



Shareholders' Meeting

May 7, 2002

Sofitel Paris Forum Rive Gauche



Accor: Two Global Activities



Hotels:

3rd Largest Hotel Group
3,700 Hotels (415,000 rooms)
in 90 countries



Services:

Worldwide Leader in Service Vouchers
with 13 Million Daily Users in 31 Countries



The “Accor Model”:

Sustainable and Profitable Growth

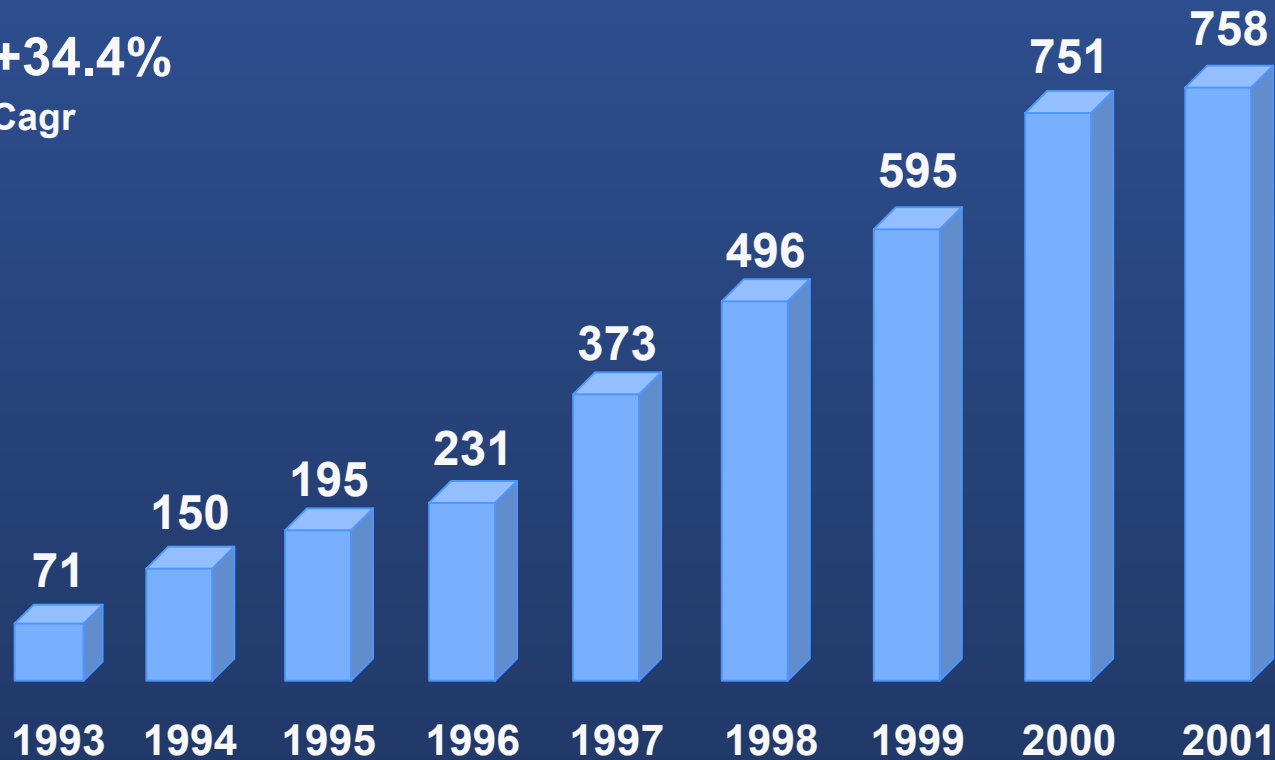
Long Term Strategy

8 Years of Growth in PBT

(in € million)

+34.4%

Cagr



8 Years of Growth in EPS


(in €)

+14.7%

Cagr



Favorable Benchmark of Full Year Results 2001

		Marriott Int.	Host Marriott	Starwood	Hilton Corp.	Hilton Group	Sol Melia	NH	Sté du Louvre
▶ P.B.T.	+0.9%	-33.8% (1)	0%	-57.7%	-34.2%	+1.3%	-34.6%	-10.8%	-11.8%
▶ E.P.S.	+5.3%	-51.3%	-87.5%	-64.0%	-39.2%	-0.6%	-49.2%	-24.4%	-4.8%

(1) Before write-off and restructuring costs

The "Accor Model"

Based on
Well-balanced

- Geographical coverage
- Complementary activities
- Hotel portfolio

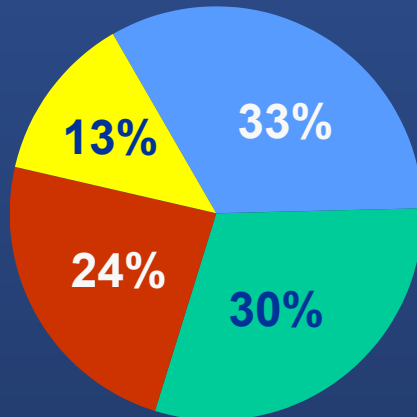
**Sustainable
and
profitable
growth**



Well-Balanced Geographical Coverage

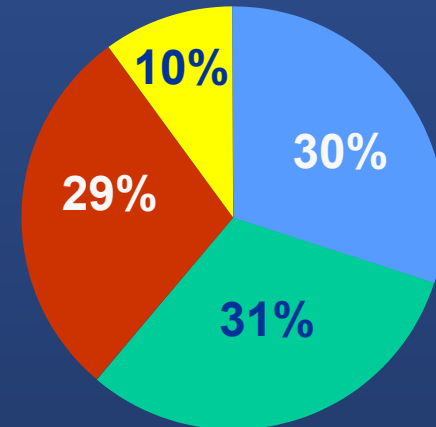
Consolidated Sales

2001



Ebitdar

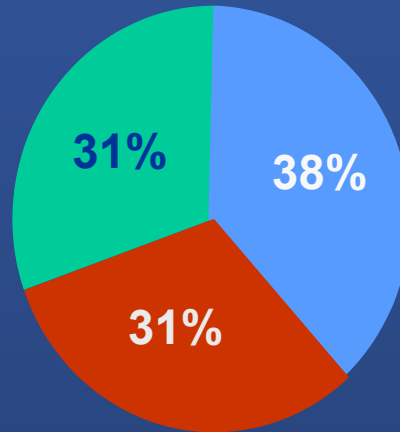
2001



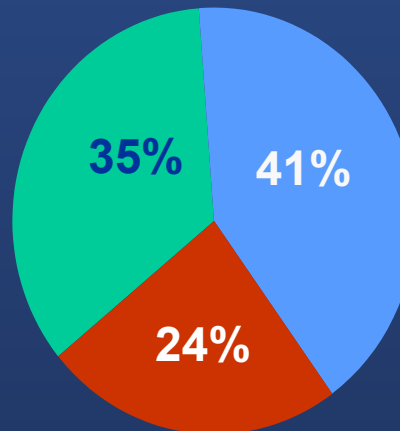
*Europe and Rest of the World
Offset U.S. Decline in 2001*

