



**European Leader and Global Group
in the World of Travel and Tourism
with Two Main Businesses :
Hotels and Services**





























**Accor
Hotels &
Services**

**1999 Results
Sustainable Growth**

Internet Strategy Takes Off

Accelerated Expansion

*Accor, partner of the French Olympic Committee
for the Sydney Games*



HOTELS

Complementary activities

SERVICES

Accor Hotels

- ▶ **Worldwide presence**
- ▶ **Integrated network**
- ▶ **Coverage of all market segments**
- ▶ **Brand recognition**

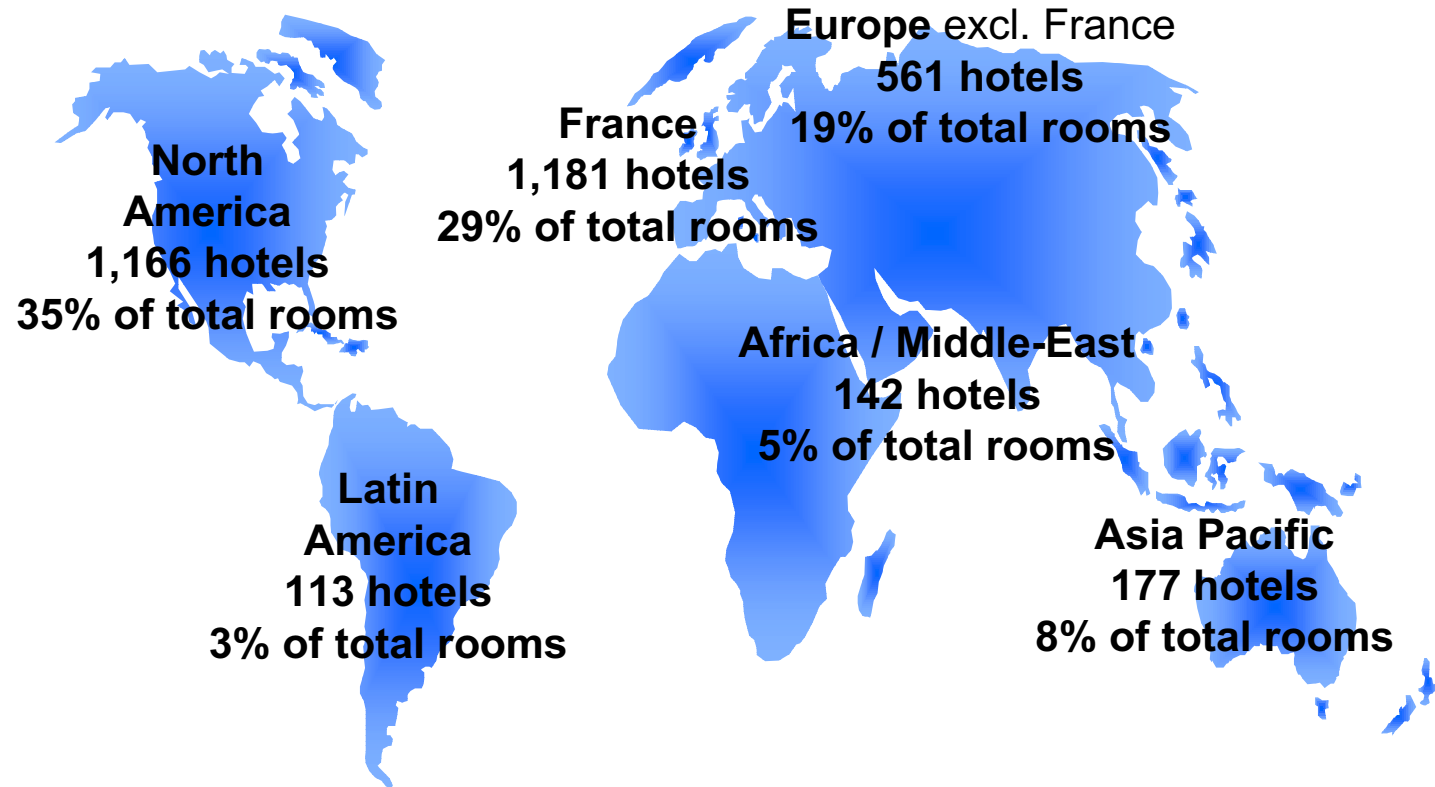


HOTELS

Worldwide presence: 3,340 hotels - 369,238 rooms - 82 countries

Complementary activities

SERVICES



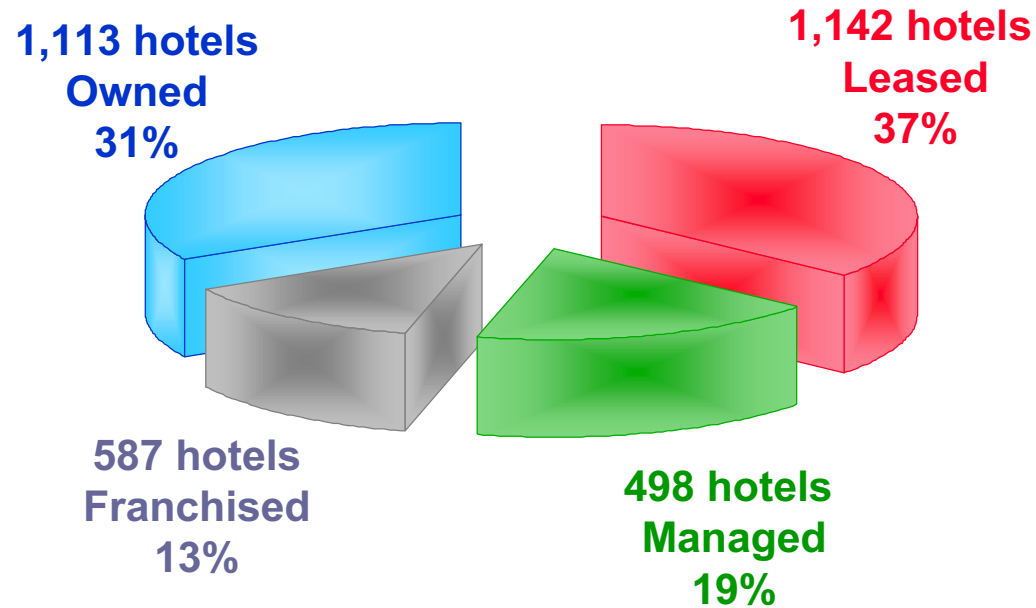
(as a % of rooms - as of April, 2000)

