2001 Full Year Results

March 6, 2002

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Summary

- 2001 Full Year Results: proven strong resilience

- Accor model:

  long term strategy to create shareholder value

- 2002 Outlook

2001 Full Year Results:

proven strong resilience

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2001 key figures

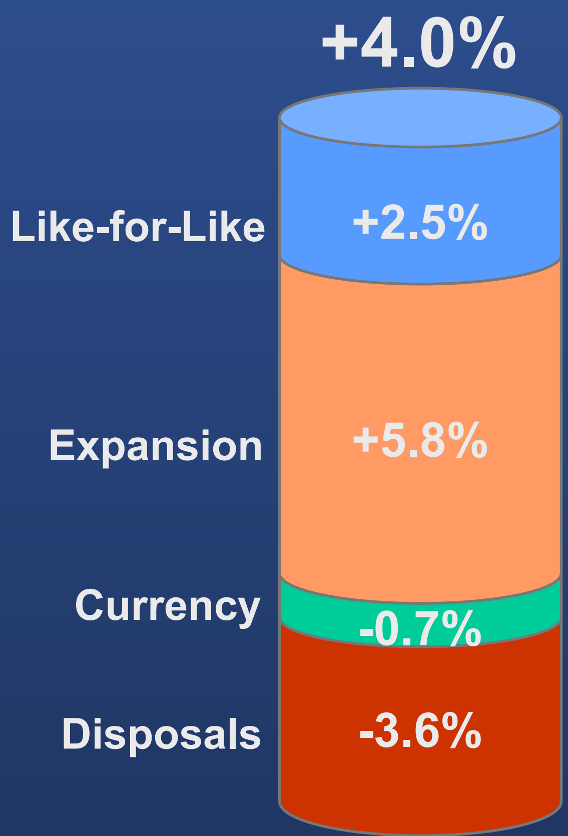
(in € million)	*FY 2000*	*FY 2001*	*Δ 01/00*
Sales	**7,007**	**7,290**	**+4.0%**
Ebitdar	**1,891**	**1,971**	**+4.2%**
% sales	*27.0%*	*27.0%*	
PBT	**751**	**758**	**+0.9%**
Net Income	**447**	**474**	**+6.0%**
EPS (in €)	**2.28**	**2.40**	**+5.3%**
Cash flow from operations	**984**	**1,005**	**+2.1%**

Proven resilience of Accor business model

Breakdown of 2001 Sales

€ 7,290 million

+ € 283 million

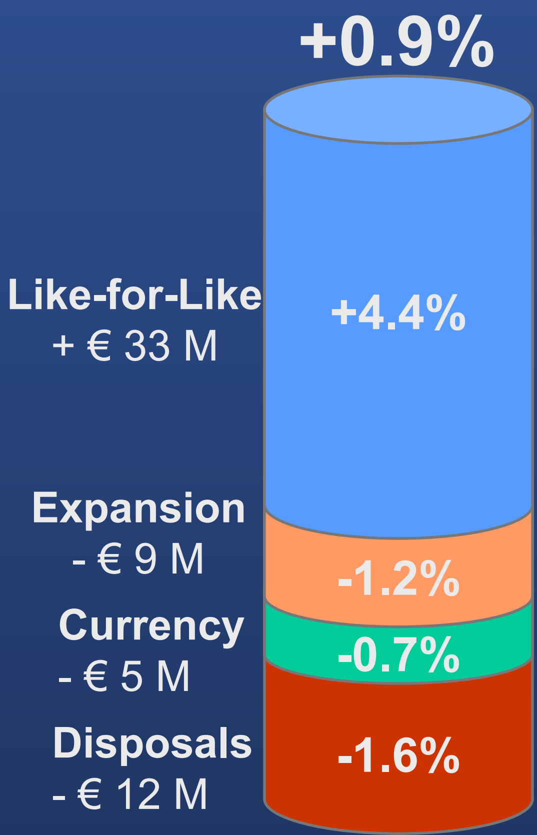


(In € millions)	FY 2001	∆ 01/00
▶ Business and leisure hotels	2,704	+ 7.0%
▶ Economy hotels	1,022	+ 11.3%
▶ U.S. economy hotels	1,326	+ 2.6%
Sub-total hotels	5,052	+6.6%
▶ Services	498	+ 14.0%
▶ Travel agencies	499	- 5.9%
▶ Casinos	302	+ 24.6%
▶ Other	939	-11.4%
	7,290	+ 4.0%