Complementary Activities

► Sales 2001



► Ebitdar 2001



■ Non Cyclical Activities

Economy hotels in Europe,
Services,
Restaurants (excl. Lenôtre),
Casinos

■ Less Cyclical Activities

Midscale hotels in Provinces,
Economy hotels in the US,
On-Board Train Services

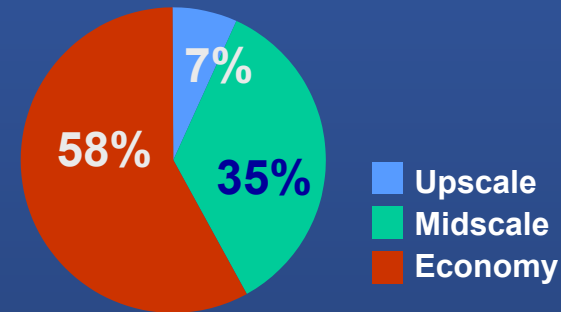
■ Cyclical Activities

Sofitel,
Travel Agencies / TO,
Midscale hotels in International Cities,
Lenôtre

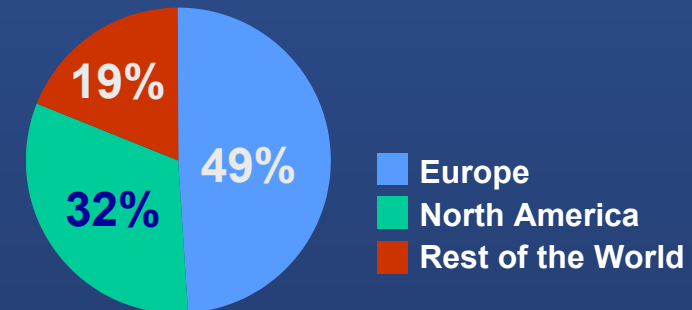
***More Cyclical Activities largely Offset
by Resilient Ones in 2001***

Well-Balanced Hotel Portfolio

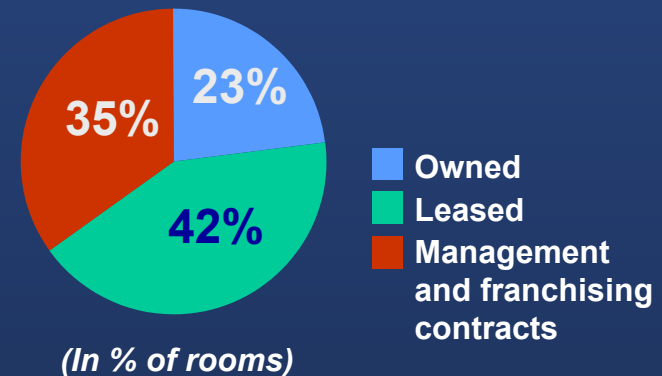
- ▶ Range of Accor brands adapted to each market segment



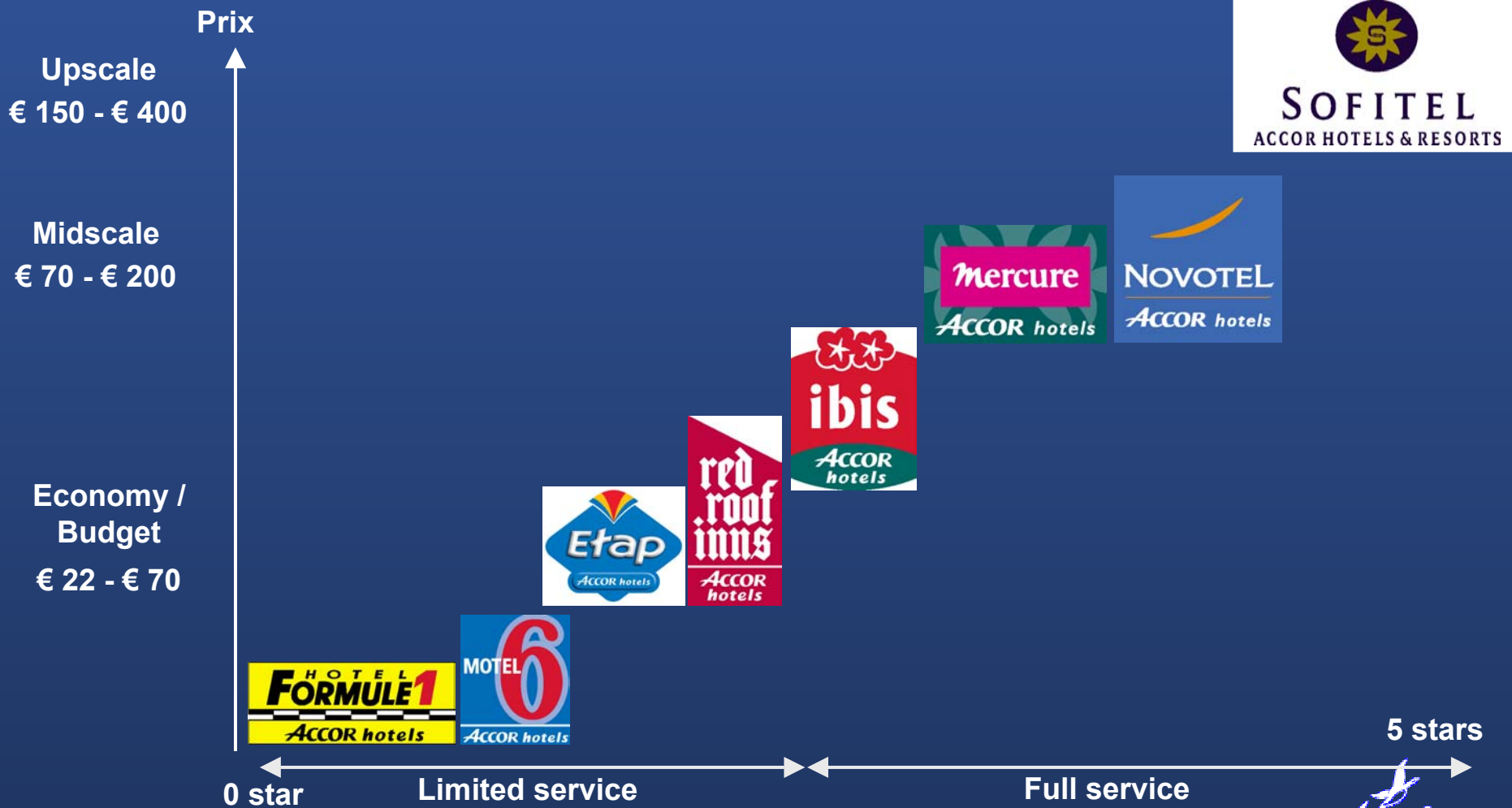
- ▶ Global presence fitting to worldwide demand



