



Strong 1999 Performance Internet Strategy Takes Off

Strong 1999 performance

(in EUR millions)	1998	1999	Variation
Consolidated Sales	5,623	6,105	+8.5%
Total Income From Operations	496	595	+19.6%
Current Income	481	613	+27.3%
Net Income, Group Share	297	352	+18.2%
Earnings Per Share (in EUR)	1.65	1.94	+17.1%

In 1999, **sales** of the Accor Group rose by 13.4%, excluding 1999 disposals. On a constant currency basis and excluding disposals, sales jumped by 15.5%.

Total income from operations rose by 19.6%. As a percentage of revenues, total income from operations rose to 9.7% in 1999, up from 8.8% in 1998.

Net income, Group share, increased by 18.2% last year and EPS by 17.1%.

With a return on capital employed (ROCE) of 11.2% in 1999, **Accor created value** of EUR 224 million in 1999.

Dividend : 0.90 EUR (+12.5%)

A dividend for 1999 of EUR 0.90 will be proposed to the **Annual General Meeting**, which will be **held on May 30, 2000 at 10:00 AM** at the Sofitel Paris Forum Rive Gauche, 17, boulevard Saint-Jacques, 75014 Paris. The dividend will be payable in cash as of June 14, 2000.

Promising activity levels in first two months of 2000

In the first two months of 2000, revenues per available room (RevPAR) in Europe rose by 5.5% in *Business and Leisure Hotels* and by 8.3% in *Economy Hotels*. RevPAR in North American *Economy Lodging* rose by 3.2%. Issuance volume in *Services* increased by 15.4%, while *Travel Management* traffic was up 10.8%.



Balanced, sustainable growth

3,314 Hotels (365,687 rooms) as of February, 2000.

The expansion of Accor's Hotel network – which grew by 22% in 1999 with the acquisition of Red Roof – will be pursued at an annual rate of about 10% in 2000-2001. With a diversified portfolio and a worldwide presence, Accor is well positioned to achieve this growth without a major acquisition.

A total of 477 hotels (60,000 rooms) are currently under development. Half of these projects are located in Europe. In this region, Accor plays a federating role in the market consolidation. The other priority is the expansion of its Economy Lodging operations, where the Group enjoys an unparalleled worldwide network. In emerging markets (Asia-Pacific, Latin America) and in Leisure activities, Accor pursues its expansion, using financial formulas limiting its commitments and risks.

Accor focuses the expansion of its **Service** activities on geographical diversification (30 countries) and technological innovation (one million users of magnetic cards and smart cards in 2000). Thanks to innovation in offering, products other than the Ticket Restaurant account for 43% of the activity volume of Accor services. The development of Accor's **Travel Management** activities, conducted through Carlson Wagonlit Travel, is entirely focused on new technologies. A B2B intranet is already operational, and a portal is due to open soon.

Internet Strategy Takes Off

In the new economy, Accor is becoming a 'Web Leader' and establishing an 'E-Company'.

Accor Web Leader

Accor is prepared from a technological standpoint thanks to the implementation of its Accor 2000 project, and enjoys highly recognized brandnames. Accor will use the Internet as a powerful lever to boost its sales and profitability in Hotel activities. Particularly Economy Hotel brands will be able from now on to access a worldwide audience for their products.

In late April, the new reservation sites of the various Group brands will be launched, enabling consumers to make their reservations on-line, either directly or through three portals (accor.com, accorhotel.com and accorservices.com). « Leisure » and « Economy » portals are also being developed.

Simultaneously, in order to ensure a better distribution of its products, Accor is launching an aggressive strategy to establish its presence at all levels of e-distribution.

In the area of Services, Accor is going to launch next fall new offers based on the reputation of its products and the trust of its 11 million daily users.

Accor E-Company will make investments and establish partnerships in distribution networks on the Net. Accor will also invest in startups specializing in tourism and services.

Thanks to its expansion, geographical scope, the diversity of its product offering, its productivity gains and modernization initiatives, Accor is particularly well positioned to achieve sustainable growth. The Internet will provide further momentum to its sales, brand recognition and financial performance.

Broadcast of the analysts' meeting
on www.accor.com/finance

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