



# 2001 Half Year Results

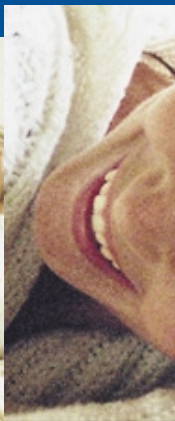
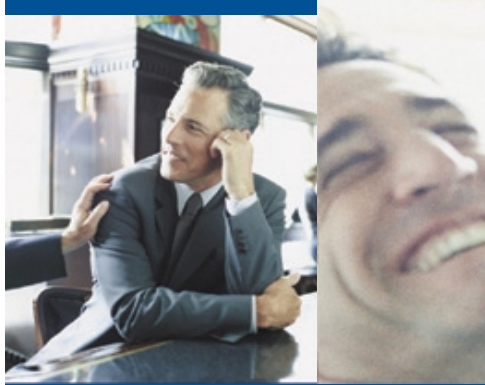


▶ **2001 Half Year Results: Good Performance**

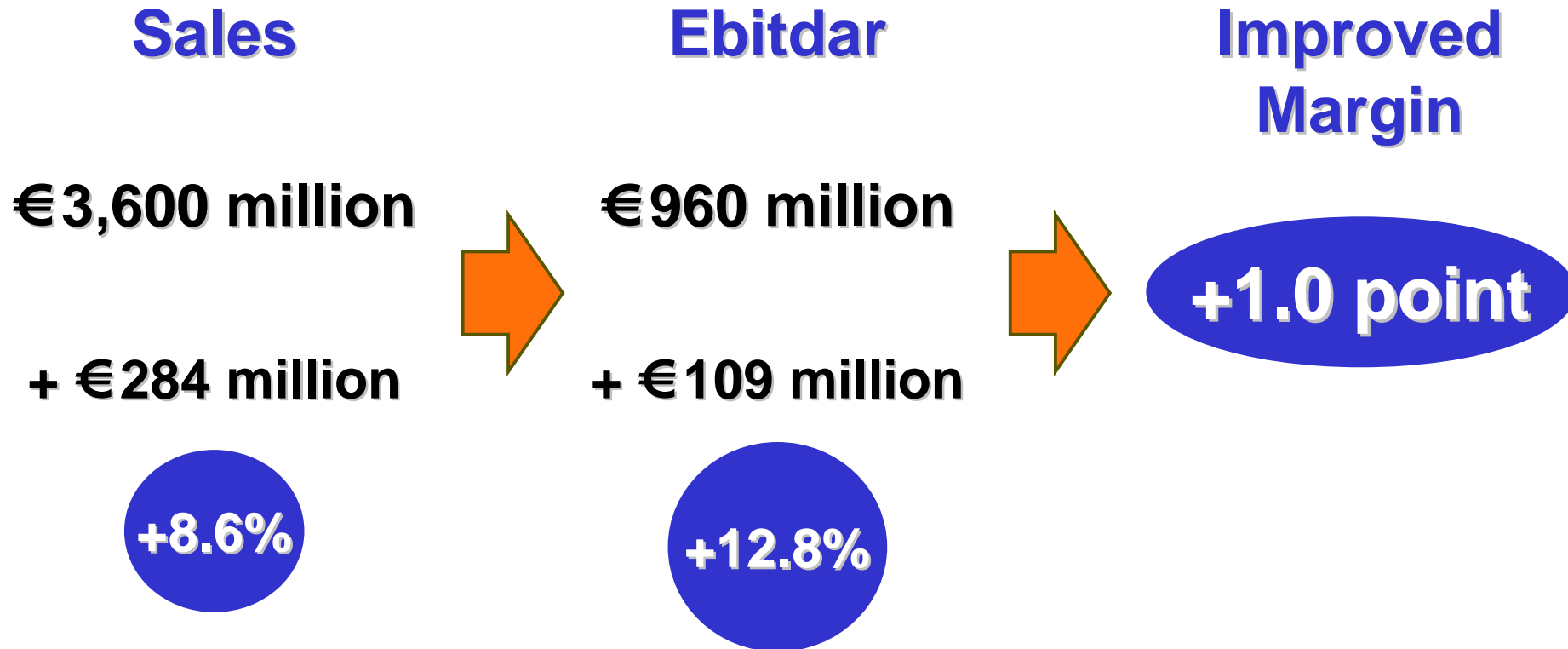
▶ **Consequences of Recent Events on 2001 Results**