- ▶ Various types of operation



Brands Dedicated to each International Tourism Market Segment





SOFITEL
ACCOR HOTELS & RESORTS

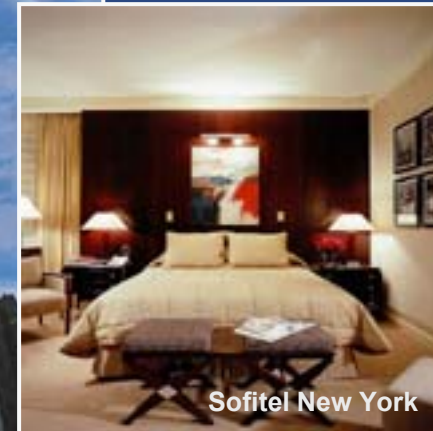
- ▶ Upscale and deluxe hotels
- ▶ 149 hotels (29,534 rooms) in 49 countries
- ▶ Room rate: € 150 - € 400
- ▶ Main competitors:
Sheraton, Marriott, Hilton, Le Méridien,
InterContinental, Crown Plaza, Hyatt



Sofitel Chicago



Sofitel Imperial



Sofitel New York

**Worldwide Ambassador
of the French « art de vivre »**





- ▶ Benchmark in the midscale
- ▶ 346 hotels (58,841 rooms) in 56 countries
- ▶ Room Rate: € 100 - € 200
- ▶ Main competitors:
Holiday Inn, Quality Inn, Howard Johnson,
Courtyard by Marriott, Radisson



Novotel Paris Tour Eiffel



***An International Network of Contemporary Hotels
for a Business and Leisure Clientele***





- ▶ Midscale hotels
- ▶ 651 hotels (72,354 rooms) in 44 countries
- ▶ Room rate: € 70 - € 150
- ▶ Main competitors:
Clarion, Quality Inn, Holiday Inn,
Golden Tulip, Best Western,
Howard Johnson, Courtyard by Marriott



Mercure Pré Botté



Mercure Les Arcs



*The Choice of Traditional Hotels with
the Guarantee of an International Consumer Brand*





- ▶ Economy hotels with 24-hour full service
- ▶ 592 hotels (61,924 rooms) in 32 countries
- ▶ Room rate: € 45 - € 60
- ▶ Main competitors:
Campanile, Balladins, Kyriad,
Holiday Inn Express



Round-the-Clock Service at the Right Price





Red Roof Dallas, TX



- ▶ “Upper economy” hotels
- ▶ 358 hotels (39,347 rooms) in the US, mainly located on the East Coast, Midwest and Sunbelt
- ▶ Room Rate: \$ 50
- ▶ Main competitors: Econolodge, Comfort Inn, Days Inn, Fairfield

Consistent Quality at a Budget Price





Etap hotel Reims, France

- ▶ Budget hotels
- ▶ 242 hotels (18,298 rooms) in 7 countries
- ▶ Room rate: € 30 - € 35
- ▶ Main competitors:
Première Classe, Village Hôtels, B&B



Essential Comfort at a Budget Price



Motel 6 Thousand Oaks, CA



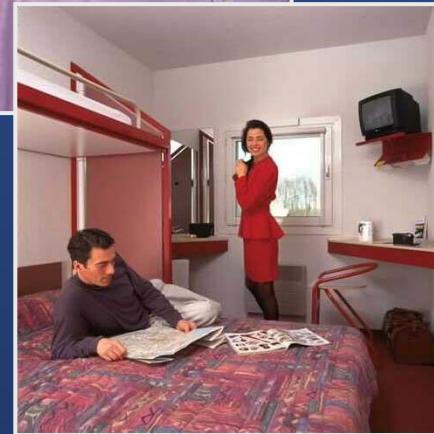
- ▶ Budget hotels
- ▶ 852 hotels (90,003 rooms) in the US, mainly located in the West Coast, Eastern and Southern US
- ▶ Room rate: \$ 40
- ▶ Main competitors: Econolodge, Super 8

The Basics at the Lowest Price





Formule 1 Bretigny, France



- ▶ Budget hotels
- ▶ 365 hotels (27,150 rooms) in 12 countries
- ▶ Room rate: € 20 - € 26
- ▶ No direct chain competitors

*A Guaranteed Good Night's Sleep
at the Lowest Price*



Sofitel Old Cataract, Egypte



Thalassothérapie



Sofitel Heiva, Polynésie

- ▶ Upscale and Midscale Hotels
- ▶ Coralía Label, Thalassa and Thermal Spas
Complete AccorHotel Brands in Resort
Destinations
- ▶ 191 hotels (30,636 rooms) in 32 countries