Breakdown of 2001 PBT

€ 758 million

+ € 7 million



(In € millions)	FY 2001	*Δ 01/00*
▶ Business and leisure hotels	217	-17
▶ Economy hotels	175	+18
▶ U.S. economy hotels	132	-37
Sub-total hotels	524	-36
▶ Services	180	+55
▶ Travel agencies	(8)	-14
▶ Casinos	40	+4
▶ Other	22	-2
	758	+7

2001: Increase of PBT, EPS and dividend

PBT

€ 758 M

+0.9%

Net Income

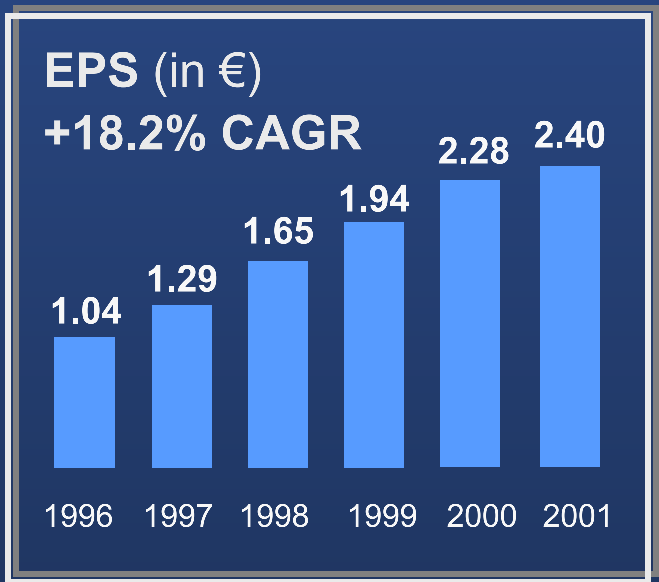
€ 474 M

+6.0%

EPS

€ 2.40

+5.3%



Dividend (1)

€ 1.05

+5.0%

Dividend yield: 3.5%
(incl. tax credit)

(1) To be approved by Shareholders Meeting on May 7th, 2002

Cash flow

(in € million)	*FY 2000*	*FY 2001*	
▶ Cash flow from operations	984	1,005	(13.8% of sales)
▶ Investments for renovation and maintenance	(422)	(405)	
▶ **Free cash flow**	**562**	**600**	**+6.8%**
▶ Investment for development	(1,251)	(923)	
▶ Disposals	843	535	

Increased free cash flow despite a more difficult environment

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Financial ratios

	FY 2000	FY 2001
▶ **Net debt** (in € million)	2,547	2,849
▶ **Financial ratios**		
– Net debt-to-equity (Gearing)	63.9%	66.6%
– Interest coverage (1)	x5.1	x5.4
– F.F.O. (2) / Adjusted net debt (3)	23.4%	22.9%

(1) Ebitdar / (cash financial expense + 1/3 of full-year rents)

(2) Funds from operations = Consolidated cash flow from operations + 2/3 of full-year rents