▶ **Accor Strengths**





**2001 Half Year Results**  
**Good Performance in an**  
**Already Challenging Environment**



*Good Operating Results Despite Economic Slowdown*

► **Breakdown of Ebitdar:**

– Business and Leisure hotels	€362 M	+ 19.1%
– Services	€100 M	+ 51.5%
– Europe Economy hotels	€178 M	+ 12.7%
– U.S. Economy hotels	€247 M	+ 2.5%
– Travel agencies	€21 M	- 22.2%
– Other	€52 M	- 5.5%
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	€960 M	+ €12.8%

***Good Contribution by Core-Business Activities***

# H1 2001: Key Figures

**PBT**

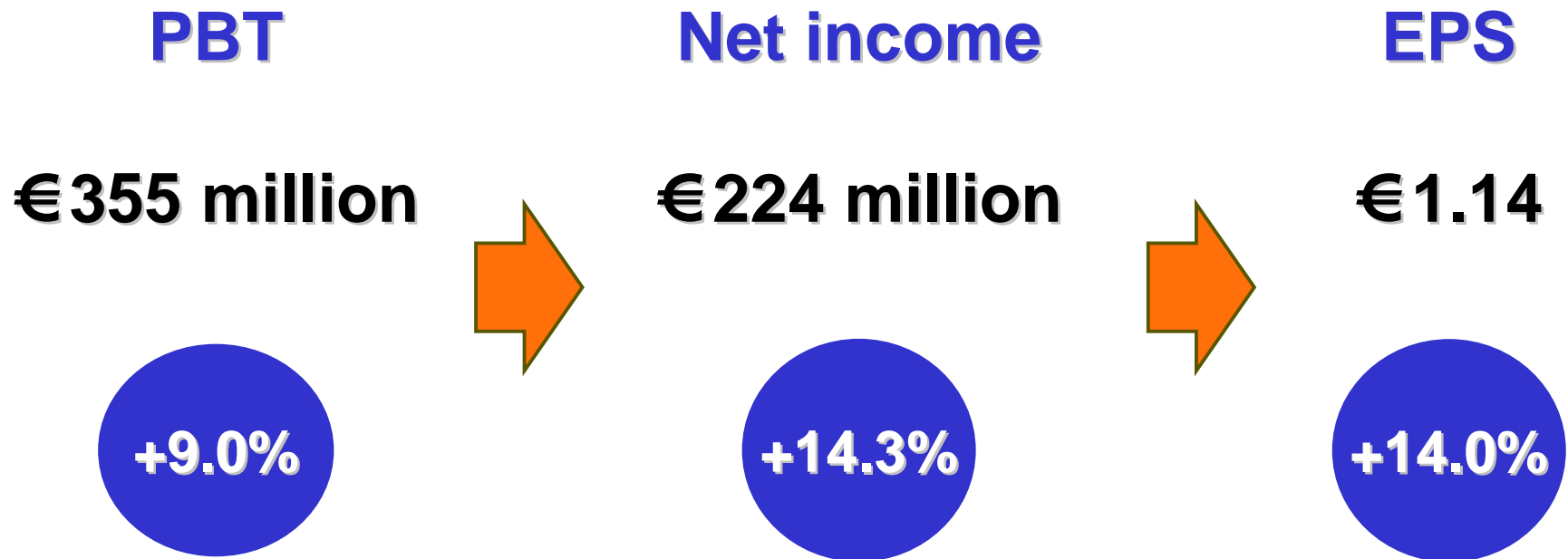
**€355 million**

**+9.0%\***

- Like-for-like	+ €39 M	<b>+12.2%</b>
- Expansion	- €5 M	-1.6%
- Currency	+ €2 M	+0.7%
- Disposals	- €7 M	-2.2%
	<hr/>	<hr/>
	+ €29 M	+9.0%

\* +10.6% under same accounting method

**Good Performance on a Like-For-Like Basis**



*Continued Growth in EPS*

# Cash Flow

(in € million)

	H1 2000	H1 2001	Change
▶ <b>Consolidated Cash Flow from Operations</b>	434	504	<b>+16.1%</b>
▶ <b>Investments for Renovation and Maintenance</b>	(209)	(203)	-3.0%
▶ <b>Free Cash Flow</b>	225	301	+33.8%