Leisure and Well-Being Activities



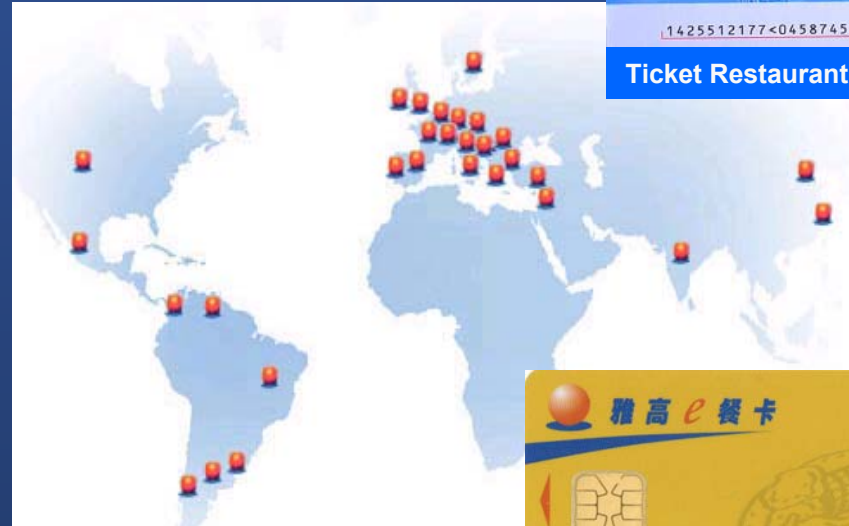
Accor Services: Market Leadership and Global Presence

▶ 31 countries

▶ 13 million users

▶ 350,000 clients

▶ 1,000,000 affiliates



Ticket Restaurant, Europe



Ticket Alimentação, Brazil

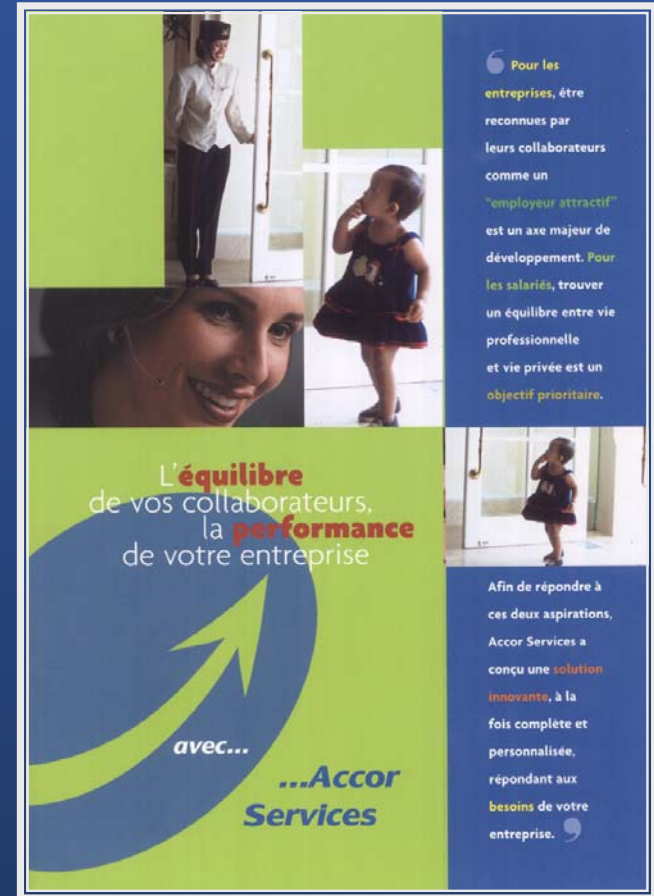


Restaurant card, China



Accor Services: Our Mission

- ▶ Support the efficiency of companies looking to:
 - Nurture their human capital
 - Project an employee-friendly image
- ▶ Help governments and public institutions to manage their social service benefits

The advertisement features a collage of images: a woman in a white shirt standing by a door, a young girl in a dark dress talking on a mobile phone, and a close-up of a smiling woman's face. The text is set against a blue and green background with a large blue arrow pointing upwards and to the right.

Pour les entreprises, être reconnues par leurs collaborateurs comme un "employeur attractif" est un axe majeur de développement. Pour les salariés, trouver un équilibre entre vie professionnelle et vie privée est un objectif prioritaire.

L'équilibre de vos collaborateurs, la performance de votre entreprise

avec...
...Accor Services

Afin de répondre à ces deux aspirations, Accor Services a conçu une solution innovante, à la fois complète et personnalisée, répondant aux besoins de votre entreprise.

Accor Services: Five Product Families

 **Food Vouchers**

 **People Care**

 **Expense Management**

 **Incentive-Events**

 **Social Services**



**Extensive Range of Products offering Solutions
to Meet the Specific Needs of each Customer**



The “Accor Model”