(3) Net debt adjusted to include five times current year rental expense

Stability of financial ratios in a difficult context

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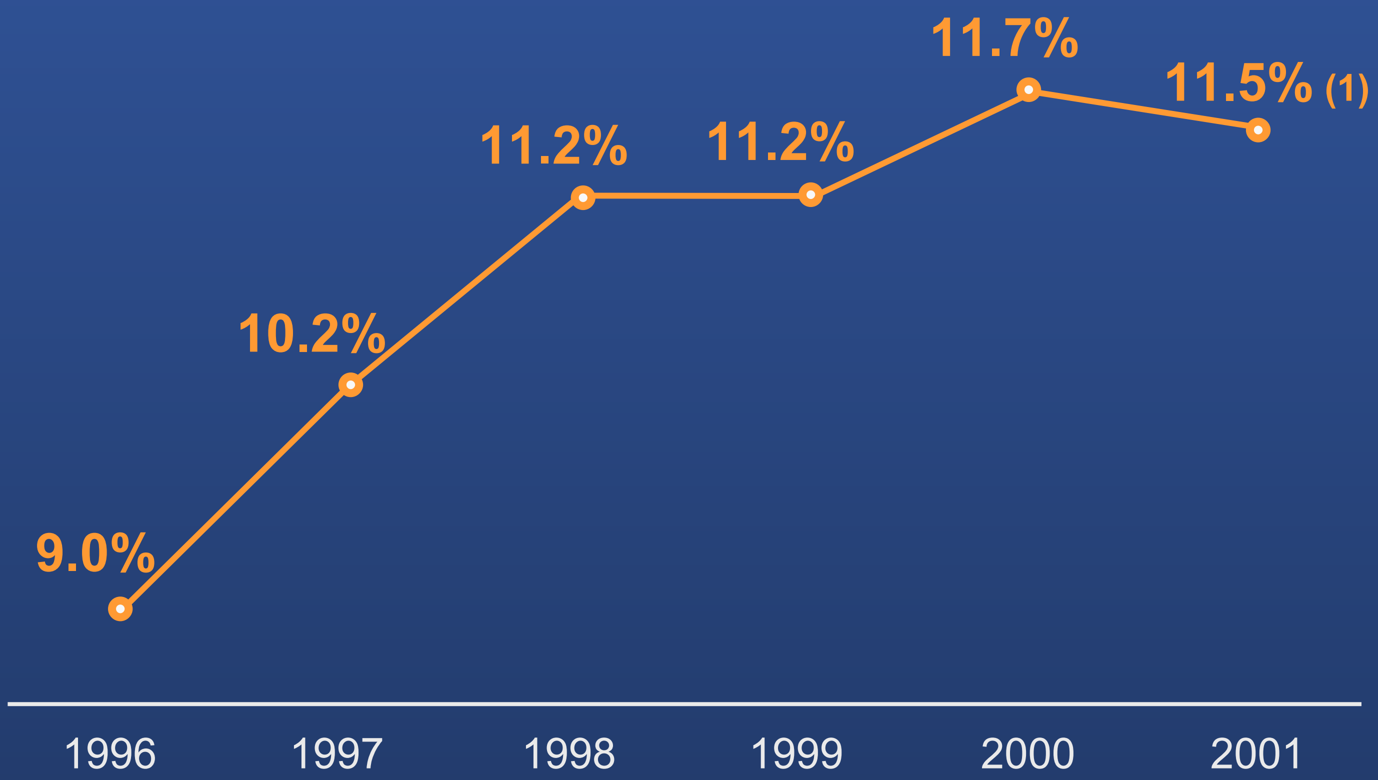
Return on capital employed



(1) Excluding hotel under construction 11.9% as of Dec 2001 vs. 12.1% as of Dec. 2000

$$ROCE = \frac{\textit{Ebitda}}{\textit{Capital employed}}$$

(incl. goodwill and working capital)