***Strong Jump in Cash Flow***

*(in € million)*

*H1 2000*

*FY 2000*

*H1 2001*

▶ **Investment for Development**

**(492)**

**(1,251)**

**(493)**

▶ **Disposals**

**433**

**843**

**228**

# H1 2001: Key Figures

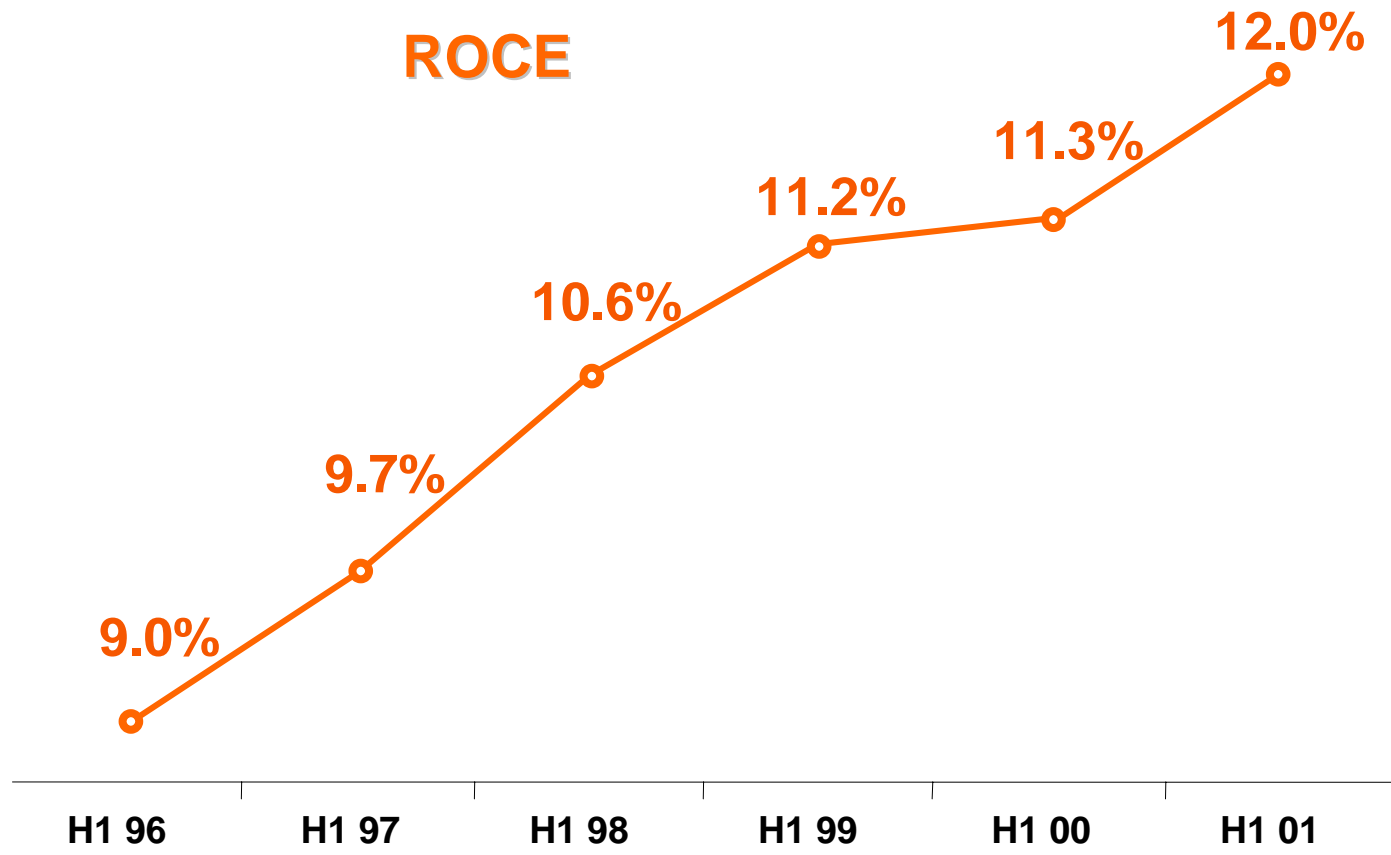
	<i>H1 2000</i>	<i>FY 2000</i>	<i>H1 2001</i>
▶ <b>Net Debt (in €million)</b>	<b>(2,741)</b>	<b>(2,547)</b>	<b>(3,153)</b>
▶ <b>Financial Ratios</b>			
– Net Debt-to-Equity (Gearing)	73%	64%	77%
– Interest Coverage (1)	x5.2	x5.1	x5.2
– F.F.O. (2) / Readjusted Net Debt (3)	21.3%	23.4%	23.6%

