



WE BUILD

SMILES



2002 Annual Results

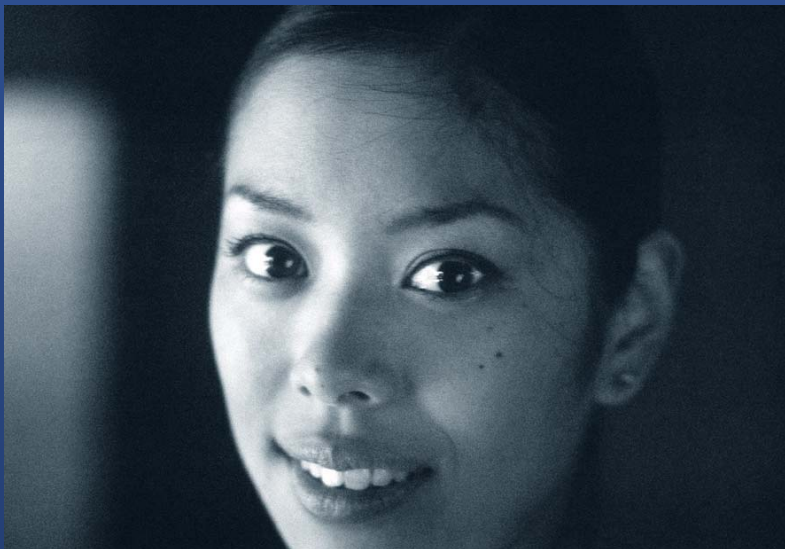
Summary



▶ 2002 annual results



▶ Current priorities



2002 Annual Results



2002 Key Figures



in € millions	2001	2002	Δ 02/01
▶ Sales	7,290	7,139	-2.1%
▶ PBT	758	703	-7.3%
▶ Net Income	474	430	-9.3%
▶ EPS (in €)	2.40	2.18	-9.2%
▶ Dividend (in €)	1.05	1.05 ⁽¹⁾	

(1) To be approved by shareholders at the Annual Meeting



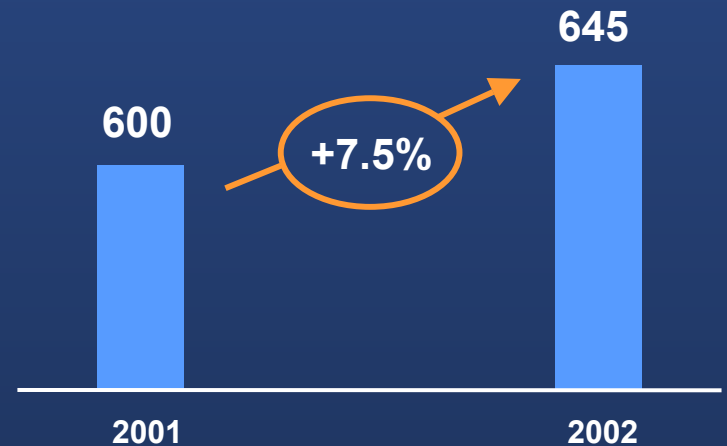
2002: Sound Results

(in € million)

▶ Ebitdar margin maintained

	2001	2002
– Ebitdar	1,971	1,936
– % sales	27.0%	27.1%

▶ Improved free cash flow



2002 Sales Analysis: € 7,139 million

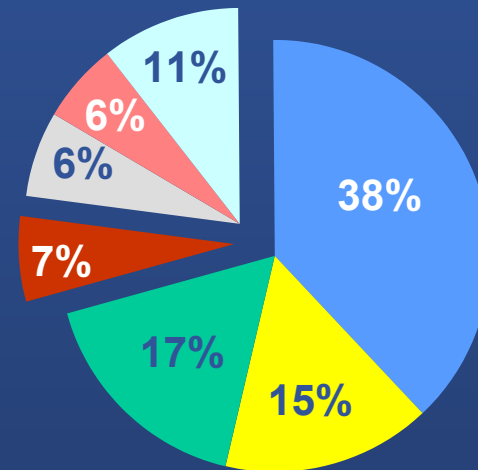
▶ - 2.1% on a reported basis:

- like-for-like: +0.9%
- expansion: +4.2%
- currency: -3.6%
- disposals: -3.6%

▶ Hotels: stable over the period

▶ Services : up 16.9% like-for-like

Breakdown
by business



- Business and leisure: € 2,720 million
- Economy (excl. U.S.): € 1,100 million
- Economy U.S.: € 1,213 million
- Services: € 469 million
- Travel agencies: € 452 million
- Restaurants: € 424 million
- Other (Casinos, Railway services...) : € 761 million



2002 Ebitdar Analysis: € 1,936 million

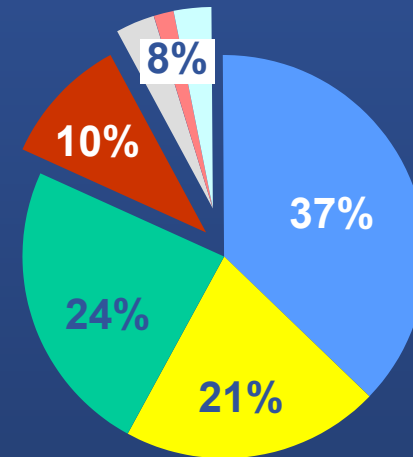
▶ - 1.8% on a reported basis:

- like-for-like: +1.7%
- expansion: +2.8%
- currency: -4.7%
- disposals: -1.6%

▶ Hotels: € 1,583 million

▶ Services : € 202 million

Breakdown by business



- Business and leisure: € 719 million
- Economy (excl. U.S.): € 400 million
- Economy U.S.: € 464 million
- Services: € 202 million
- Travel agencies: € 59 million
- Restaurants: € 31 million
- Other (Casinos, Railway services...) : € 61 million



Business and Leisure Hotels



in € millions	2001	2002	Δ 02/01
Sales	2,698	2,720	+22
Ebitdar	735	719	-16
% sales	27.2%	26.4%	-0.8 pt

Better resilience in France (43% of Ebitdar)



Economy Hotels (excl. U.S.)



in € millions	2001	2002	Δ 02/01
Sales	1,025	1,100	+75
Ebitdar	387	400	+13
% sales	37.8%	36.3%	-1.5 pt

Impact of higher labor costs in France and weak German economy



U.S. Economy Hotels



in € millions	2001	2002	Δ 02/01	
			reported	like-for-like
Sales	1,326	1,213	-113	-55
Ebitdar	516	464	-52	-32
% sales	38.9%	38.3%	-0.6 pt	

**Labor cost and corporate expense
reduced by € 23 million**

Services



en € millions	2001	2002	Δ 02/01	
			reported	like-for-like
Sales	498	469	-29	+84
Ebitdar	206	202	-4	+55
<i>% sales</i>	<i>41.4%</i>	<i>43.1%</i>	<i>+1.7 pt</i>	<i>+3.4 pt</i>
Currency hedge	8	16	+8	
PBT	180	186	+6	
<i>Contribution to group PBT</i>	<i>23.7%</i>	<i>26.4%</i>		

Improved margin
Conservative hedging policy



Travel Agencies



in € millions	2001	2002	Δ 02/01
Sales	499	452	-47
Ebitdar	36	59	+23
% sales	7.2%	13.1%	+5.9 pt

**Operating costs reduced by
€ 61 million**



Casinos



in € millions	2001	2002 (at 100%)	2002 reported (Group share)
Sales	302	334	242
Ebitdar	58	58	41
% sales	19.2%	17.4%	

**Margin deteriorated
due to increase tax burden (+2.6 points)**



in € millions	2001	2002
▶ Ebitdar	1,971	1,936
▶ Holding costs	(1,233)	(1,247)
– Rental expense	(698)	(726)
– Depreciation	(443)	(455)
– Financial result	(92)	(66)
▶ Net income from associated companies	20	14
▶ PBT	758	703

Stable holding costs



Geographically Balanced Business Portfolio

Sales 2002
€ 7,139 million

Ebitdar 2002
€ 1,936 million

PBT 2002
€ 703 million

	North America	France	Europe (excl. France)	Rest of the World
Sales 2002	22%	34%	31%	13%
Ebitdar 2002	26%	29%	33%	12%
PBT 2002	11%	39%	38%	12%