Based on Well-balanced

- Geographical coverage
- Complementary activities
- Hotel portfolio

Supported by Adapted financial policy

- Financing formulas adapted to risks
- Financial transparency

**Sustainable
and
profitable
growth**

Financial Policy: Guidelines

MAXIMIZING VALUE FOR SHAREHOLDERS

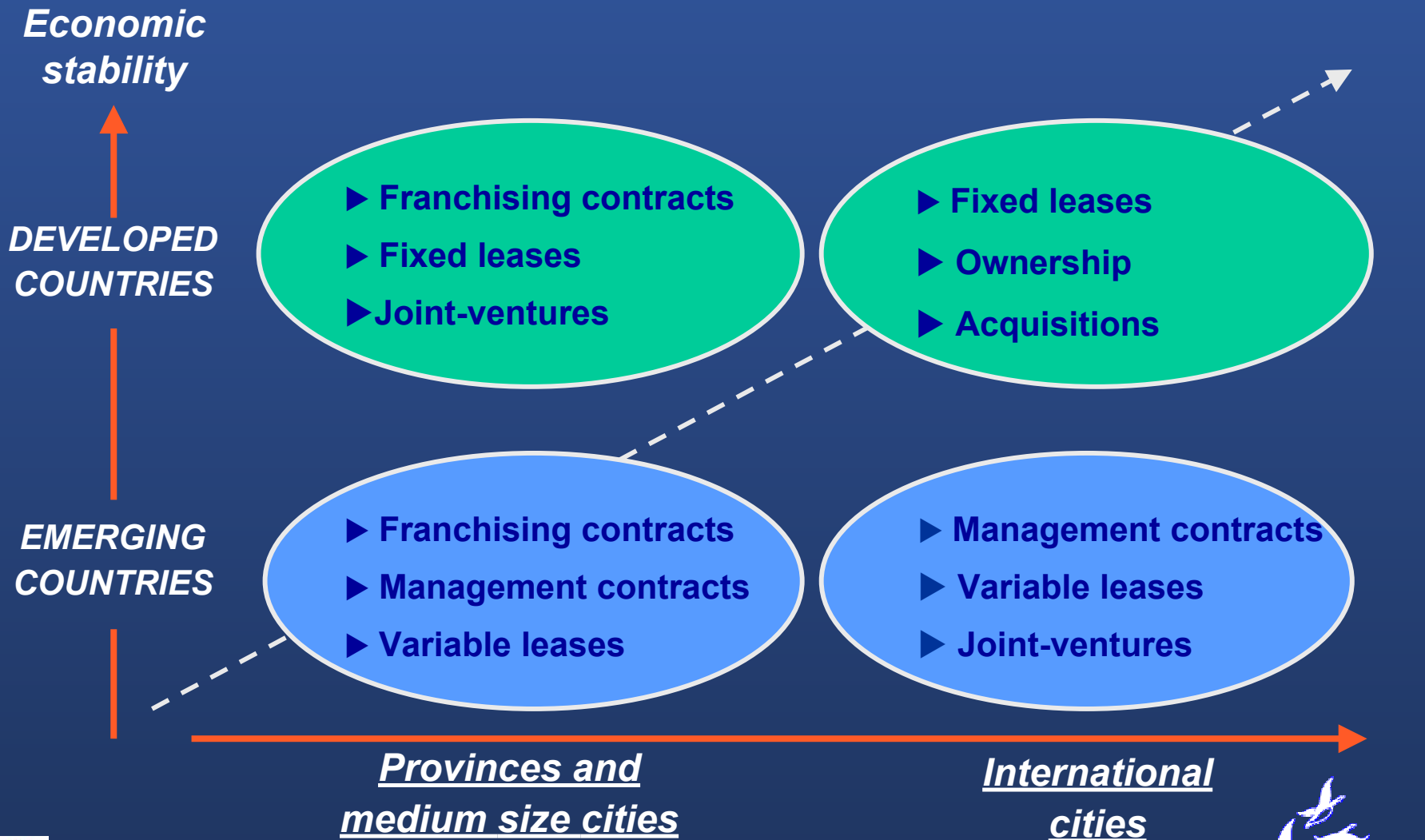
- ▶ Targeted ROCE on new projects:
15% within 3 years
- ▶ Priority of E.P.S. growth



MINIMIZING RISKS

- ▶ Financial ratio guidelines
 - Gearing: 75% maximum
 - Interest Cover: x5.5
 - F.F.O. / net debt: 25%
- ▶ Financing formulas adapted to risk country and product

Allocation of Financial Resources



Transparent and Cautious Financial Policy

Cautious accounting principles

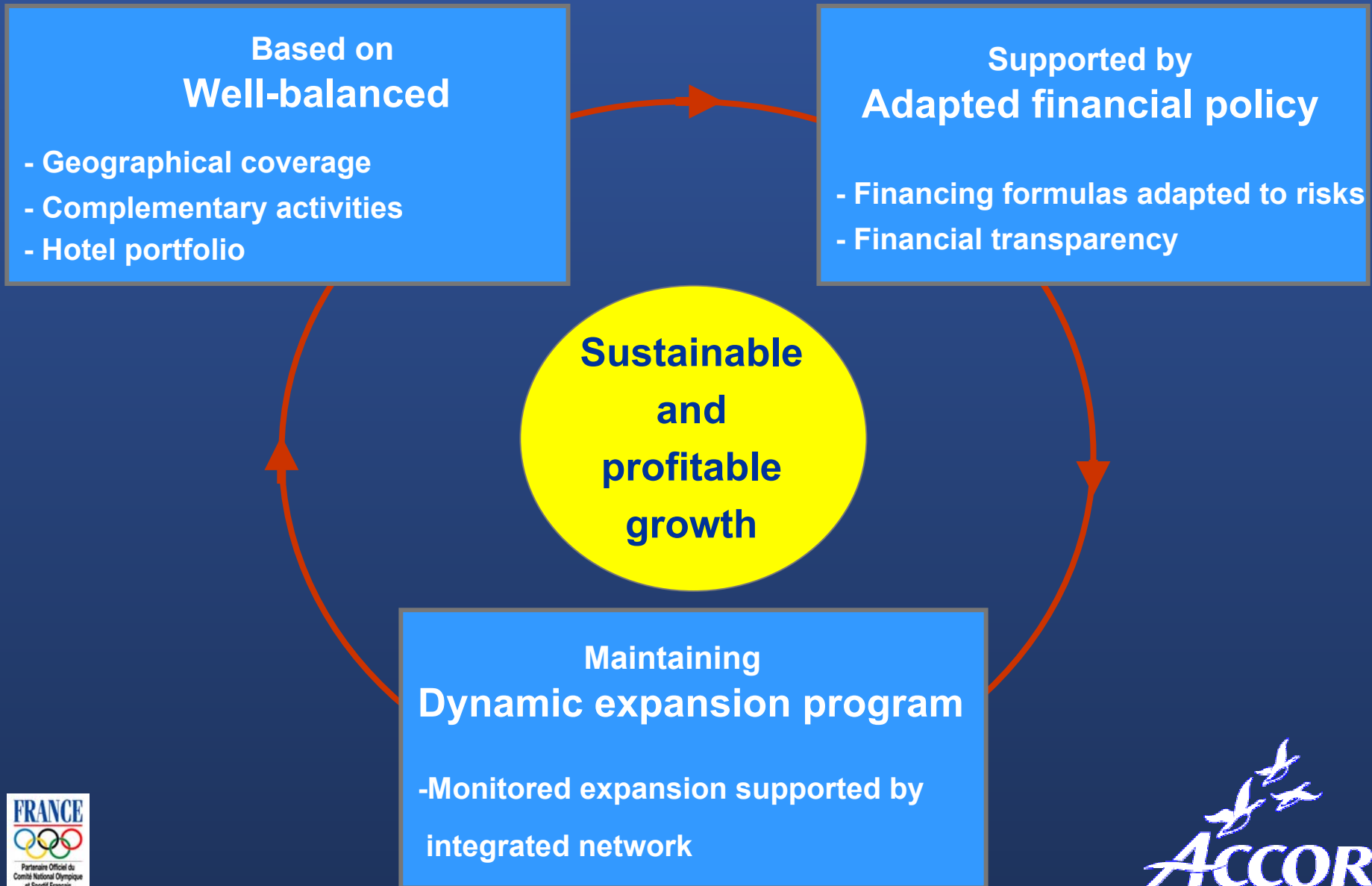
- ▶ No significant write-off in 2001
- ▶ No minimum guarantee on management contracts

Good level of disclosure

- ▶ Detailed off- balance sheet commitments
- ▶ Operating rent commitments disclosed by year
- ▶ Breakdown of results by geography / activities

***“Best Annual Report in 2000”,
“Best Financial Statements in 1997”***

The “Accor Model”



Monitoring Expansion Strategy in Hotels



- Organic growth
- Acquisitions

- ▶ 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



14 hotels

Washington,
Chicago,
Buenos Aires,
London,
Venice,
Marseilles,
Montreal,
Shanghai,
Marrakech,
Sydney



22 hotels

Berlin,
Barcelona,
Budapest,
Seville,
Turin,
Krakow,
Wellington...