*(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*

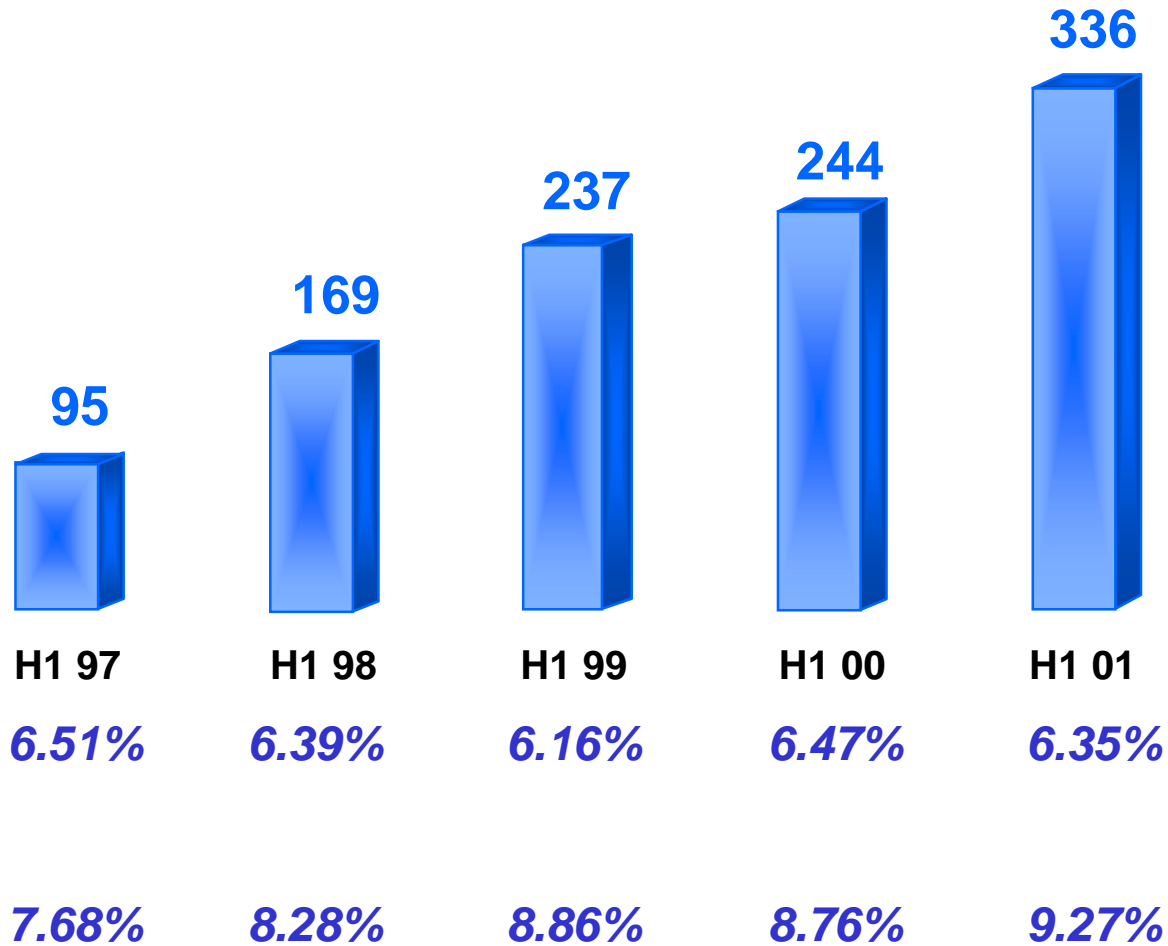
# Return On Capital Employed



*Increase in ROCE*

# Value Creation (EVA)

(in €million)











# **Consequences of Recent Events on 2001 Results**

# Resistance due to Product and Geographical Mix



## Large Domestic Customer Base

	<i>% of domestic customers</i>	<i>As a % of Group Ebitdar*</i>
	40%	8%
 	75%	30%
	85%	} 18%
 	90%	
 	95%	26%
<b>Services, Casinos, Restaurants</b>	95%	17%

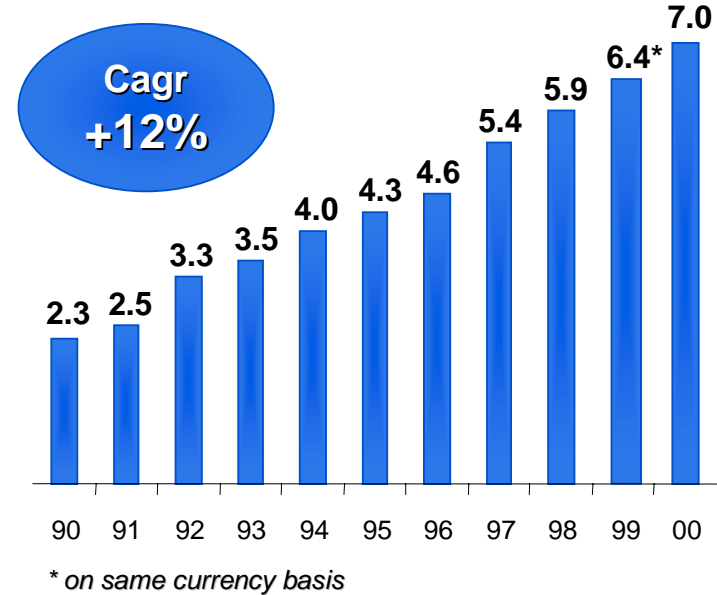
\* As of June-End 2001

# Resistance due to Product and Geographical Mix

## Services: Volume Issued (in €Bn)

### ► Services and Casinos

Represent  
15% of Group Ebitdar  
and **28% of Group PBT**  
not sensitive to downturn