Net Income

in € millions	2001	2002
▶ PBT	758	703
▶ Capital gains	95	24
▶ Amortization of goodwill	(102)	(109)
▶ Tax	(246)	(234)
▶ Exceptional result	-	68
▶ Minority interests	(31)	(22)
▶ Net income, group share	474	430
E.P.S. (in €)	2.40	2.18



Cash Flow

in € millions	2001	2002
▶ Cash flow from operations	1,005	961
▶ Investments for renovation and maintenance	(405)	(316)
▶ Free cash flow	600	645
▶ Investments for development	(923)	(802)
▶ Disposals	535	660

+7.5%

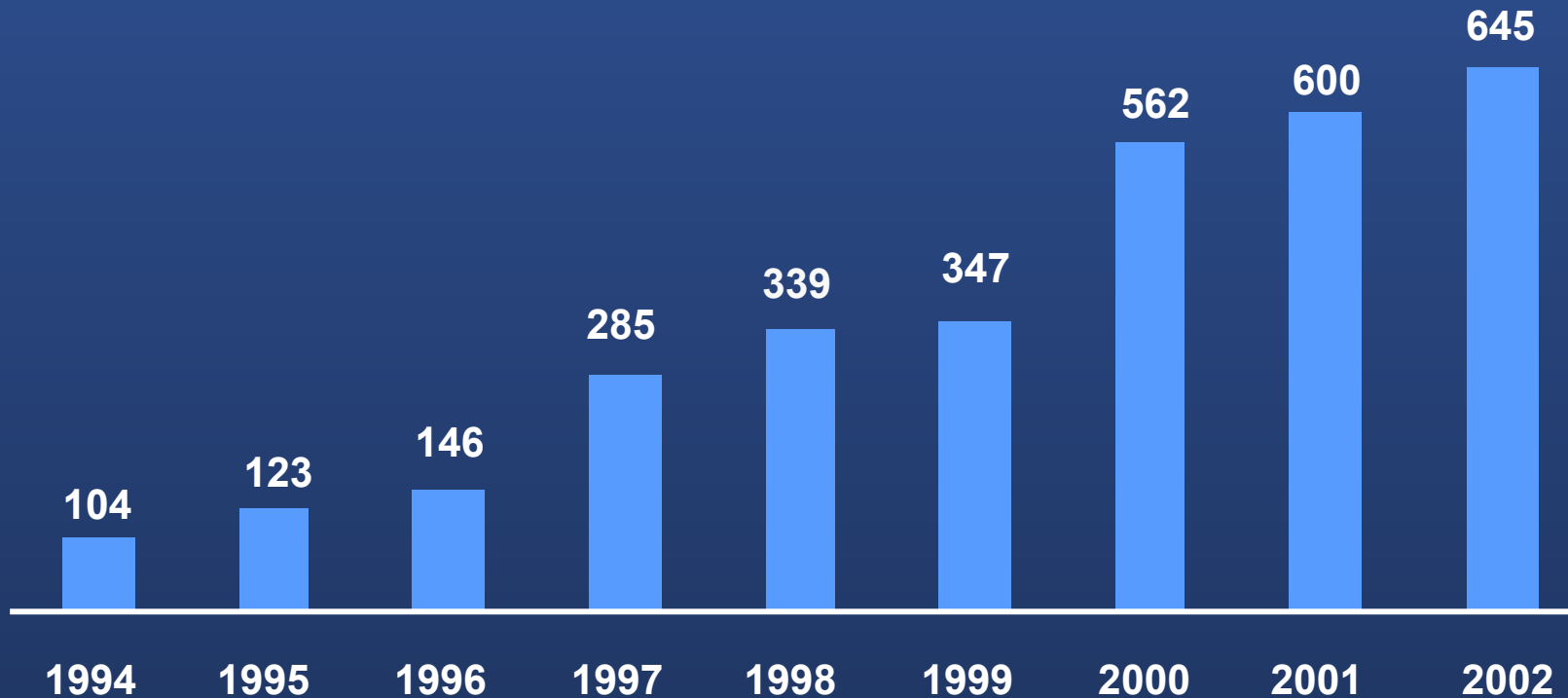
Increased free cash flow



Free Cash Flow: 9 Years of Continued Growth

Cagr 1994-2002

► FCF : +25.6%



(in € millions)