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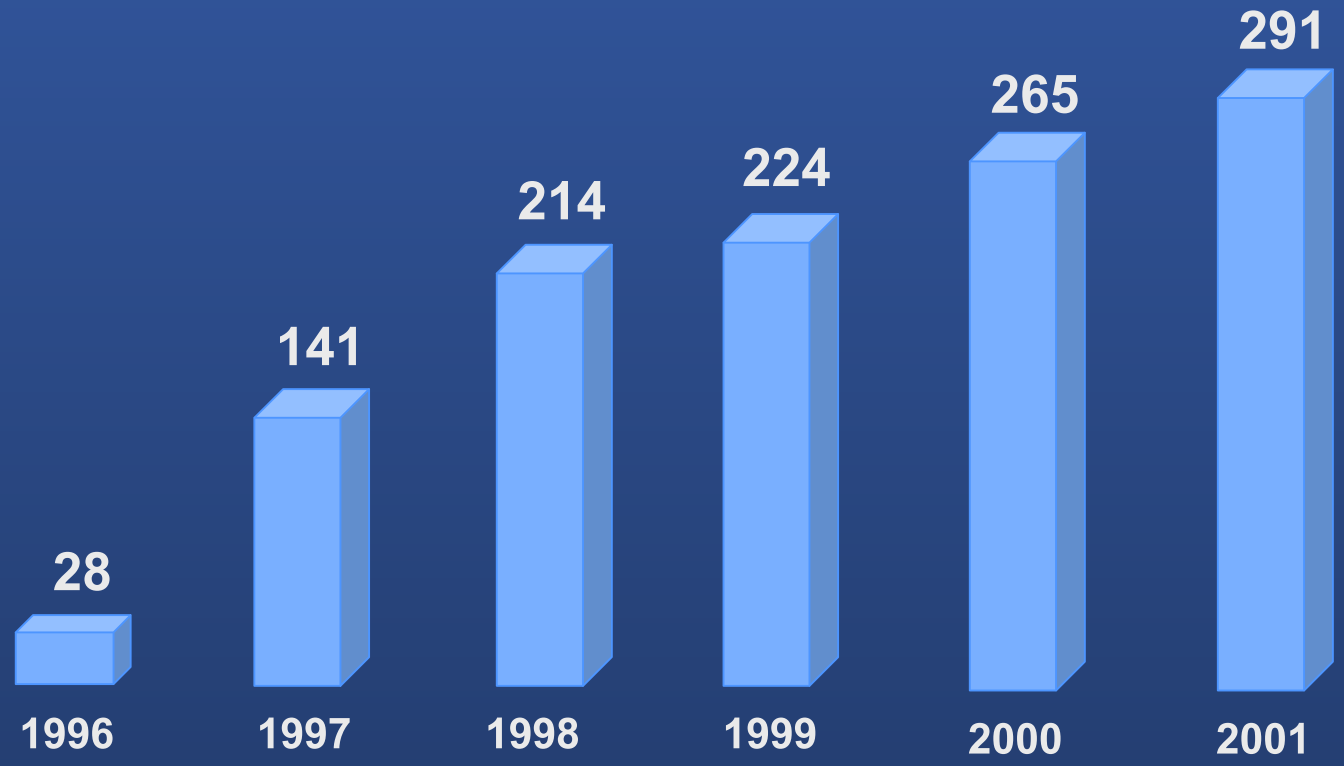
Increasing value creation (EVA)

(in € million, as of December 31)



	1996	1997	1998	1999	2000	2001
ROCE after tax	7.0%	8.1%	8.7%	8.7%	9.0%	9.1%
WACC (Weighted Average Cost of Capital)	6.7%	6.4%	6.3%	6.4%	6.7%	6.6%

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Favorable benchmark of full year results 2001

	ACCOR	Marriott Int.	Host Marriott	Starwood	Hilton Corp.	Hilton Group	Sol Melia
▶ PBT	+0.9%	-33.8%[1]	0%	-57.7%	-34.2%	+1.3%	-34.6%
▶ E.P.S.	+5.3%	-51.3%	-87.5%	-64.0%	-39.2%	-0.6%	-49.2%

(1) Before write-off and restructuring costs

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Accor business model is more resilient

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Accor model:

Long term strategy to create shareholder value

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Accor business model

Based on

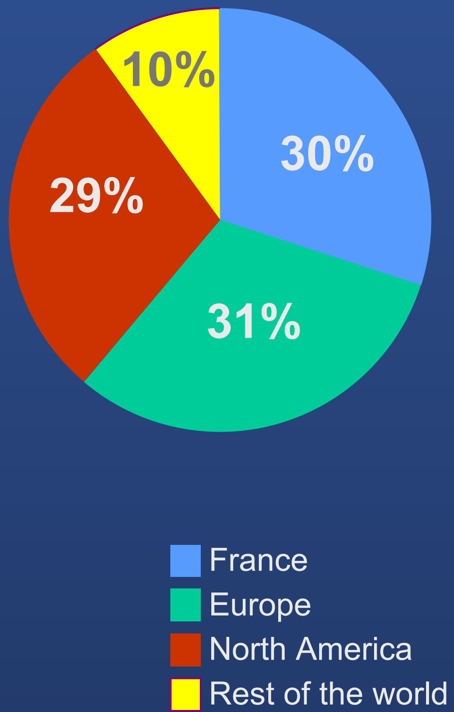
Well-balanced

- Geographical coverage
- Complementary activities
- Hotel portfolio

Sustainable and profitable growth

Well-balanced geographical coverage

2001 Ebitdar breakdown



	Ebitdar Δ FY 01/00
▶ Europe and Rest of the world	+ € 123 M
▶ North America	- € 43 M
▶ Total Group	+ € 80 M

Europe and rest of the world offset U.S. decline

Complementary activities

	Ebitdar Δ FY 01/00 Published	Ebitdar Δ FY 01/00 Like-for-like
Sofitel Travel Agencies 8% of 2001 Ebitdar	€ 0 M	- € 25 M
Midscale hotels in Key Cities Economy hotels in the U.S. Lenôtre 44% of 2001 Ebitdar	- € 6 M	- € 33 M
Midscale hotels Provinces Economy hotels in Europe Services, Casinos, other 48% of 2001 Ebitdar	+ € 86 M	+ € 80 M
Total	+ € 80 M	+ € 22 M

More cyclical activities largely offset by resilient ones

Two steady growth contributors

ECONOMY HOTELS IN EUROPE

	2001	Δ 01/00
▶ Ebitdar	388	+11.8%
▶ PBT	175	+12.2%
▶ ROCE	15.3%	+0.7 pt

SERVICES

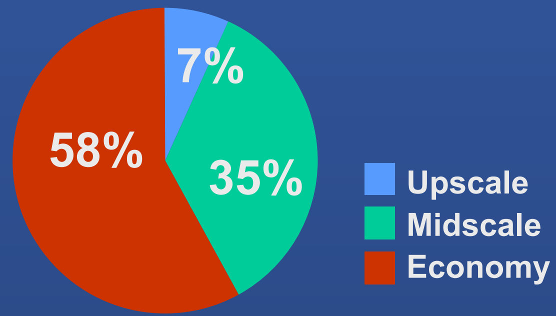
	2001	Δ 01/00
▶ Ebitdar	206	+40.1%
▶ PBT	180	+42.9%
▶ ROCE	25.8%	+6.1 pts