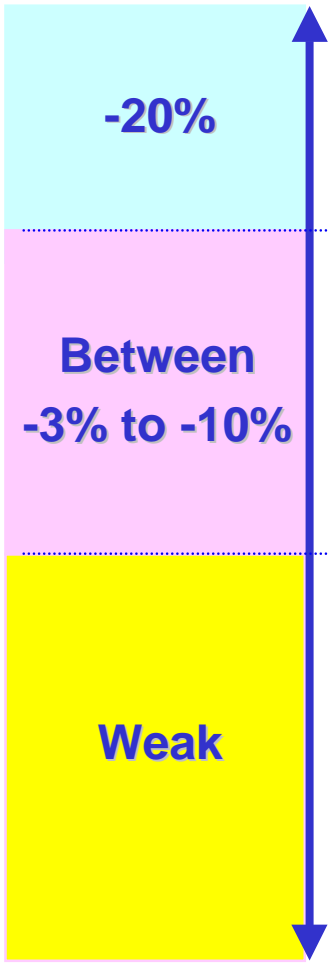
### ► Management and Franchise Contracts in Hotels

1/3 of total network, including resorts hotels, with low financial exposure

# Evaluated Impact of the Psychological Effect over the Next 100 Days



## Impact on Sales



**Sofitel  
Travel Agencies**  
**10% of Group Ebitdar**

**Midscale hotels in Key Cities  
Economy hotels in the U.S.  
Lenôtre**  
**43% of Group Ebitdar**

**Midscale hotels in the Provinces  
Economy hotels in Europe  
Restaurants  
Services, Casinos**  
**47% of Group Ebitdar**

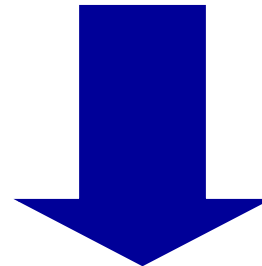
# Impact of Psychological Effect on 2001 Results