Financial Ratios

in € millions	2001	2002
▶ Equity and minority interests	4,279	3,984
▶ Net debt	2,849	2,802
▶ Financial ratios		
– Net debt-to-equity (Gearing)	66.6%	70.3%
– Interest cover (1)	x5.4	x5.6
– F.F.O. (2) / Adjusted net debt (3)	17.3%	16.5%

(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 rental expense*

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

Financial ratios under control

Debt Structure as of December 2002

▶ Two major transactions achieved in 2002

- **3/5-Year convertible bond (OCEANE) € 570 M**
1% coupon, issued in April 2002
- **4-Year bond € 400 M**
5% coupon, issued in December 2002

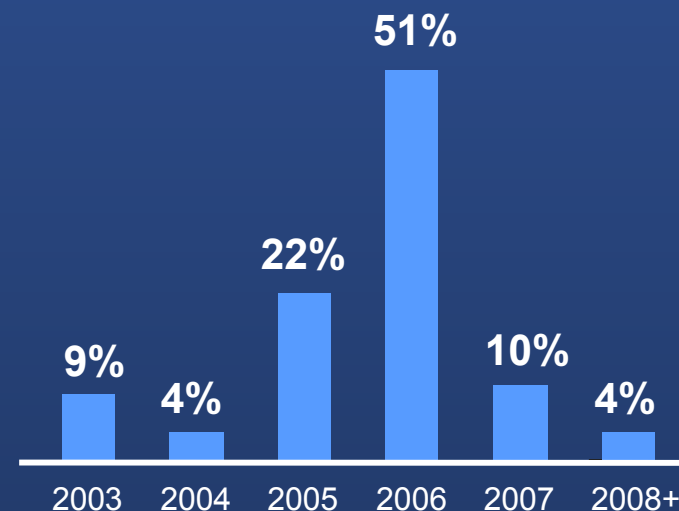
▶ Diversity of funding

- 43% bank loans and other
- 57% bonds

▶ Average interest rate on total debt **3.80%**

- Fixed rate (40%) **3.88%**
- Variable rate (60%) **3.74%**

▶ Maturity profile





Off-Balance Sheet Commitments

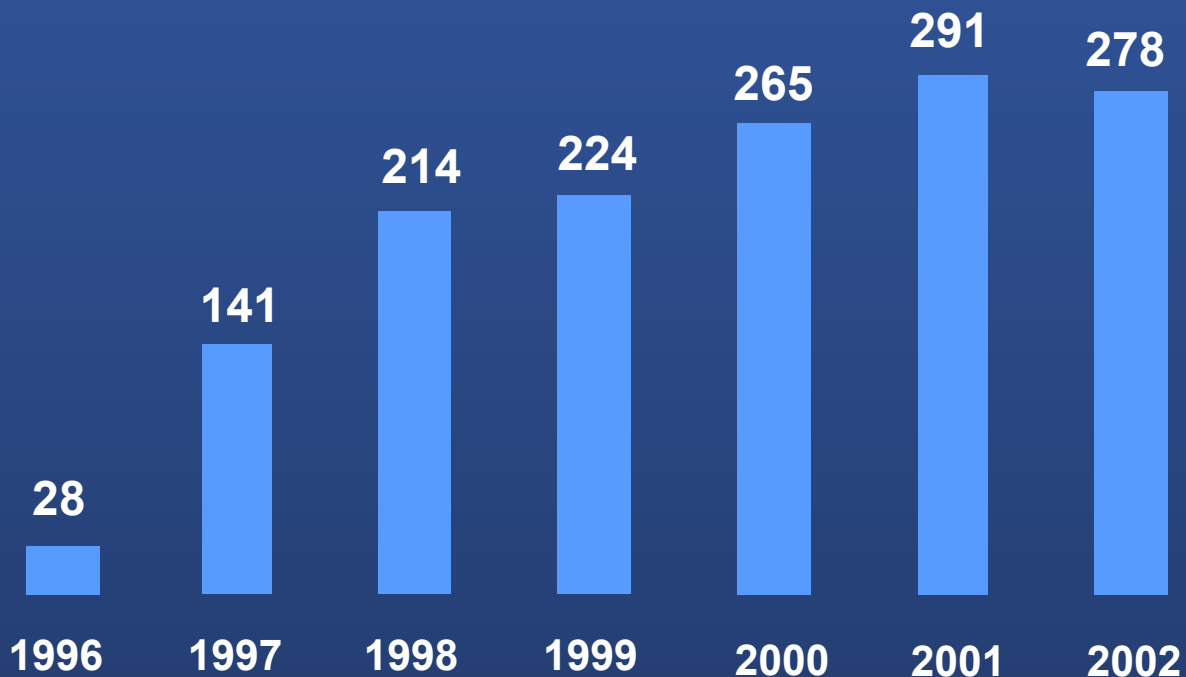
in € millions	2001	2002
– Loan guarantees	27	42
– Commitments to repurchase assets	139	134
– Put options on Accor shares	66	-
– Other commitments	41	100
▶ Total	273	276
% of capital employed	2.3%	2.3%