42 hotels

Hamburg,
Rome,
Berlin,
Porto Alegre,
Bangkok
Kuta Bali,
Sao Paolo...



55 hotels



45 hotels



9 hotels



25 hotels



7 hotels

Expected Gross Openings 2002
224 Hotels (25,116 Rooms)

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 Clients, New Products, New Markets



► New Clients

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



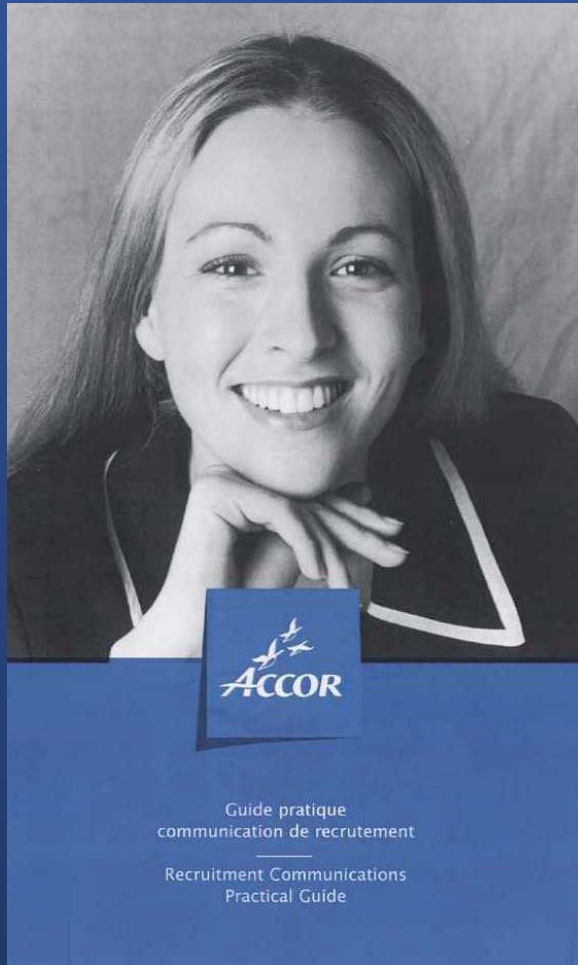
► New Products

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

► New Markets



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**



2001 Full Year Results:



Proven Strong Resilience

2001 key figures

<i>(in € million)</i>	<i>FY 2000</i>	<i>FY 2001</i>	<i>Δ 01/00</i>
▶ Sales	7,007	7,290	+4.0%
▶ Ebitdar	1,891	1,971	+4.2%
<i>% sales</i>	<i>27.0%</i>	<i>27.0%</i>	
▶ 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%

Cash flow

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

**Increased Free Cash Flow
Despite a more Difficult Environment**

Financial ratios

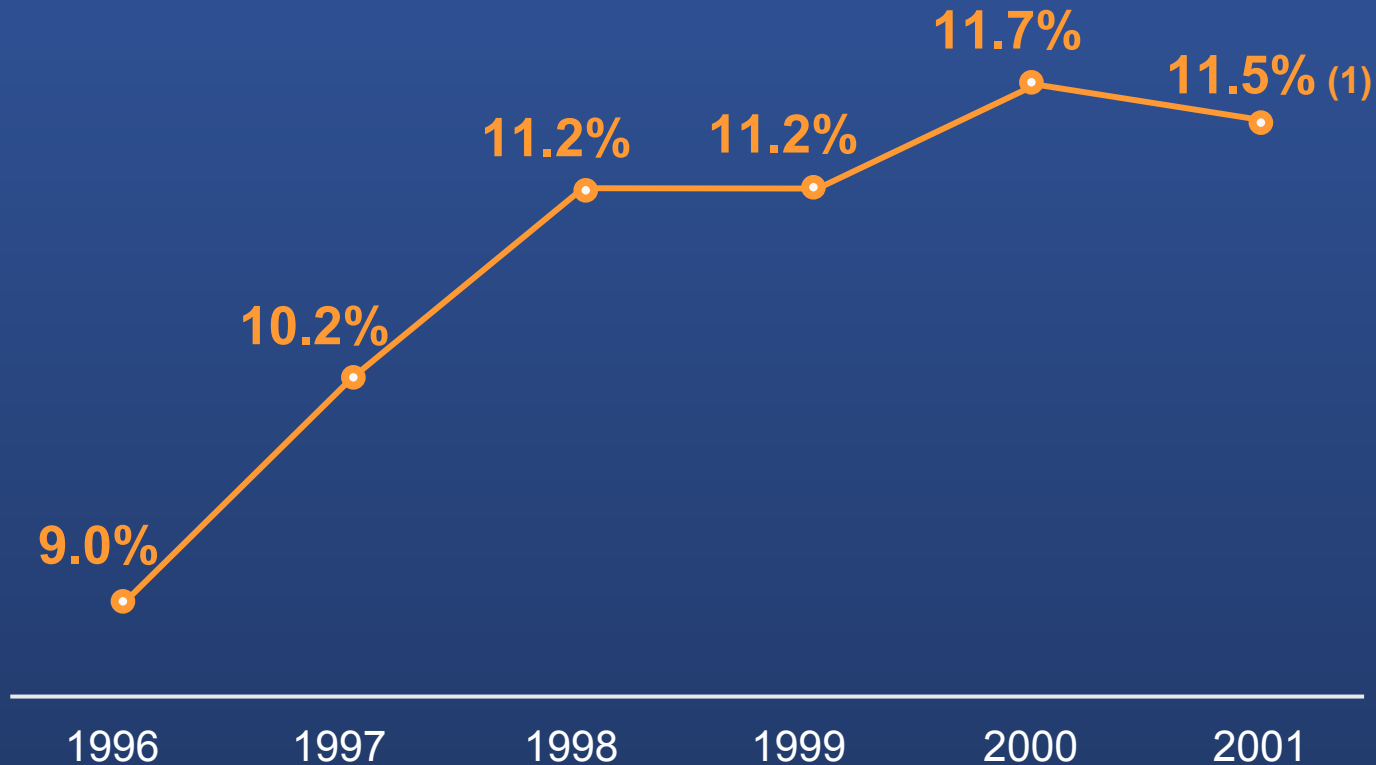
	<i>FY 2000</i>	<i>FY 2001</i>
▶ Net debt (in € million)	2,547	2,849
▶ Financial ratios		
– Net debt-to-equity (Gearing)	63.9%	66.6%
– Interest coverage (1)	x5.1	x5.4
– F.F.O. (2) / Adjusted net debt (3)	23.4%	22.9%