30% of Group Ebitdar in 2001
47% of Group PBT in 2001

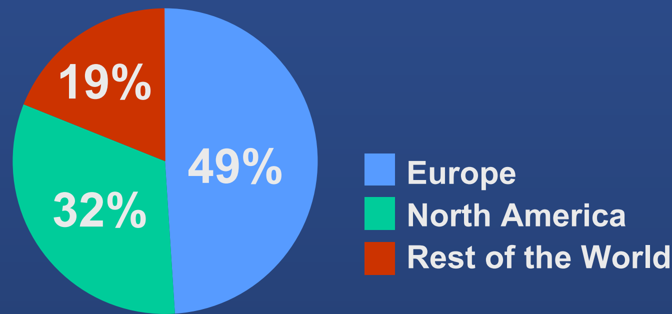
Resilience and profitability

Well-balanced hotel portfolio

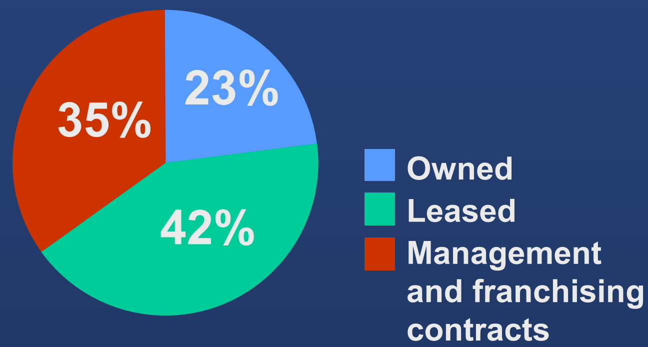
- **Range of Accor brands adapted to each market segment**



- **Global presence fitting to worldwide demand**



- **Various types of operation**



(In % of rooms)

Right product, right place, right operating status

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Supported by
Adapted financial policy

- Financing formulas adapted to risks
- Financial transparency

Sustainable and profitable growth

Financial policy: Guidelines

MAXIMIZING VALUE FOR SHAREHOLDERS

- **Targeted ROCE on new projects:**
  15% within 3 years

- **Priority of E.P.S. growth**

↔

MINIMIZING RISK

- **Financing formulas adapted to risk profile**

- **Financial ratio guidelines**
  – Gearing: 75% maximum
  – F.F.O. / net debt: 25%
  – Interest coverage: x5.5

Allocation of resources

Risk

	Medium Size Cities	*Large Cities*
EMERGING COUNTRIES	▶ Management contracts	▶ Joint-ventures ▶ Management contracts ▶ Variable leases
DEVELOPED COUNTRIES	▶ Joint-ventures ▶ Management contracts ▶ Franchising contracts	▶ Owned ▶ Fixed leases ▶ Acquisitions

Capital employed

Optimizing profitability and risk profile

Key characteristics of lease agreements

FIXED LEASE

mostly in economy and midscale segments and developed countries

- ▶ 20 to 25 year-contract (with capped index to inflation)
- ▶ Call option at fixed price after 10/12 years
- ▶ Possibility to renew the rent agreement at maturity

VARIABLE LEASE

mostly in upscale segment and emerging countries

- ▶ 10 to 15 year-contract
- ▶ Rent is a % of sales or Ebitdar
- ▶ No call option

Legal conditions:
Not callable, no cross-default, no covenants

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In a low risk environment fixed leases are a good formula

(In € Million, FY 2001)	*Example of Accor Germany*	*Example of Astron*
# of hotels	258	53
# of rooms	28,428	8,396
▶ Sales	482	178
▶ Leases	(117)	(55)
in % of sales	*24.3%*	*30.9%*
▶ Ebitda	54	19