HOTELS

Complementary activities

SERVICES

Integrated Network: 87% of hotel portfolio under direct management



Coverage of all Market Segments

1,148 Hotels - 153,147 Rooms Upscale and Midscale
3 to 5 stars

HOTELS

Complementary activities

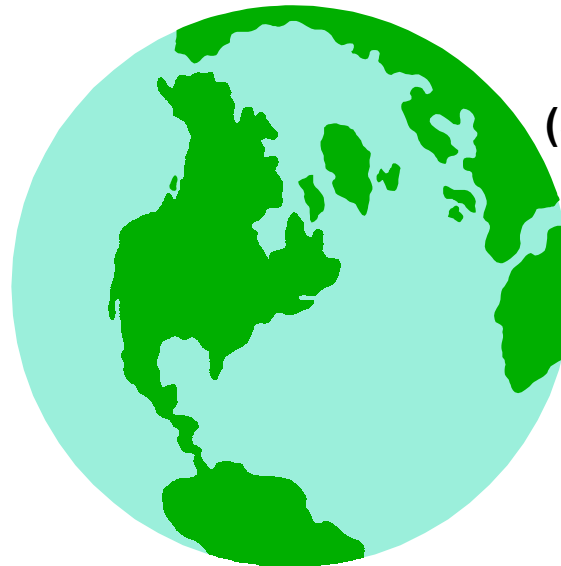
SERVICES



137 hotels
(24,833 rooms)
43 countries



180 hotels
(30,000 rooms)
35 destinations



326 hotels
(51,794 rooms)
43 countries



599 hotels
(64,155 rooms)
37 countries



(as of April, 2000)

Leisure

HOTELS

Complementary activities

SERVICES

▶ **Leisure Hotels: 180 hotels - 30,000 rooms - 35 destinations**

- Sofitel Resorts
- Novotel and Mercure / Coralia and Thalassa
- Coralia Clubs

▶ **Tour Operating :**

- Frantour in Europe (short stay)
- Accor Tour in France (generalist)
- Couleurs Locales (Tunisia)



▶ **Distribution :**

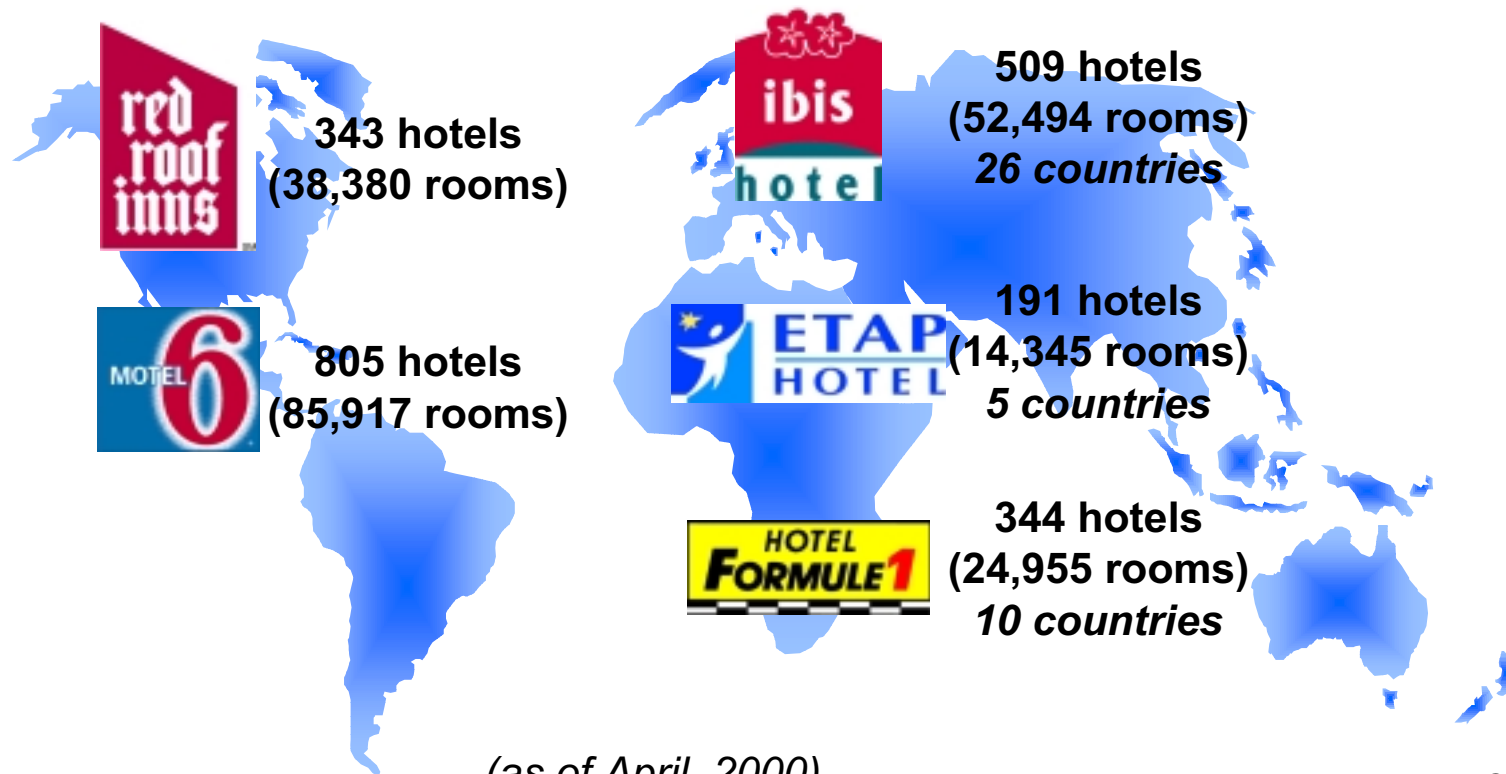
- Carlson Wagonlit Travel leisure in France and Viajes Ecuador in Spain
- Frantour in France and Portugal
- Sélectour in France (partnership)

HOTELS

Complementary activities

SERVICES

Worldwide Unique Network of Economy and Budget Hotels: 2,192 hotels - 216,091 rooms



(as of April, 2000)

HOTELS

Complementary activities

SERVICES

Economy and Budget Hotels: a New Standard of Hotel

- ▶ **New clients**
- ▶ **Modern concept**
- ▶ **Global unique expertise**
- ▶ **Quick return and highly profitable**