## Before September 11th Forecasts 2001

<b>PBT</b>	<b>€825 M</b>	<b>+10%</b>
<b>EPS</b>	<b>€2.60</b>	<b>+15%</b>

**Annual Growth in line with 2001 First Half Year**



## Evaluation of Results after September 11th

<b>PBT</b>	<b>€700 M à €750 M</b>
<b>EPS</b>	<b>+/- €2,30</b>

**2001 Results close to 2000 Results**

# Action Plan to be implemented for 2002

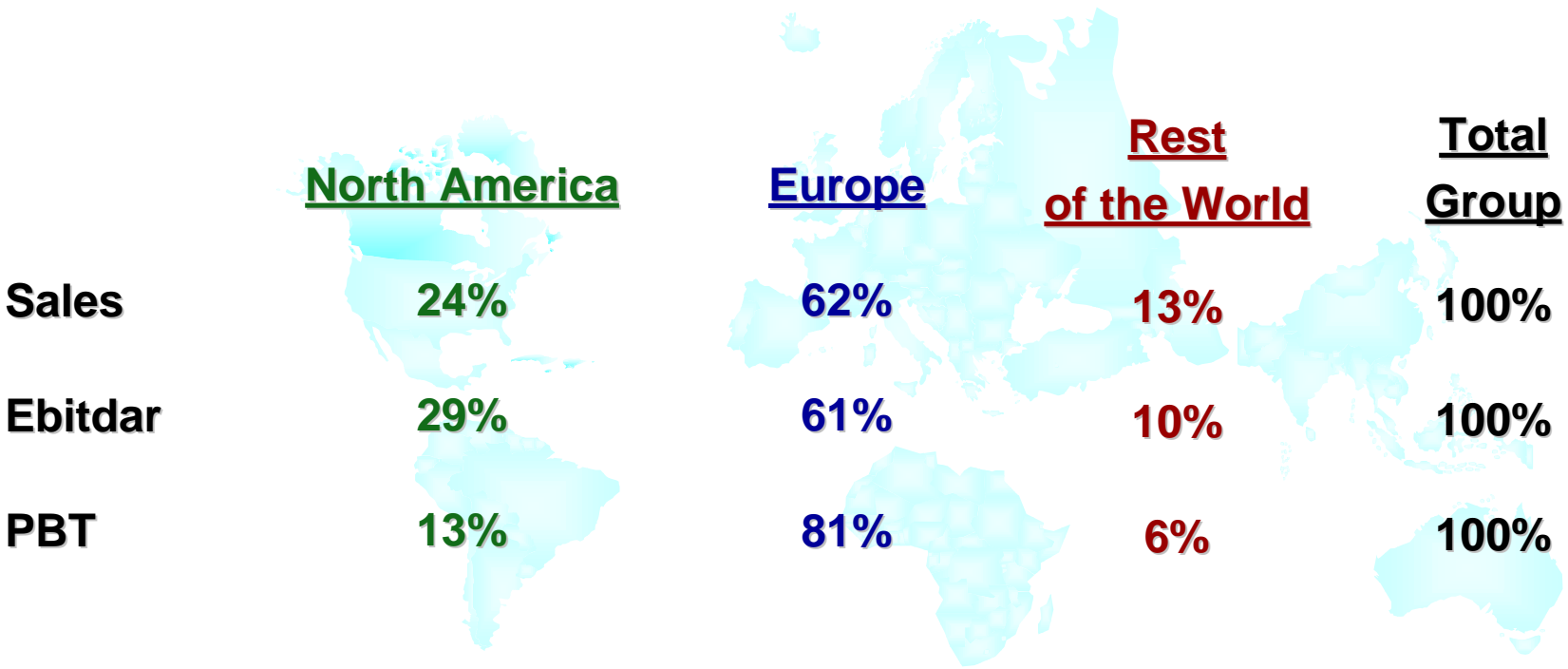


- ▶ **Reduction of Headquarters costs**
  
- ▶ **Investments**
  - **Squeeze in renovation capex**
  - **Review of investment program schedule**
  - **New investment projects temporarily frozen in the U.S.**