(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*

Return On Capital Employed (ROCE)



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

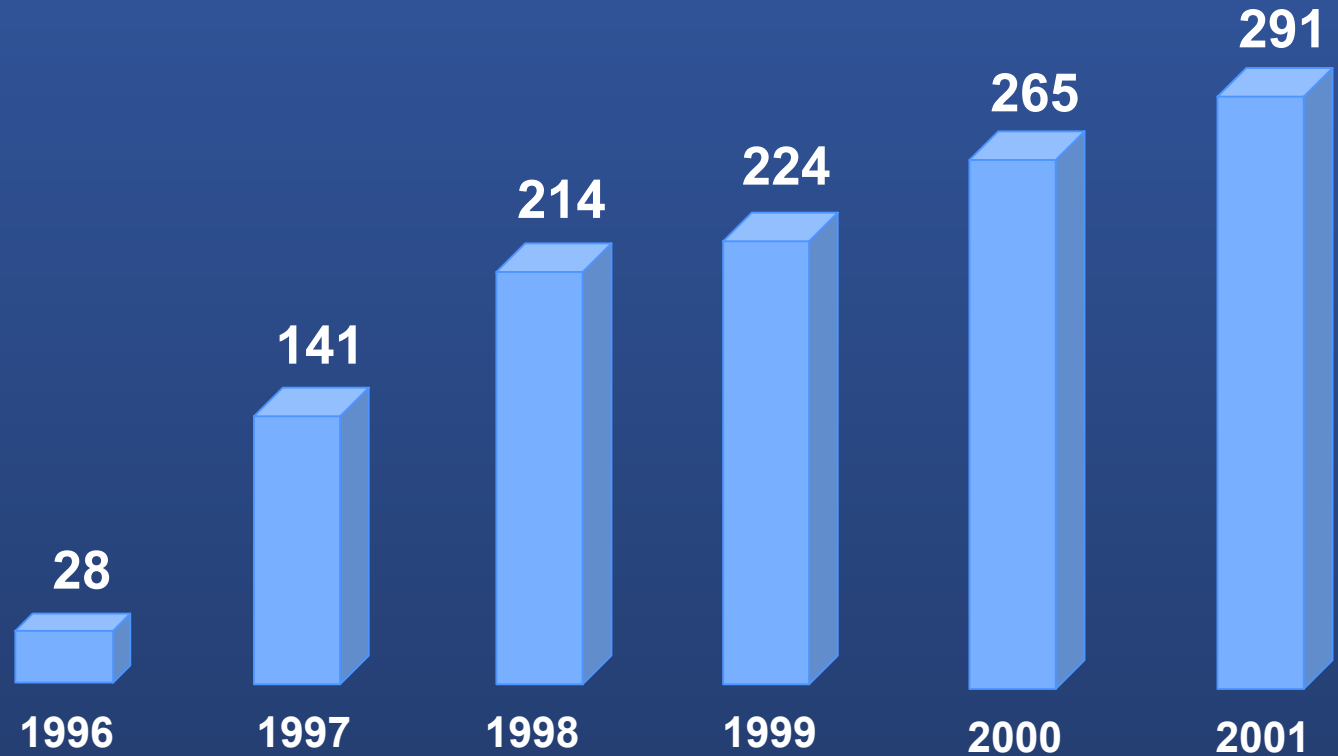
$$ROCE = \frac{Ebitda}{\text{Capital employed}}$$

(incl. goodwill and working capital)



Value Creation (EVA)

(in € million,
as of December 31)



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%

Dividends 2001

E.P.S.: € 2.40

+5.3%



Net Dividend: € 1.05

+5.0%

Dividend Yield: 3,9%

(Tax Credit "avoir fiscal" included)

**Distribution
Rate**

44.0 %

**(against 31.9%* in
average for the
CAC 40 French Index)**

* Source : JCF Quant

An Above Average Distribution Rate



Trends at the End of March 2002



Consolidated Sales at the End of March 2002

€1,667 millions
€15 millions

+0.9%

(in € million)	03/02	% Change (published)
▶ Hotels	1,136	+1.4%
– Business and leisure	608	-0.4%
– Economy	239	+8.0%
– Economy U.S.	290	+0.2%
▶ Services	123	+6.0%
▶ Other activities	408	-1.9%
▶ Total Group	1,667	+0.9%

Monthly Evolution of RevPAR

	Q4 2001	Jan.	Feb.	Mar.	Q1 2002	Budget Q1 2002
▶ Business and leisure Europe* (75,000 rooms)	-8.0%	-4.2%	-2.8%	-3.8%	-3.6%	-4.7%
▶ Economy Europe* (75,000 rooms)	+4.0%	+2.8%	+4.2%	+4.6%	+3.8%	+3.3%
▶ Economy U.S.* (110,000 rooms)	-6.7%	-6.1%	-1.7%	-5.5%	-4.5%	-5.9%