Return on Capital Employed (ROCE) and Value Creation (EVA®)

in € millions

EVA®



	1996	1997	1998	1999	2000	2001	2002
ROCE before tax	9.0%	10.2%	11.2%	11.2%	11.7%	11.5%	10.7%
ROCE after tax	7.0%	8.1%	8.7%	8.7%	9.0%	9.1%	8.6%
WACC (Weighted Average Cost of Capital)	6.7%	6.4%	6.3%	6.4%	6.7%	6.6%	6.2%



Industry Performances 2002 vs. 2000



	Accor	Six Continents	Hilton Group	NH Hoteles	Sol Melia	Marriott International	Starwood	Hilton Corp.
▶ PBT per share	-7.1%	-25.4%	-6.9%	-17.0%	-66.9%	-37.9%	-58.8%	-29.6%
▶ EPS reported	-4.4%	-72.5%	-33.4%	-20.0%	-96.8%	-42.2%	-13.7%	-28.4%



Current Priorities

Capitalizing on Accor's Name and Brands

A reference in terms of:

- service
- innovation
- value for money



SMILES



Strong brand recognition boosted by Accor endorsement



▶ Facilitate Life Essentials



▶ Enhance Well-Being



▶ Increase Performance



Associated expertise



Accor Marketing Tools to Increase Market Share

▶ **Efficient central booking system:** 11 million room nights in 2002, up 23% vs. 2001

▶ **Loyalty programs:** 875,000 members, up 10.2% vs. 2001



▶ **Partnerships** (Air France, Delta Airlines, SNCF, Europcar, Total...)

▶ **Accorhotels websites:** bookings in Europe up 155% in 2002
3.6% of total net room nights (2.6% in Europe, 6% in the US)

a proactive marketing strategy

Optimizing Organizations

1997 - 2002

Technological leap forward with “Accor 2000” highly performant tools:
global Accor reservation system, international sales,
yield-management, cross-functional purchasing and technology organizations

2003

optimized, streamlined organization:

- By region (Europe, North America, Latin America, Asia Pacific)
- On a multibrand basis

Expansion of Services in 2002 and Beyond



▶ New countries:

- Some 15 opportunities under study



▶ New products:

- 24% of total services sales in 2002
- Employee assistance with Davidson Trahaire in Australia



▶ New clients:


- up 12.6% in volume issued on a like-for-like basis in 2002



Hotel Expansion: Sustained Pace of Openings in 2002

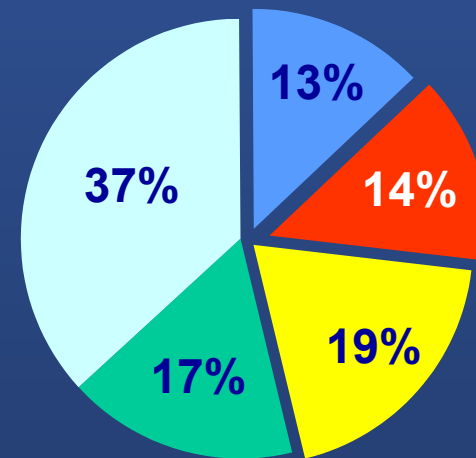
Openings by segment

(in % of rooms)

	8%
	29%
	20%
	6%
	37%
Total	100%

Openings by type of operation

(in % of rooms)



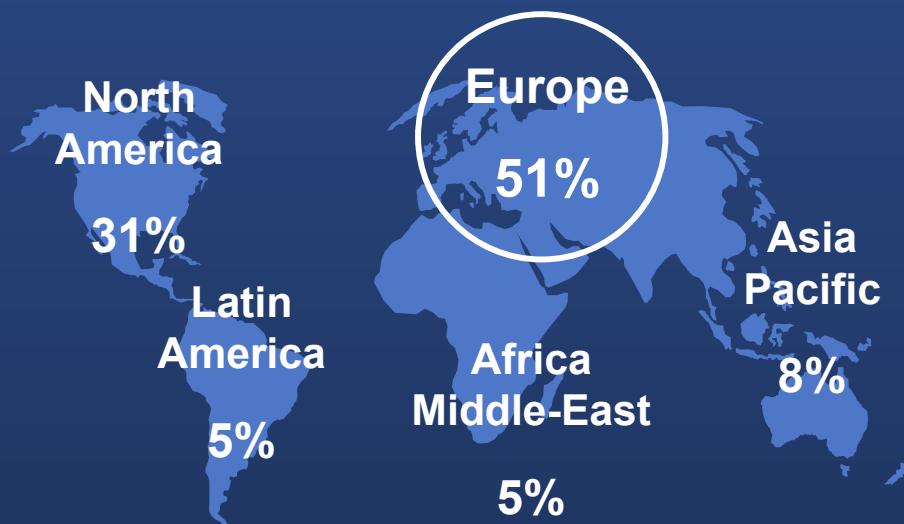
- Owned
- Leased
- Management
- Franchise
- Franchise Dorint

openings 2002: +291 hotels (41,227 rooms)

Hotel Portfolio at December-end 2002



	Hotels	Rooms
▶ Hotel portfolio at December-end 2001	3,654	415,769
– Openings 2002	291	41,227
– Closings 2002	(116)	(16,189)
– Net openings	175	25,038
▶ Hotel portfolio at December-end 2002	3,829	440,807



(in % of rooms, as of December 31, 2002)