HOTELS

Complementary activities

SERVICES

High Recognition of Accor and its Hotel Brands in Europe

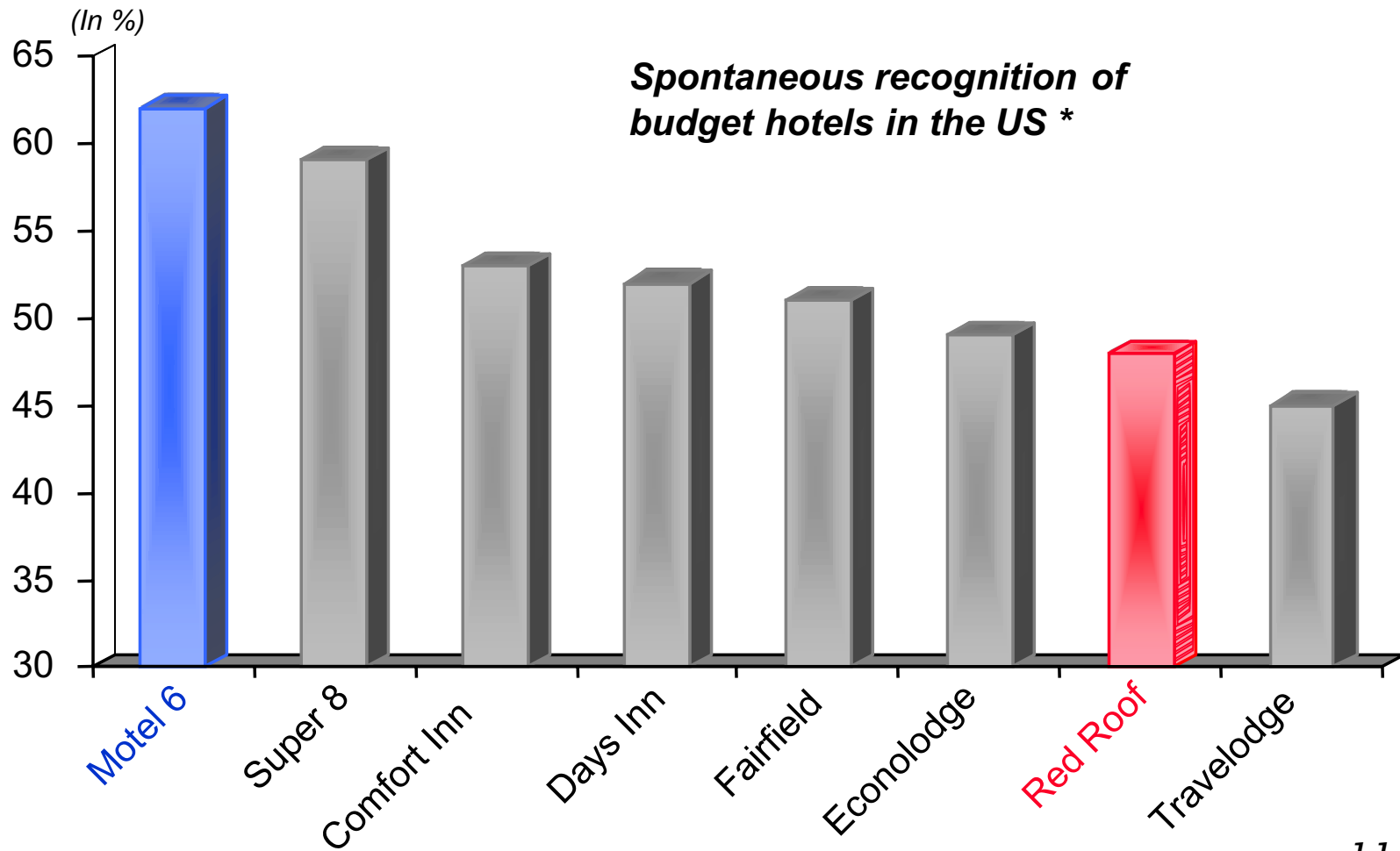
- ▶ Improving recognition of Accor since two years
- ▶ Novotel, Ibis, Sofitel, Mercure, Formule 1 among the best top-of-mind

High Recognition of Accor Hotel Brands in the United States

HOTELS

Complementary activities

SERVICES



* Source: DK Shifflet, YE 1999 Image Index

HOTELS

Complementary activities

SERVICES



Accor Casinos



Complementary Activities to Hotels

- ▶ **Travel Management (Business Travel Agencies)**
- ▶ **Casinos**
- ▶ **Restaurants and Catering**
- ▶ **Onboard Train Services**

Travel Management

HOTELS

Complementary activities

SERVICES



- ▶ **Number two worldwide for business travel :
traffic of EUR 10 billion in 1999**
- ▶ **50% Accor - 50% Carlson**
- ▶ **140 countries**
- ▶ **Global account management of travel expenses for international companies**

HOTELS

[Complementary activities](#)

SERVICES

Casinos

Accor Casinos

- ▶ 13 casinos as of April, 2000
- ▶ 35% of Société des Hôtels et Casinos de Deauville share capital
- ▶ Objective : become one of the main actor in Europe
- ▶ Support of the hotel development

HOTELS

Complementary activities

SERVICES

Catering:
Sales of EUR 1 billion

▶ **Public Restaurants**



42 shops worldwide



112 restaurants in France

▶ **Institutional Catering**



▶ **Onboard Train Services in Europe**



HOTELS

Complementary activities

SERVICES



Services to Companies and Local Authorities

- ▶ Luncheon and food vouchers
- ▶ Management of corporate expenses
- ▶ Incentive, events
- ▶ Employee Assistance Program

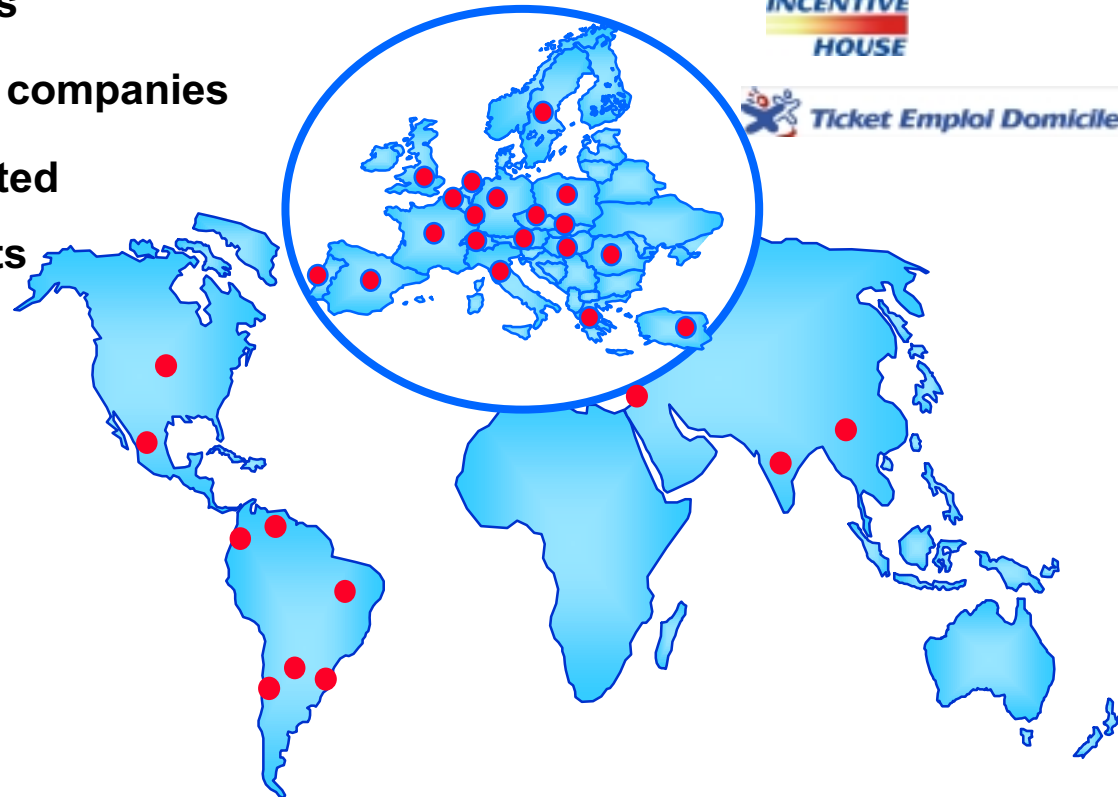
Services to Companies and Local Authorities

