAR margin rose by 1.2 points like-for-like. EBITDAR margin on issue volume amounted to 3.2% in Europe and 3.3% in Latin America.

- EBITDAR margin in the **Hotels** business contracted by 2.6 points like-for-like to 29.1%. Like-for-like margin declines were limited in Upscale and Midscale hotels (down 2.5 points, of which 4.1 points in the first half and 1.0 point in the second) and in the Economy segment (down 1.7 points, of which 2.3 points in the first half and 1.1 point in the second) thanks to the deployment of significant cost-cutting plans during the year, which reduced operating costs by **€165 million, versus a target of €150 million**, and support costs by **€87 million, versus a target of €80 million**. Response ratios stood at 53.3% in the Upscale and Midscale segment and 37% in the Economy segment. EBITDAR margin in the US Economy Hotels business continued to decline, losing 6.6 points like-for-like during the year in a still deeply unfavorable economy.

Operating profit before tax and non-recurring items amounted to **€448 million** for the year, at the upper end of the target announced in August 2009, despite the €39 million negative impact from the devaluation of the Venezuelan bolivar. This represented a 38.0% decline like for-like, of which 44.5% in the first half and 32.7% in the second.

- ## A loss for the year, heavily impacted by impairment losses and restructuring costs

The **net loss, Group share** came to €282 million for the year, **reflecting the following factors:**

- €387 million in impairment losses, of which write-downs of €113 million on Motel 6 goodwill and €100 million on Kadeos intangible assets.
- €127 million in restructuring costs.

The loss per share stood at €1.27, compared with earnings of €2.60 per share in 2008, based on the weighted average 223 million shares outstanding during the year.

Before taking into account the above-mentioned non-recurring items, **operating profit before non-recurring items, net of tax** amounted to €328 million, versus €603 million in 2008. **Operating profit before non-recurring items, net of tax per share** came to **€1.47**, down 46% from 2008.

At the Annual Meeting on June 29, 2010, shareholders will be asked to approve the payment of a **dividend** of **€1.05 per share**, compared with €1.65 the year before. This would represent a payout of more than 70% of 2009 operating profit before tax and non-recurring items.

- ## A solid financial position

Net debt stood at **€1,624 million** at December 31, 2009. Cash outflows for the year included two non-recurring items: the acquisition of an additional 15% interest in Groupe Lucien Barrière for €271 million and the payment of €242 million to the French State in settlement of tax assessments on Compagnie Internationale des Wagons Lits. **Adjusted for these two items, cash flow for the year would have been break-even.**

Recurring cash flow items include:

- €327 million in renovation and maintenance expenditure, in line with objectives and down €161 million from 2008 thanks to disciplined capital expenditure management.
- €495 million in expansion expenditure (excluding the Groupe Lucien Barrière put), representing a decline of €596 million over the year compared to 2008.
- €363 million in proceeds from disposals of assets, primarily stemming from sustained implementation of the Group asset-right strategy (216 hotels were sold in 2009 for €290 million), despite the particularly unfavorable real estate market during the year.
- €396 million in dividends paid in 2009.

As of December 31, 2009, Accor had **€2.5 billion in unused, confirmed lines of credit** and no major refinancing needs before 2012.

The **main financial ratios attest to the solidity of the Group's financial position**. Gearing stood at 50% at December 31, 2009, while **the ratio of funds from operations before non-recurring items to adjusted net debt[1] came to 20.0%.**

Return on capital employed (ROCE)[2] amounted to 10.5% at December 31, 2009, versus 14.1% a year earlier.

[1] Funds from operations before non-recurring items corresponds to cash flow from operating activities before non-recurring items and changes in working capital requirement. 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.
[2] Corresponding to EBITDA expressed as a percentage of fixed assets at cost plus working capital

Sustained deployment of the asset-right strategy in a depressed real estate market

A total of 216 hotels were restructured in 2009, leading to a €360 million reduction in adjusted net debt over the year.

In particular, 157 hotelF1 properties representing 12,174 rooms were sold and leased back in the second half, a major transaction that enabled Accor to reduce its adjusted net debt by €214 million in 2009.

As of December 31, 2009, **60% of the rooms in the hotel base were held under variable-rent leases, management contracts or franchise agreements**.

In February 2010, the Group announced **the further sale of five hotels**, comprising more than 1,100 rooms in four European countries. Undertaken with the Invesco Real Estate hotel investment fund, the transaction covered the sale and variable leaseback of two Novotel and two Mercure units and the sale and management-back of one Pullman property. The **€154 million** disposal will have a **€93 million impact on adjusted net debt in 2010.**

A dynamic hotel expansion drive, aligned with new market realities

To optimize earnings, Accor is focusing its expansion capital expenditure on the Economy Hotels outside the US segment and emphasizing asset-light operating structures in the Upscale and Midscale segment.

Of the more than **27,300 new rooms** opened in 2009, for example, more than 80% were in the Economy and Midscale segments and 81% concerned asset-light ownership structures based on variable-rent leases, management contracts or franchise agreements. Most of the rooms were opened in high potential regions, such as Asia (35%) and Europe (32%).

As of December 31, 2009, there were around **103,000 rooms in the pipeline**, of which half were in the Economy or Budget segments and more than 85% were held under asset-light structures.

2010 trends and outlook

- **Hotels**

With the exception of Economy Hotels in the US, **occupancy rates continued to stabilize** in January 2010, in line with the December 2009 trend. In the Upscale and Midscale segment in Europe, occupancy rate rose 0.3 points over the month, compared with an increase of 0.4 points in December and a decline of 2.8 points in November. In Economy Hotels in Europe, the rate was down 2.2 points in January, versus declines of 1.6 points in December and 5.2 points in November. Average room rates generally stabilize three to nine months after occupancy rates.

- **Prepaid Services**

The sustained rise in unemployment, particularly in Europe, is expected to further impact growth in operating revenue, notably in the first half. The environment should be more favorable in emerging markets, where the increase in people in work is expected to drive stronger revenue growth.

Financial revenue, on the other hand, will continue to be held back by declining interest rates in the first half, before stabilizing in the second half.

Upcoming events

- *April 20: First-quarter revenue*
- *June 29: Extraordinary Shareholders' Meeting*

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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, Adagio, ibis, all seasons, Etap Hotel, Formule 1, hotelF1** and **Motel 6** brands, representing 4,100 hotels and nearly 500,000 rooms in 90 countries, as well as strategically related activities, **Thalassa sea&spa, Lenôtre, CWL.**
- Services, with 33 million people in 40 countries benefiting from Accor Services products in employee and constituent benefits, rewards and incentives, and expense management.

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