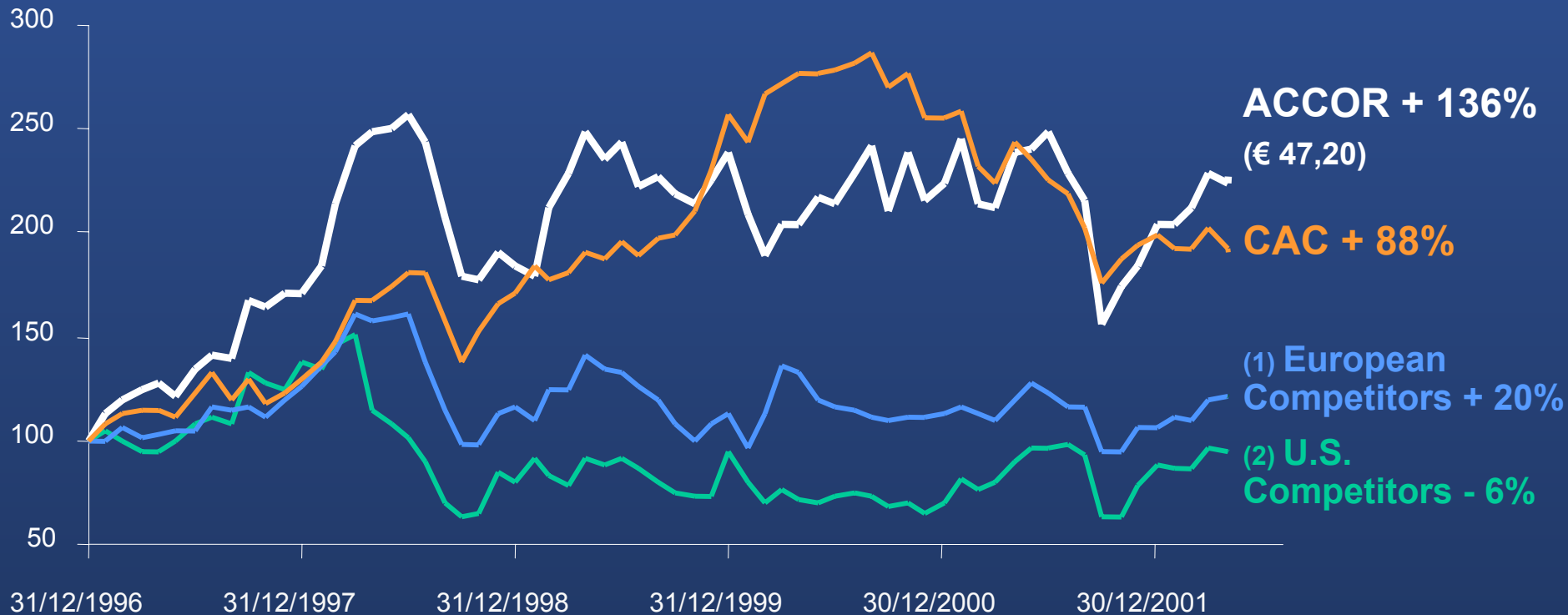
* Owned, leased and managed



Share Performance and Ownership Structure

Accor vs. CAC and Competitors

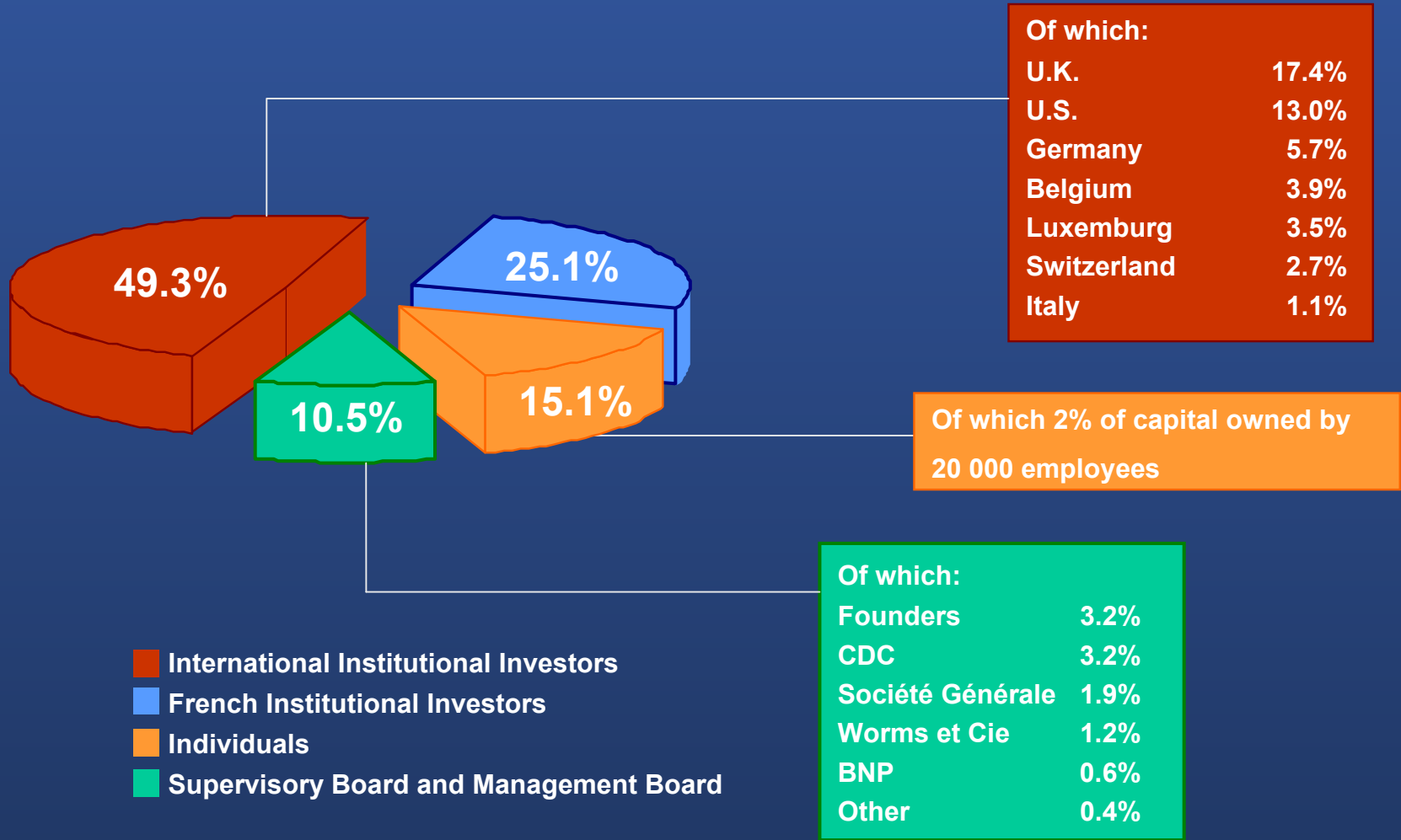
From January 1st, 1997 To May 5, 2002



Accor vs. CAC and Competitors From January 1st To May 5, 2002



Accor Ownership Structure



Source: Euroclear France

195,000 Shareholders at December 2001



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