HOTELS

Complementary activities

SERVICES

- ▶ 11 million daily users in 30 countries
- ▶ 300,000 client companies
- ▶ 800,000 affiliated establishments





Businesses

Sustainable Growth

Accelerated Expansion

Internet

1999 Results

Sustainable Growth



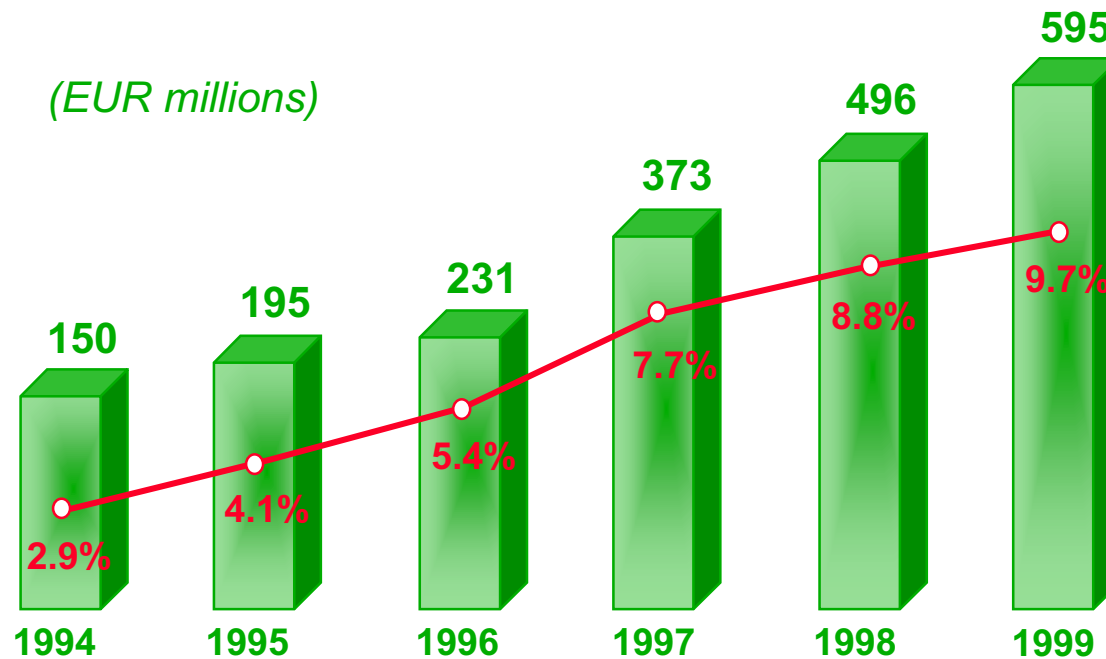
1999 Key Figures

<i>(EUR millions)</i>	1998	1999	Variation
▶ Consolidated Sales	5,623	6,105	+ 8.5%
▶ Total Inc. From Operations	496	595	+19.6%
▶ Net Income, Group Share	297	352	+18.2%
EPS (in EUR)	1.65	1.94	+17.1%
▶ ROCE	11.2%	11.2%*	
▶ Net Debt-to-Equity Ratio	60%	77%	

*11.6% excluding development

Sustainable Growth

(EUR millions)



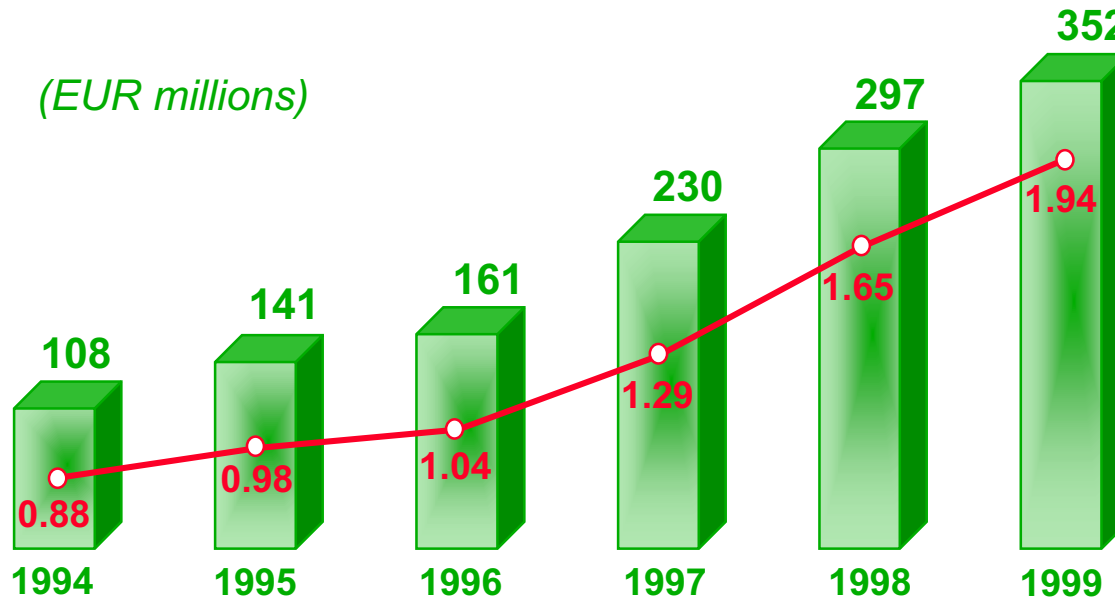
Total Income From Operations

+19.6%
in 1999

As a %
of Sales

Sustainable Growth

(EUR millions)