# **Accor Strengths**

- Resistance**
- Drivers for growth**

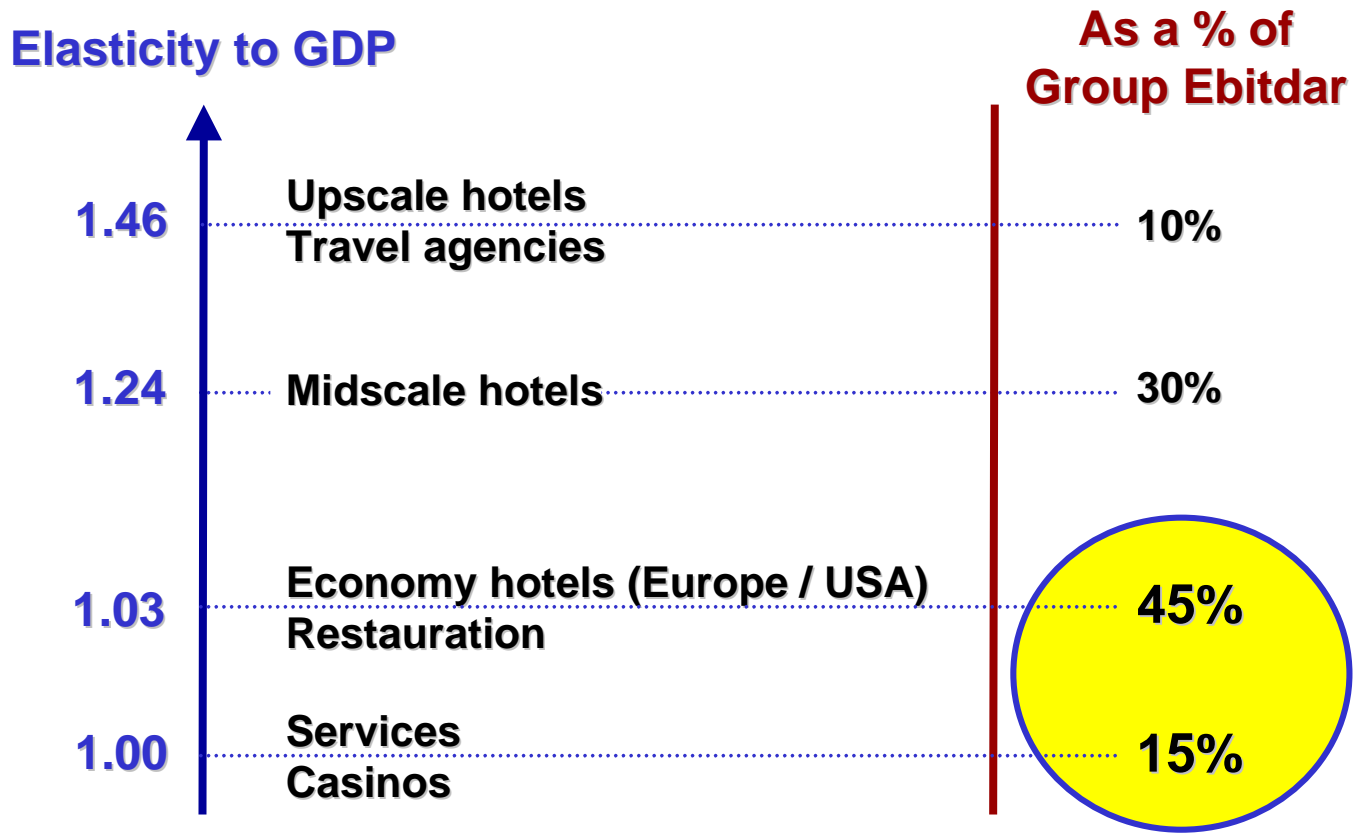
# Good Geographical Mix



As a % of Consolidated Group data, June-End 2001

**Contribution Mainly Coming From Europe**

# Well-Balanced Portfolio of Activities

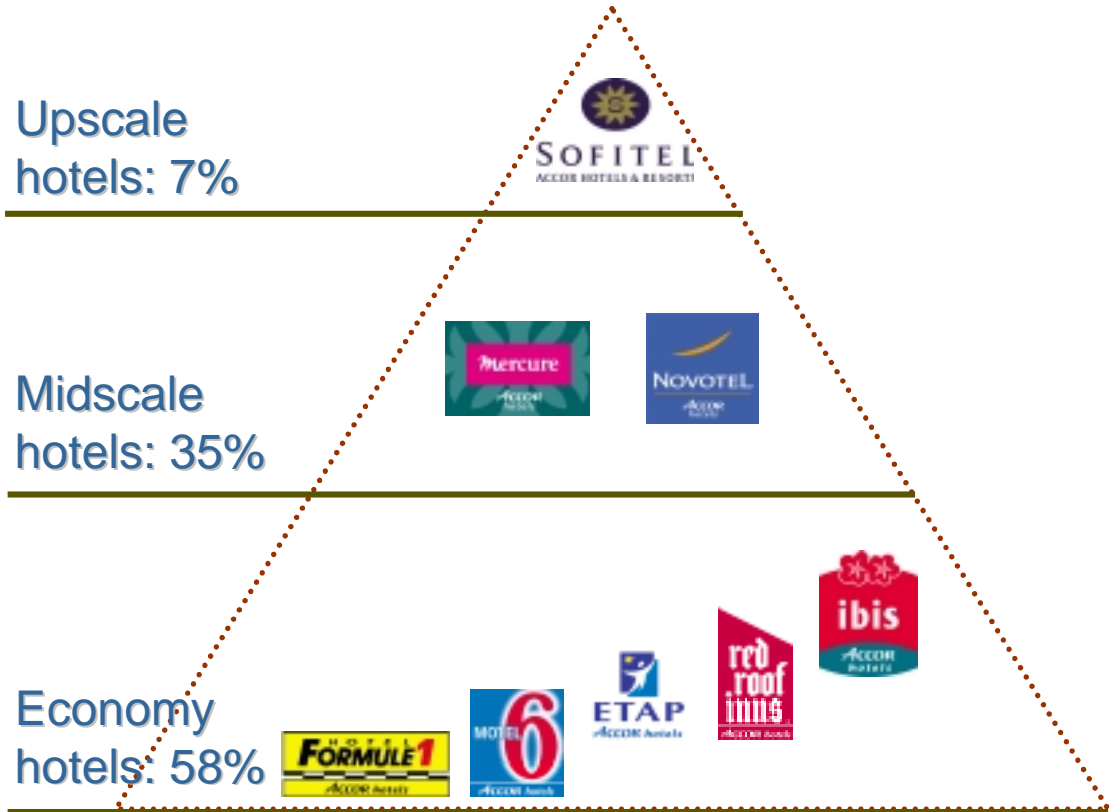


Sources: Price Waterhouse Coopers (1987 to present) for hotel data, Accor

**60% of Accor's Activities are Less Sensitive to Real GDP**

# Unique Positioning

## Accor Hotel Portfolio Fits Global Demand

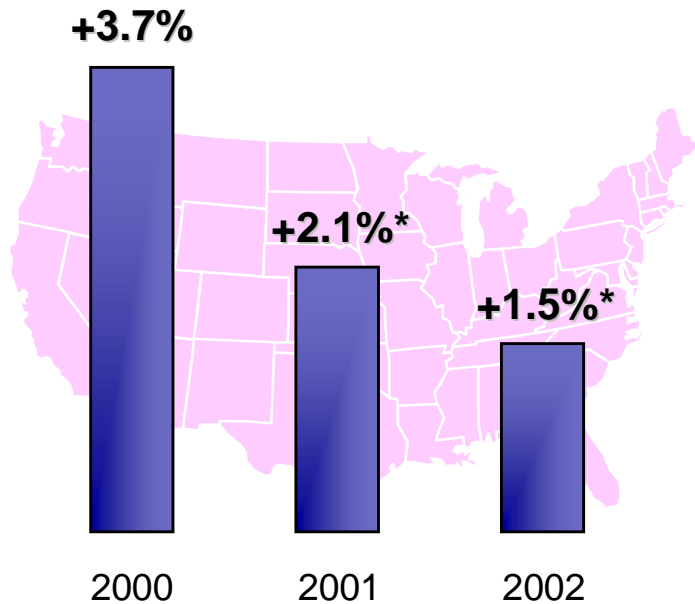


(in % of total number of rooms, as of June-End 2001)

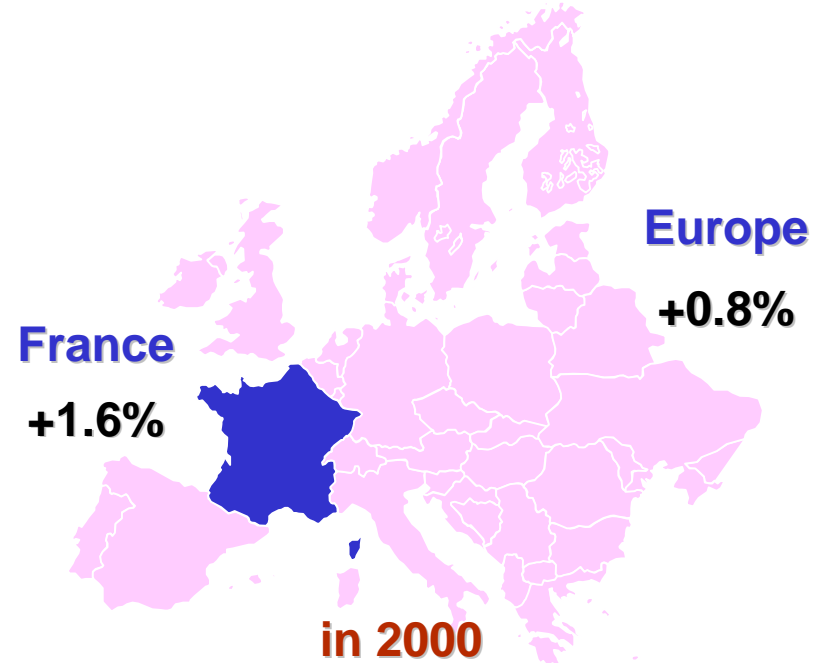
**Strong Presence on Midscale and Economy Segments**

# Low Supply Level

Supply growth in the Economy segment might decelerate further in the U.S.



Supply level remains low in Europe



source: Price Waterhouse Coopers (July 2001)

\* revised from +2.5% and +2.4% respectively in February 2001

Source: MKG (February 2001)

**Supply Level Adjusting to Demand Growth**

# New Organisation and Technology to Competitiveness and Productivity



**Reactivity**

**Integrated Networks**



**Common Resources**

**Accor 2000**

**Upscale and Midscale Hotels**

SOFITEL  