Hotel Portfolio by Type of Operation at December-end 2002

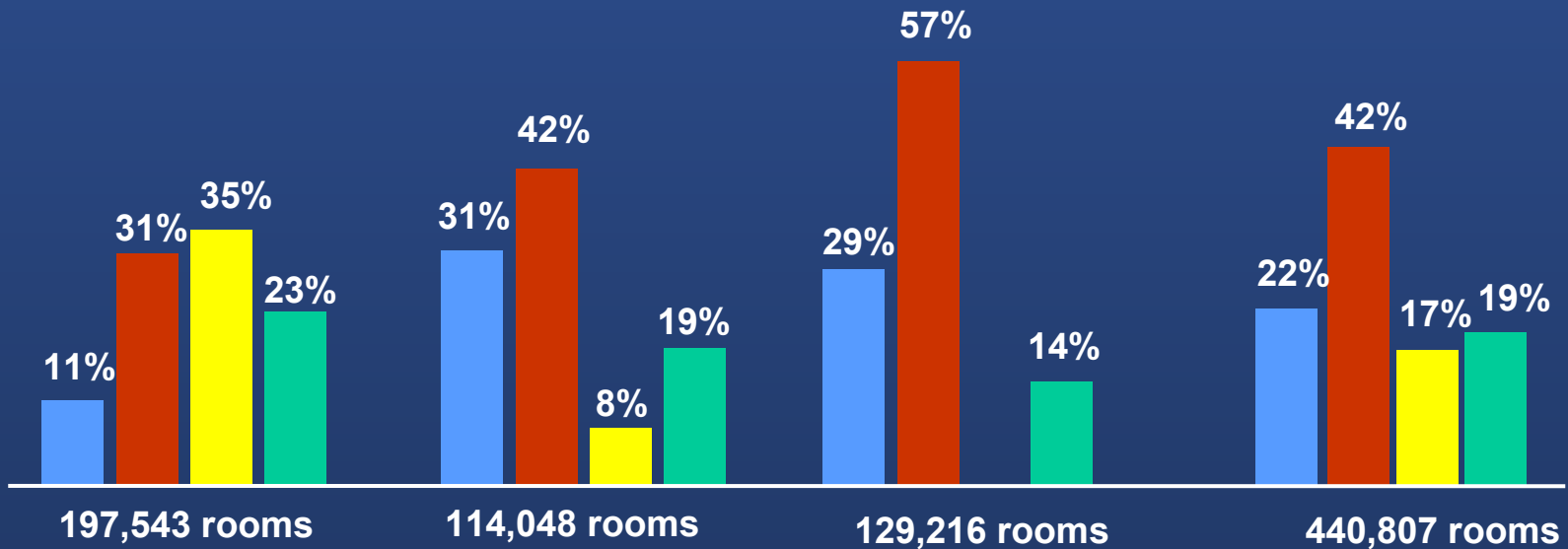


Upscale
and Midscale

Economy
(excl. U.S.)

Economy
U.S.

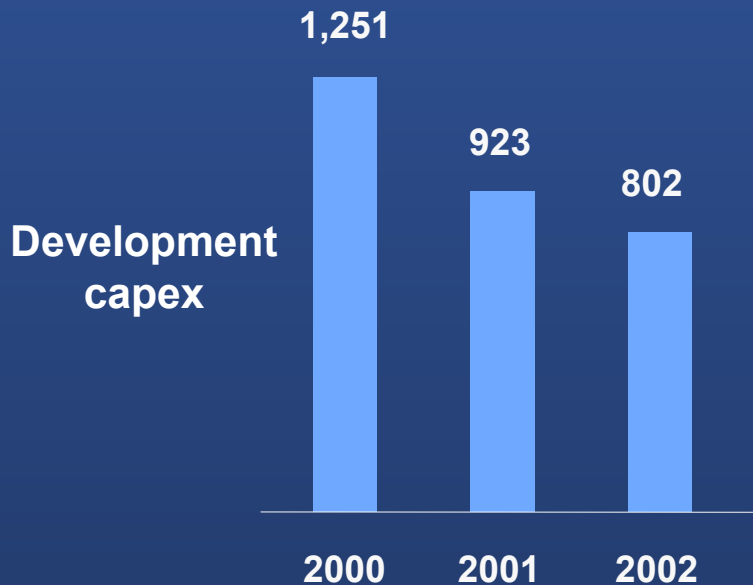
Accor hotels
network



- Owned
- Leased
- Managed
- Franchised

(in % of rooms)