Net Income,
Group Share

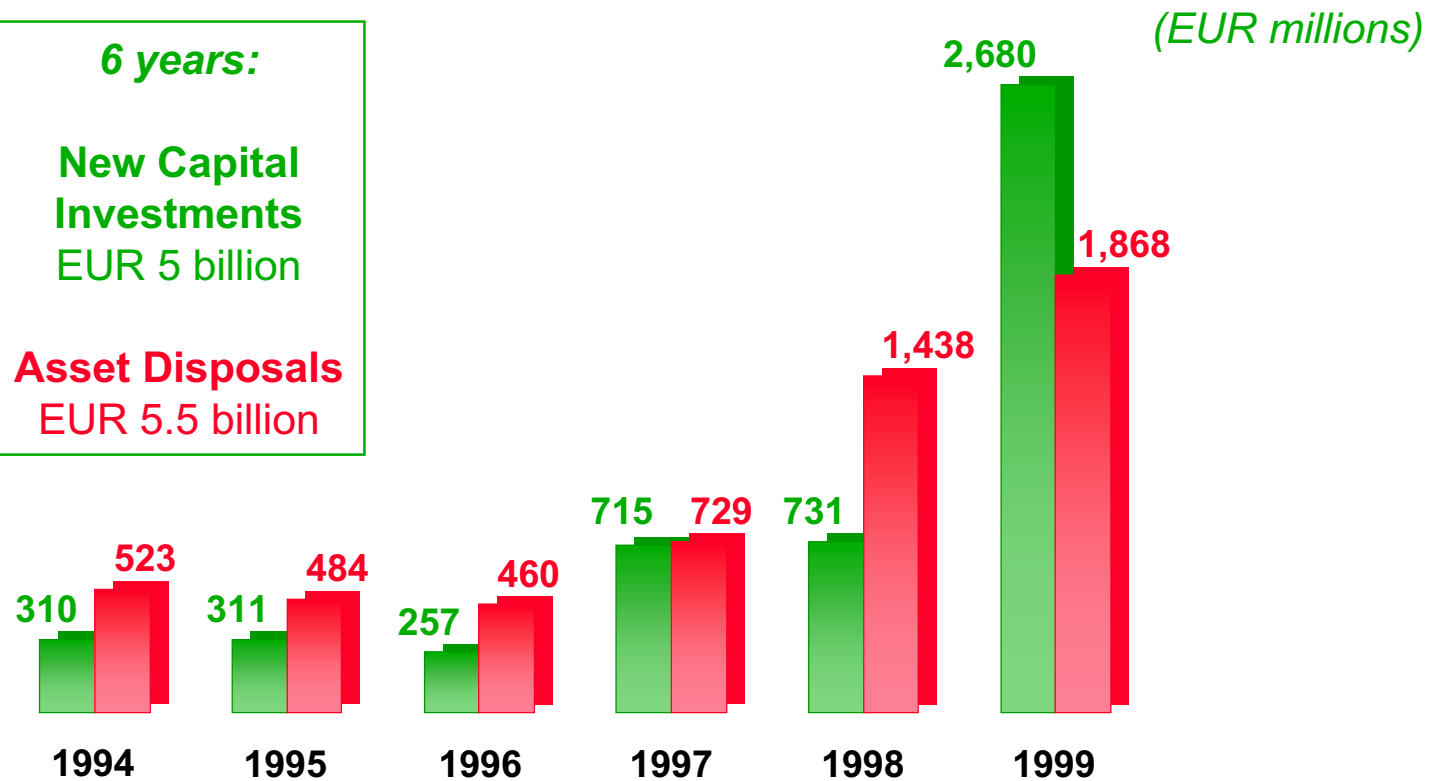
+18.2%
in 1999

EPS*
(in EUR)

* after five-for-one split in December, 1999

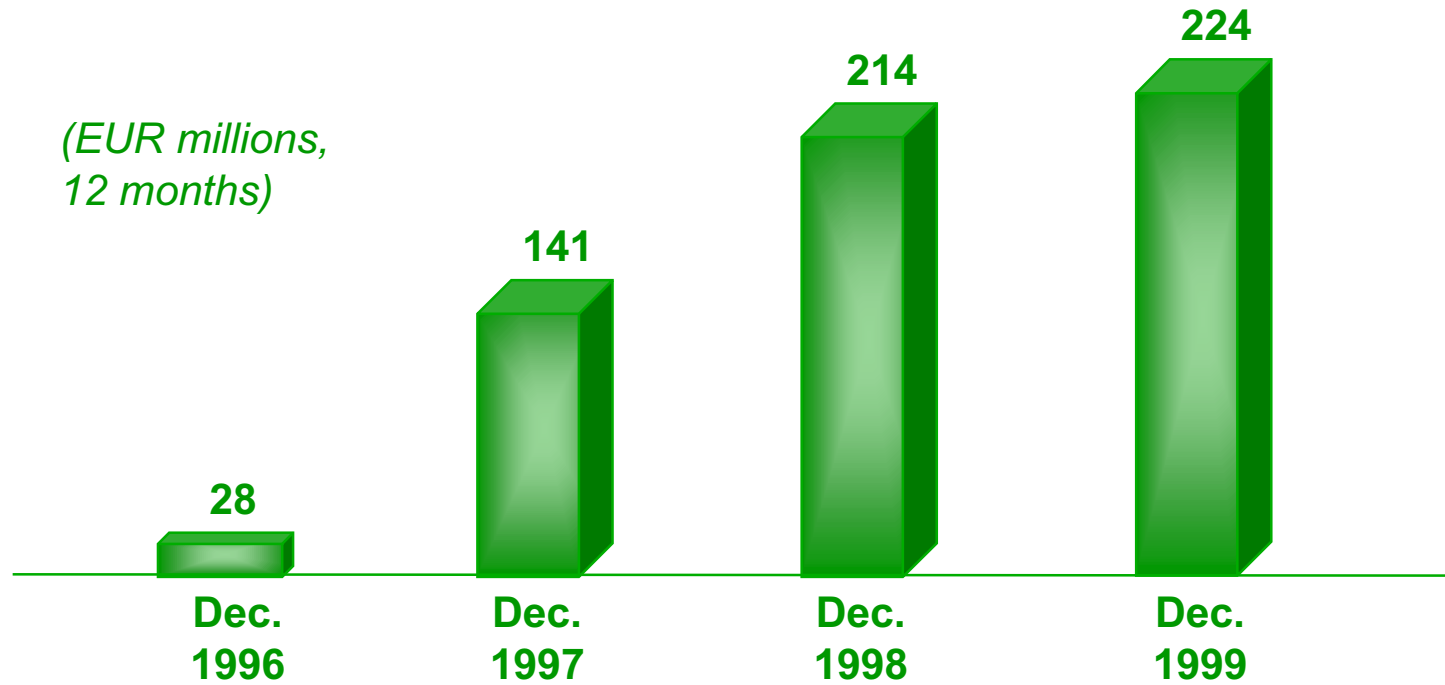
Accelerated Expansion in Accordance with Financial Ratios *

6 years:
New Capital Investments
 EUR 5 billion
Asset Disposals
 EUR 5.5 billion



Value Creation (EVA)

(EUR millions,
12 months)



ROCE*	7.0%	8.1%	8.7%	8.7%
WACC**	6.7%	6.4%	6.3%	6.4%

* Return On Capital Employed (after taxes)