ACCOR HOTELS & RESORTS

NOVOTEL  
ACCOR

Mercure  
ACCOR

**Economy Europe**

ibis  
ACCOR hotels

ETAP  
ACCOR Hotels

HOTEL FORMULE 1  
ACCOR hotels

**Economy U.S.**

red roof inn  
ACCOR hotels

MOTEL 6  
ACCOR hotels

- Reservation Systems / Multibrand Salesforces**
- Technology**
- Purchasing**
- Human Resources**

# Services: High Potential Growth Market

- ▶ Offering a wide range of products responding to growing demand from companies wanting to be employer-friendly and expecting facility management solutions to optimise their operating costs



- ▶ Growing markets in both developed and emerging countries

*Services Even More Appropriate  
in a Challenging Environment*

- ▶ **Worldwide Leadership Position**
- ▶ **Good track record: +12% growth over the past 10 years**
- ▶ **Highly Profitable: ROCE close to 20%**
- ▶ **High Cash Flow Generation**
- ▶ **Not Capital Intensive: 6% of total Capital Employed**



***Continued Improvement in Profitability***

## **Strong resistance:**

- Accor 2000 Project**
- Well-Balanced Portfolio of Activities**
- Customer Loyalty**
- Brand Recognition**
- Dedicated Teams**

**and Intact Potential for Growth**