Maintain the Pace of Expansion: 20,000 Rooms in 2003

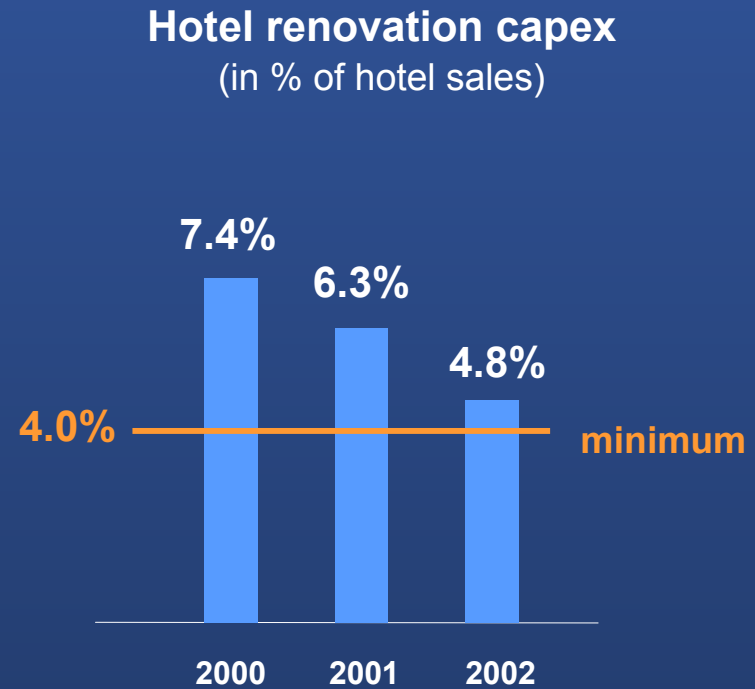
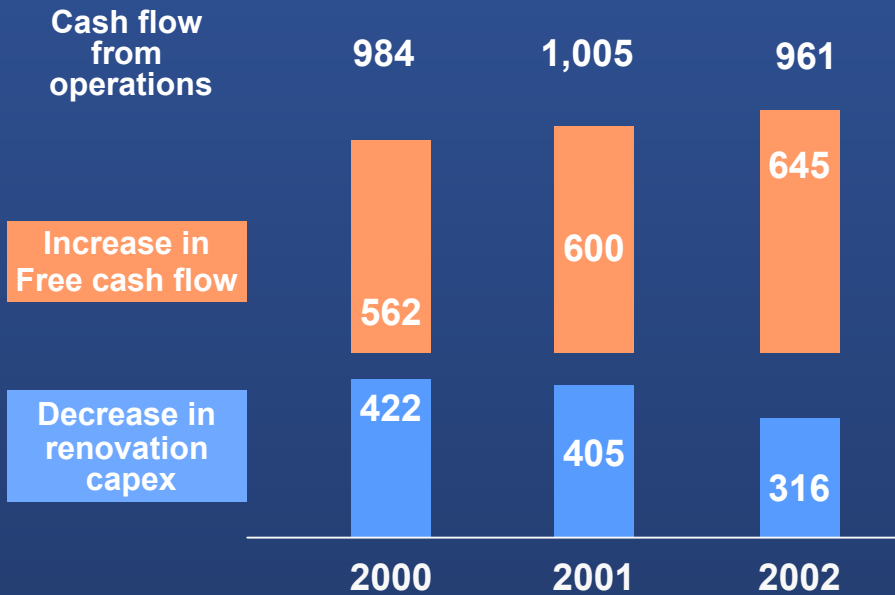


**Planned 2003 development capex
€ 700 to € 750 million**

Pursue sustained expansion through:

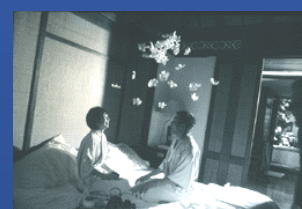
- ▶ Selective investments in terms of products and location (economy and midscale hotels in Europe)
- ▶ Expanding the network through management contracts, joint ventures and franchises (upscale hotels, outside Europe)
- ▶ Potential regional acquisitions

Manage Free Cash Flow by Reducing Renovation Capex



Planned renovation capex 2003
€ 300 to € 330 million

Trends as of February 2003 (YTD)



	Occupancy Rate (Δ in pts)	Average Room Rate (Δ in %)	RevPAR (Δ in %)
► Hotels			
- Europe business and leisure	53.8%	+0.3	-1.1%
- Europe economy	62.2%	-2.9	+3.7%
- U.S. economy	57.8%	+0.7	-2.5%
► Services:			
	Feb. 03 YTD reported	Feb. 03 YTD like-for-like	
Sales	-13.1%	+14.3%	



2003 RevPAR Objective

Accor's RevPAR objective is to

outperform the market

in the U.S. and in Europe

Conclusion

ACCOR has demonstrated its ability to
PERFORM WELL in **CHALLENGING TIMES**
thanks to its **RESPONSIVE FRONT-LINE TEAMS**



and is in a
GOOD POSITION
to
LEVERAGE ANY REBOUND

Medium and long-term potentials remain unchanged



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Questions & Answers