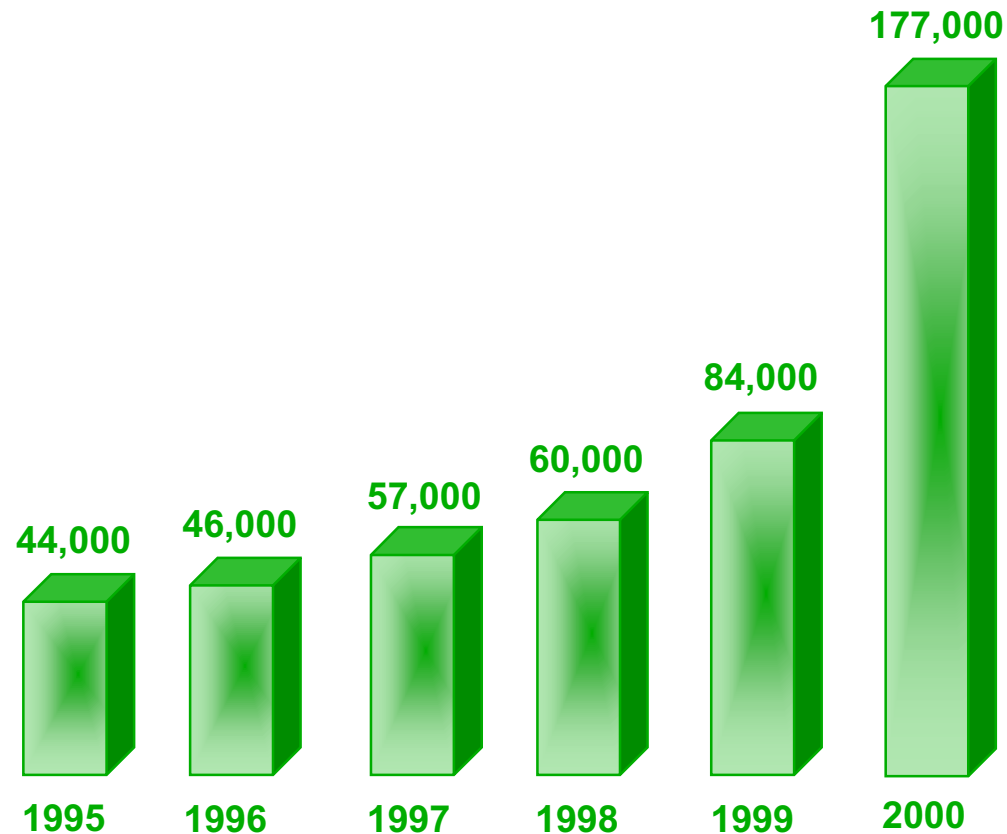
** Weighted Average Capital Cost (after taxes)

1999 Dividend

- ▶ **0.90 EUR net (1.35 EUR including tax credit): +12.5%**
- ▶ **Paid in cash on June 14, 2000**
- ▶ **Pay-out ratio: 47%**

Accor's Shareholding and Share Price Evolution

Sharp Increase of Accor's Total Number of Shareholders in 2000

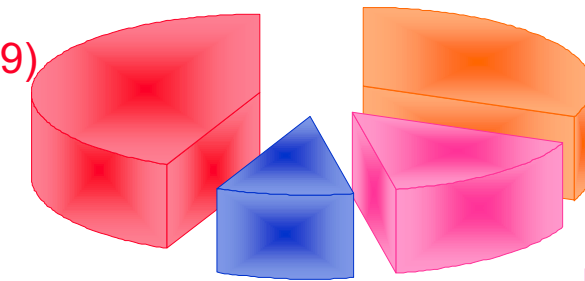


** Survey conducted by SICOVAM with intermediaries holding over 200,000 shares on behalf of their clients, as of February 29, 2000*

Increase of Individual Shareholders in Accor Share Capital *

International Institutional Investors: 43.4%
(versus 47% as of March 31, 1999)

French Institutional Investors: 29%
(versus 30% as of March 31, 1999)



Supervisory Board: 10.6%
(versus 12.8% as of March 31, 1999)

Individual Shareholders: 17%
(versus 10.2% as of March 31, 1999)



Information

- ➔ Information Letter
- ➔ Shareholder's Guide
- ➔ 800 number

Meetings

- ➔ Presentations to Individual Shareholders
- ➔ Site visits

« Discover » Offers

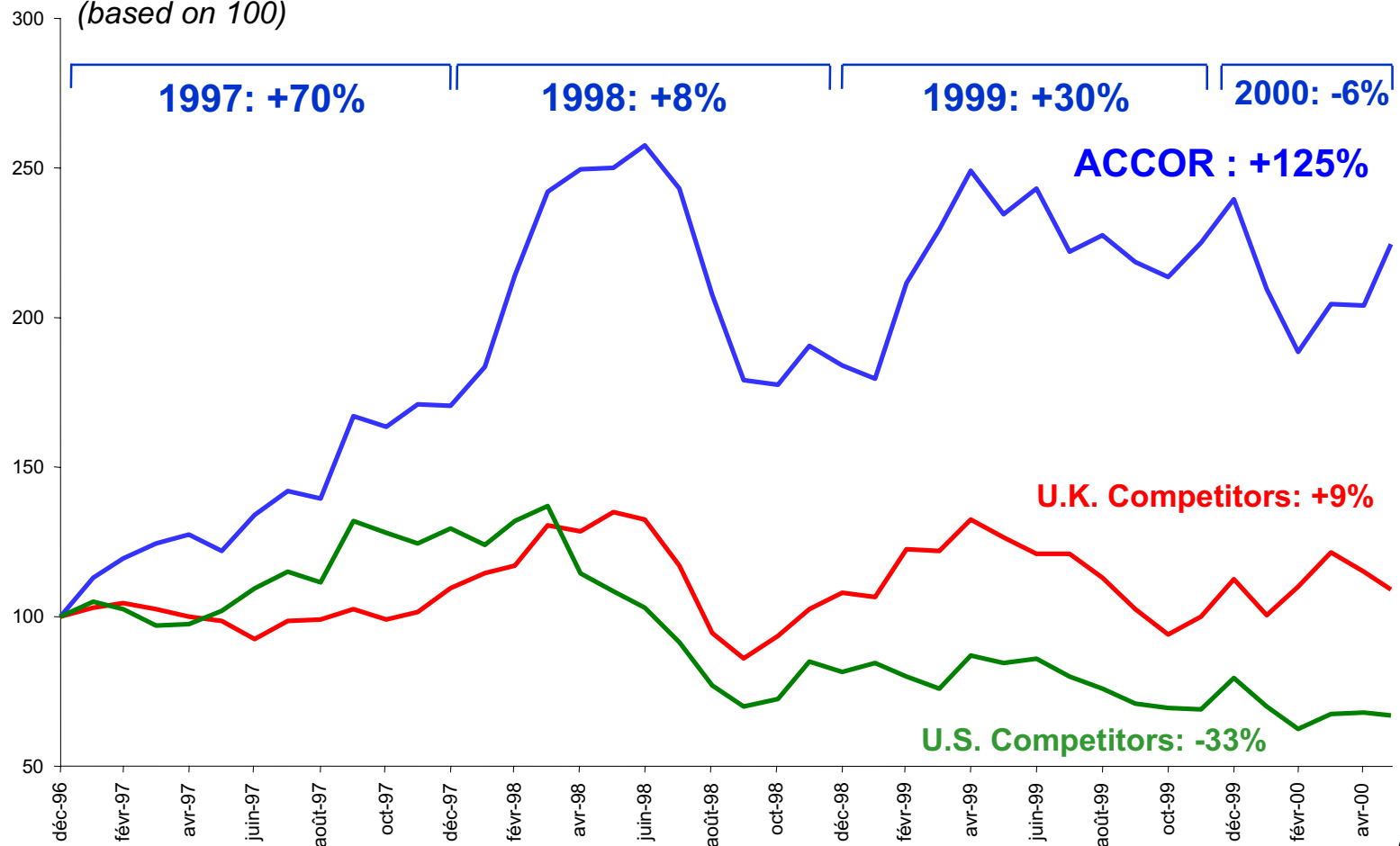
- ➔ To discover Accor universe
- ➔ Permanent offers