in NH / Astron deal, such structure has been valued on a x9 Ebitda multiple

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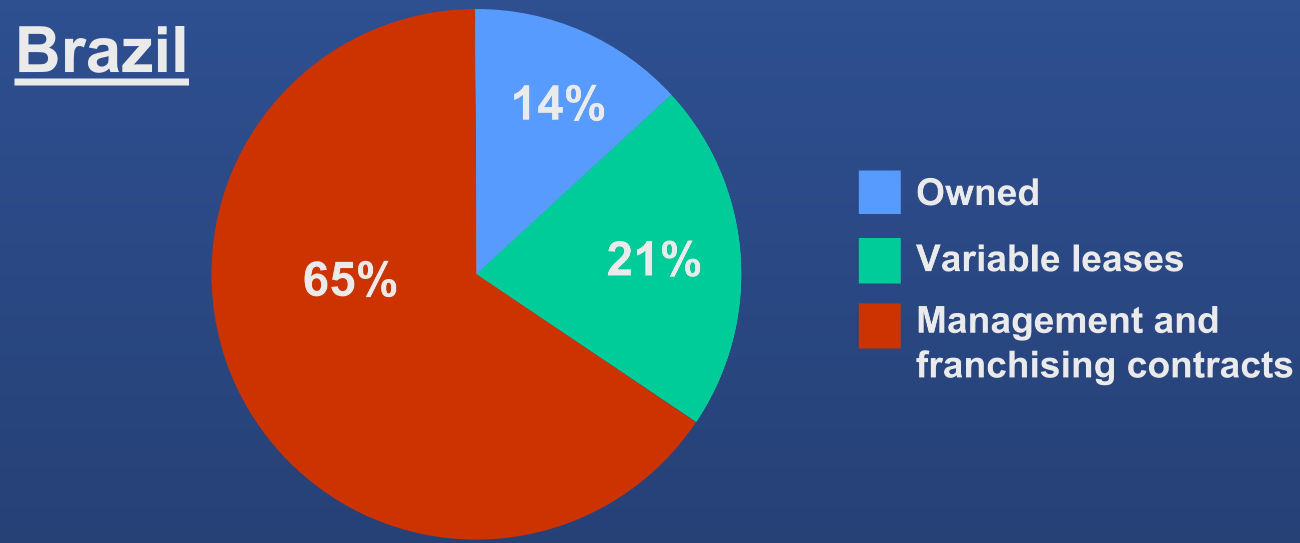
In a more risky environment, management contracts and variable leases are safer



(In % of rooms)

123 hotels (15,123 rooms)

including 2002 openings

Transparent and controlled financial policy

Cautious accounting principles

- No significant write-off in 2001
- No provision or minimum guarantee on management contracts

Good level of disclosure

- Off- balance sheet commitments
- Breakdown by geography / activities
- Operating rent commitments

"Best annual report in 2000",
"Best financial statements in 1997"
among French Blue Chips

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Sustainable and profitable growth

Maintaining
Dynamic expansion program

-Monitored expansion supported by integrated network

Monitoring expansion strategy in hotels

- Keeping same pace of expansion for 2002 and beyond
- More joint-venture, management and franchising contracts in 2002
- Mostly organic, no need to pay a premium for acquisitions

2002 organic growth

Sofitel	Novotel	Mercure
14 hotels	22 hotels	42 hotels
Washington, Chicago, Buenos Aires, London, Venice, Marseilles, Montreal, Shanghai, Marrakech, Sydney	Berlin, Barcelona, Budapest, Seville, Turin, Krakow, Wellington...	Hamburg, Rome, Berlin, Porto Alegre, Bangkok, Kuta Bali, Sao Paolo...

ibis	55 hotels
Etap	45 hotels
Formule 1	9 hotels
Motel 6	25 hotels
Red Roof Inns	7 hotels

Expected gross openings 2002
224 hotels (25,116 rooms)

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Management of operations through integrated network

Accor hotels

Upscale and Midscale

Economy

Sales + Marketing + Distribution	Central Reservation System, Intranet, Yield management, Loyalty program, Internet, CRM

Purchasing	75% of preferred suppliers
Construction	As of January 1st, 2002: 302 projects under construction 125 projects under renovation

Services:
New markets, new products, new clients

- **New markets**

- **New products** Incentive, People Care, Clean Way ACCOR services

  represent 19% of sales in 2001 vs. 0.5% in 1996

Ticket Restaurant ACCOR services

Ticket Alimentação ACCOR services

- **New clients**

  Opening of Ticket Restaurant to public institutions and civil servants in France and Italy