Website: www.accor.com/finance

Evolution of the Accor Share Price Compared to its Competitors since the Beginning of 1997

As of May 26, 2000

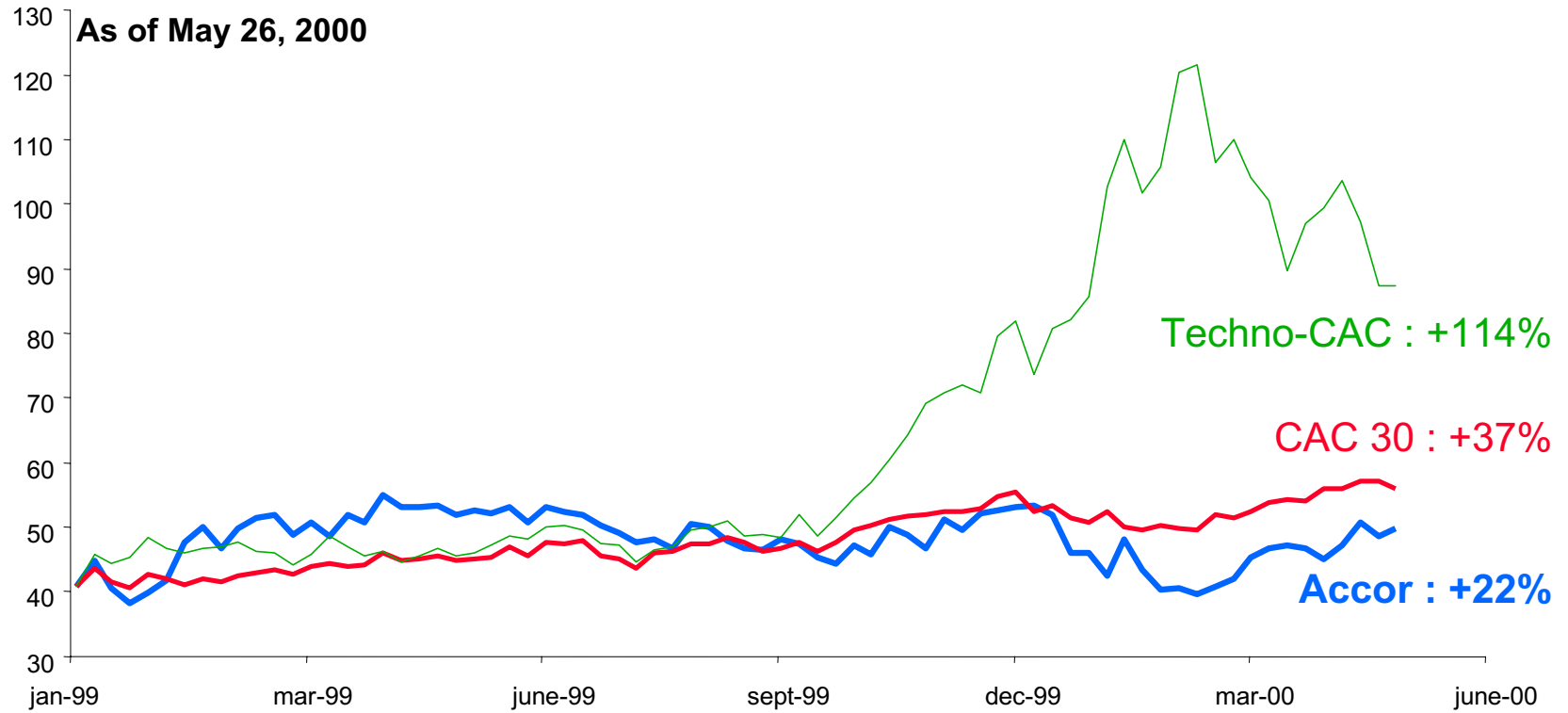
(based on 100)



Evolution of Accor Share Price Compared to CAC Index since the Beginning of 1999

(in EUR)

As of May 26, 2000



Activity Trends as of April, 2000

Hotels : RevPar by Market Segment cumulated as of April, 2000

	<i>Occupancy Rate</i>		<i>Average Room Rate</i>	<i>RevPAR</i>
	<i>(in %)</i>	<i>(var. in ppts)</i>	<i>(var. in %)</i>	<i>(var. in %)</i>
▶ Upscale and Midscale in Europe	60.6%	+0.4	+4.4%	+5.1%
▶ Economy Europe	70.1%	+0.9	+5.6%	+7.0%
▶ Economy North America (in \$)	62.5%	+0.3	+3.2%	+3.7%

Services to Companies and Local Authorities cumulated as of April, 2000

<i>(EUR millions)</i>	1999	2000	<i>Variation constant currency basis</i>
▶ Total Volume of Issuance	1,775	2,174	+13.3%
<i>incl.</i>			
Europe	867	963	+11.3%
Latin America (excl. Brazil)	441	576	+14.4%
Brazil	468	635	+16.1%

Travel Management as of April, 2000

<i>(EUR millions)</i>	1999	2000	<i>Variation constant currency basis</i>
▶ Total Traffic (100%)	2,871	3,095	+ 7.8%
<i>incl.</i>			
North America	1,321	1,393	+ 4.1%
Europe	1,473	1,623	+10.2%

Accelerated Expansion



HOTELS

Complementary
activities

SERVICES

Global Tourism Expansion

- ▶ **According to the World Tourism Organization, the number of international travellers will increase from 650 million in 1999 to 1.5 billion in 2020**
- ▶ **Accor's medium and long-term expansion is concentrated on geographical areas with strong economical development**

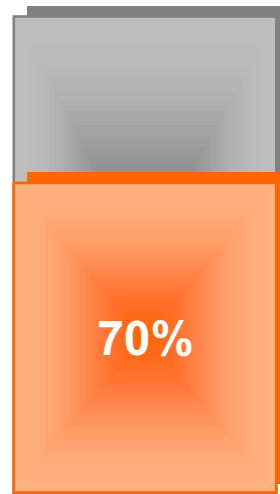
HOTELS

Complementary activities

SERVICES

Consolidation of Hotel Industry in Europe Forecasted

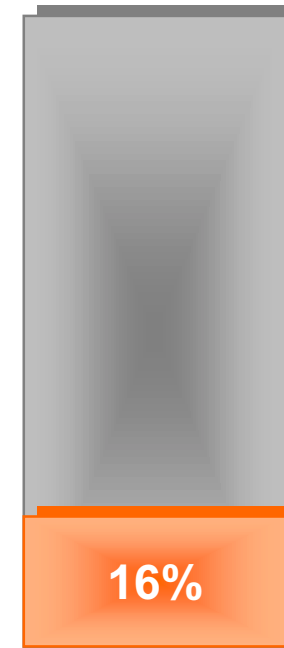
Penetration rate



USA
(3.86 million rooms)

Independent Hotels

Hotel Chains



Europe
(4.84 million rooms)



HOTELS

Complementary
activities

SERVICES

Expansion of Accor Hotels Focused on 3 Priorities:

- ▶ **Accor as a federator in the process of industry concentration in Europe**
 - ▶ **Global expansion of economy hotels**
 - ▶ **Medium- and long-term growth,**
 - **in emerging countries: Asia Pacific (177 hotels as of April, 2000), Latin America (113 hotels and residences)**
 - **and leisure**
- using financial schemes that reduce commitments and risks

HOTELS

Complementary
activities

SERVICES

Further Expansion of Hotel Network

▶ 1999 : 639 new hotels (69,030 chambres): +22% of hotel network, of which half from Red Roof Inns

▶ 2000-2001 : +10% per year, without a major acquisition, mainly in Europe

HOTELS

Complementary
activitiesSERVICES**Development of Services to Companies and Local Authorities**

- ▶ **Geographical diversification: 30 countries**
- ▶ **Magnetic or smart cards: one million users in 2000**
- ▶ **New products:**
 - Incentive
 - Employee Assistance Program
 - Services to Local Authorities

Accor's Sustainable Growth based on Specific Policies in terms of:

- ▶ **Human Resources : « Succeeding Together », human and social side of Accor 2000 Group project**
- ▶ **Corporate Governance**
- ▶ **Environment**

In January 2000, Accor was awarded positive ratings on all three criteria by France's Agence de Rating Social et Environnemental (ARESE)



Businesses

Sustainable Growth

Accelerated Expansion

Internet

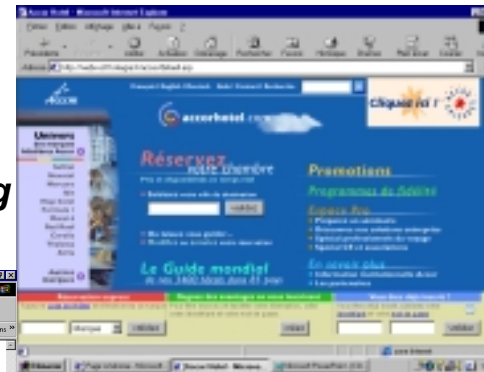
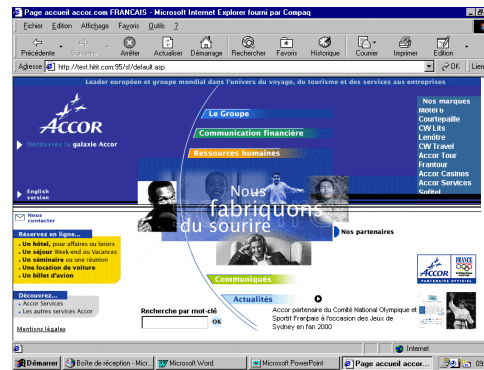
Expansion Boosted by
Internet

→ accor.com

Internet : Already a Reality for Accor 3 Generalist Accor Portals



*A Comprehensive Offering
of Accor Galaxy*



 **accorhotel.com**
3,400 hotels - 90 countries

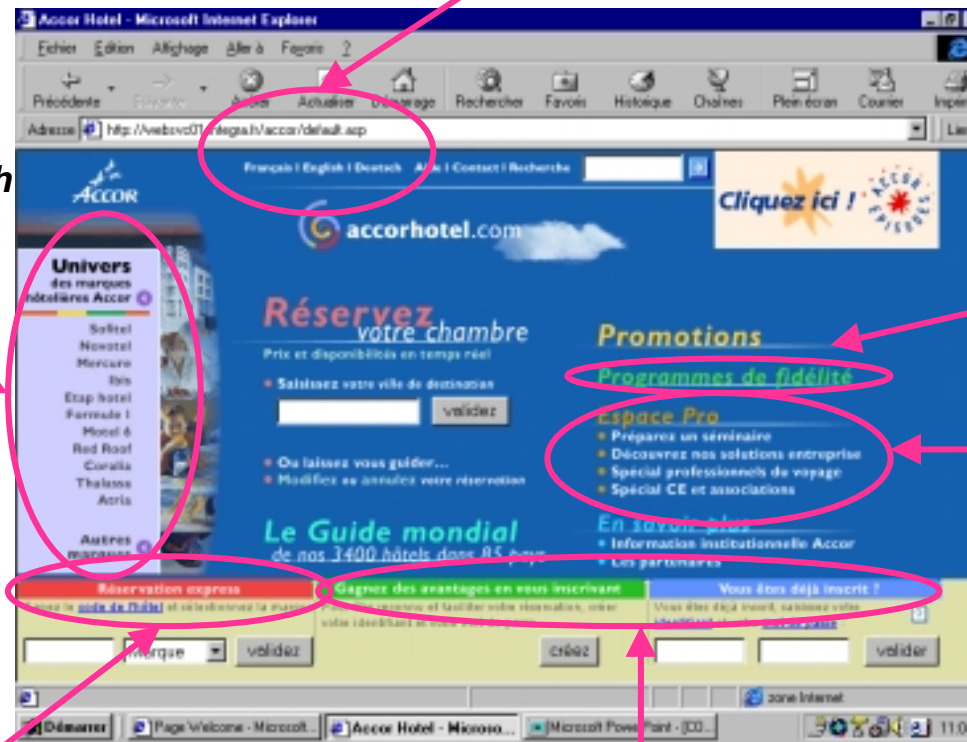


Internet : Already a Reality for Accor
On-line Bookings : 3,400 Hotels in 90 Countries since May, 2000

User-friendly
Fast
Effective
Secure

5 languages

Real-time search through entire Accor network



Loyalty

Access to business offers

Fast, direct reservation (4 clicks)

Recognition / Customization

Internet : Already a Reality for Accor Specific Partnerships

- ▶ **Internet joint venture with Forte Hotel Group and Hilton International to create:**
 - a portal (hotel bookings)
 - a « marketplace » (purchasing)

- ▶ **Accor took a 38.5% of equity stake in Go Voyages (leading french specialized operator on scheduled and chartered flights)**

Internet : Already a Reality for Accor

- ▶ **Carlson Wagonlit Travel:**
 - « Business to business » Intranet in operation
 - B2C travel portal due to open
 - Technological investments 2000-2002: \$100 million (100%)

- ▶ **Services to Companies and Local Authorities: tickets on-line**

Accor is Particularly Well-Positioned to Benefit from the Internet Revolution

- ▶ **Strong brands and integrated networks**
- ▶ **Unique modern economy lodging network**
- ▶ **European leadership (60% of international tourism)**
- ▶ **Important partnerships, present and to come**
- ▶ **100 million clients per year in Accor hotels and 11 million daily users of corporate services**

Internet will increase:

- ▶ **Sales, through global marketing instead of local audience**
- ▶ **Results, through the increase of sales and cost cutting (purchasing)**
- ▶ **Accor recognition**