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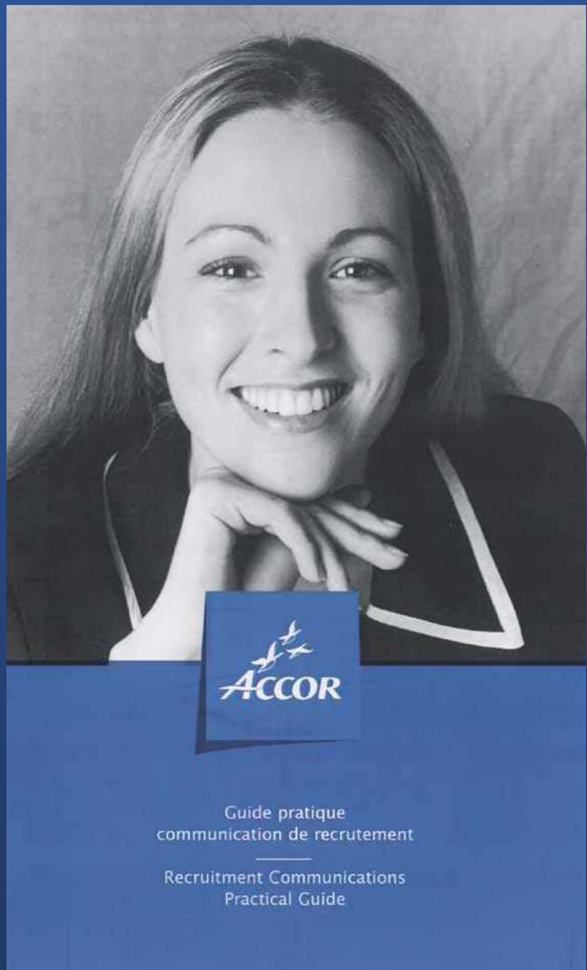
Human resources



- **Employee satisfaction:**

  79% are proud to work with Accor (1)

- **Accor Academy (training center)**
  - **15,000 trainees last year**
  - **8,000 e-trainees (e-training)**

- **Mobility program**
  - **Mobility rate in France (15%)**
  - **4,000 job offerings on Intranet**

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(1) Source: global survey Sociovision - Cofremca 2001

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2002 Outlook

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2002 budget assumptions

▶ **RevPAR**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**
– Business and leisure Europe	-4.7%	-0.2%	+5.0%	+9.1%	**+2.4%**
– Europe economy hotels	+3.3%	+3.8%	+3.6%	+3.8%	**+3.6%**
– U.S. economy hotels	-5.9%	-1.4%	+3.6%	+4.8%	**+0.3%**

▶ **Services (volume issued on a like-for-like basis)** **+10.2%**

Hotel RevPAR Sensitivity analysis

Impact on PBT of 1% Δ in RevPAR

- ▶ Business and leisure € 14.0 M
- ▶ Europe Economy € 9.0 M
- ▶ U.S. Economy € 11.0 M

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2002 assumptions

Interest rate

(3 Month Floating Rate)

- Europe 3.25%
- USA 2.45%

Sensitivity analysis

Impact on PBT of 50 Bp ∆ in interest rates

- Euro debt € 3.0 M
- U.S. debt € 4.0 M

Foreign currency

Euro / U.S. dollar $ 0.95

Sensitivity analysis

Impact on PBT of 5 cents ∆ in currency

€ 6.0 M

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Trends as of February 2002 (YTD)

	Occupancy Rate (in %)	(02/01Δ in pts)	Average Room Rate (02/01Δ in %)	RevPAR (02/01Δ in %)
▶ Hotels				
– Europe business and leisure	53.4%	-3.4	+2.7%	-3.5%
– Europe economy	65.1%	-1.2	+5.5%	+3.5%
– U.S. economy	57.1%	-1.3	-1.6%	-3.8%

▶ **Services** (volume issued on a constant change and currency basis) +11.0%

Conclusion

Integrated network:
3,700 hotels from budget to luxury

Unique range of activities
with Services

ACCOR has proven to PERFORM WELL
in DIFFICULT TIMES

and is in a GOOD POSITION
to BENEFIT FROM

Upside when cycle rebounds

Expansion of international tourism

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