




***2000 First Half
Results***



- ▶ **Sustainable, Well-Balanced Growth Strategy**
- ▶ **Sharp Rise in First Half 2000 Performance**

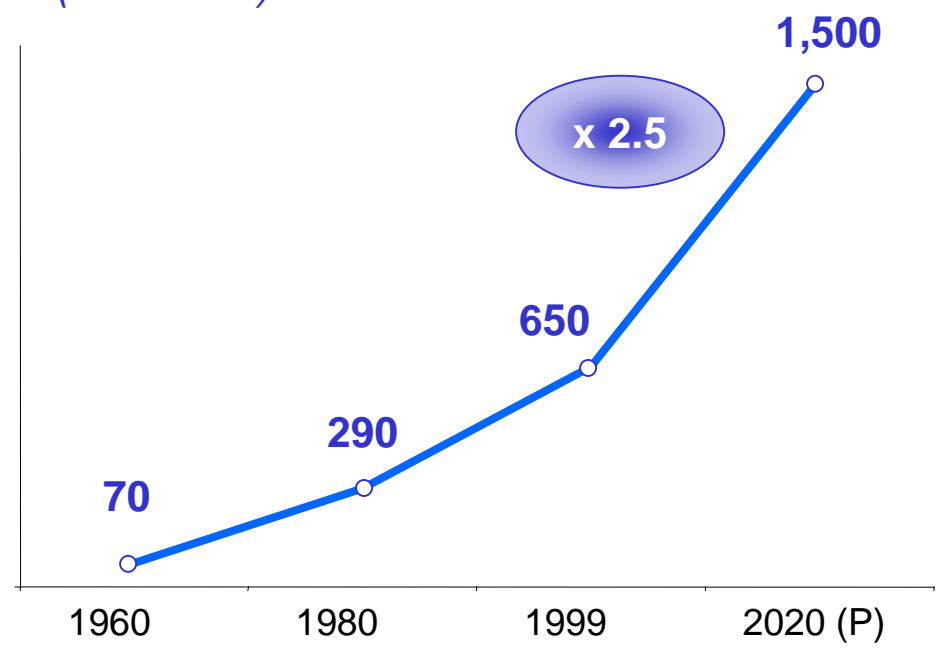
The background of the slide is an aerial photograph of a large, modern white building complex, likely a corporate headquarters or a large-scale residential development. The building has multiple wings and a prominent central tower. The surrounding area includes parking lots, landscaped grounds, and other smaller structures. The sky is clear and blue.

***Sustainable, Well-Balanced
Growth Strategy***

Tourism : among the World's Fastest Growing Industries

Exploding Number of International Travelers

(in millions)



- ▶ Growing leisure time and disposable income
- ▶ Democratization of airline travel
- ▶ Emergence of web-based travel services fueling growth of a global market

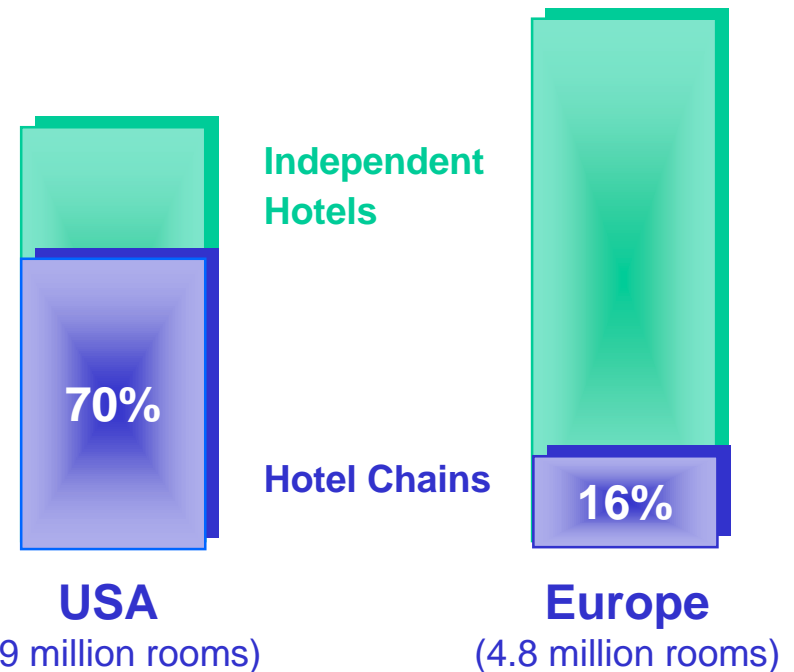
Source: World Tourism Organization

Transformation of the European Hospitality Industry



- ▶ **Fragmented market, ripe for consolidation**
- ▶ **Demand sustained by strong GDP growth**
- ▶ **Increasing consumer demand for reliable, quality products with strong identity**
- ▶ **Supply growth to remain limited**
- ▶ **Internet (centralized reservation systems and e-procurement) driving industry consolidation**

Hotel Chains Penetration in Europe



Source: Smith Travel Research, Accor

Europe: 50% of World Market

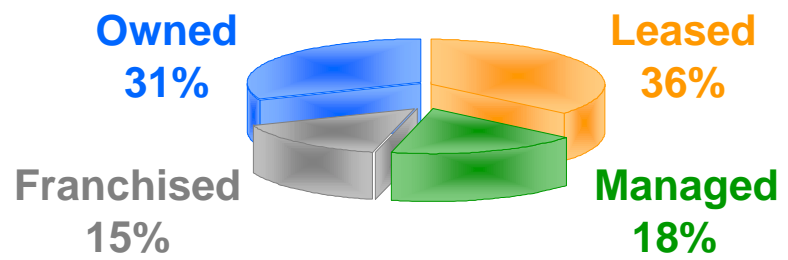
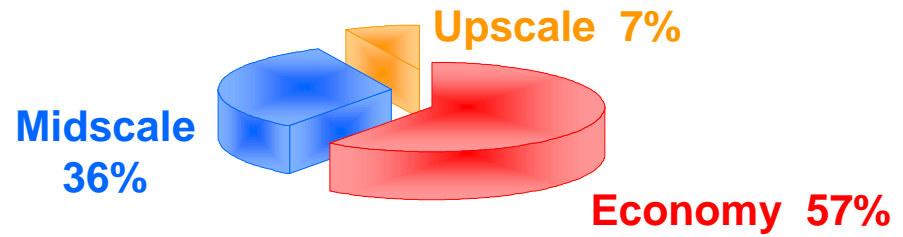
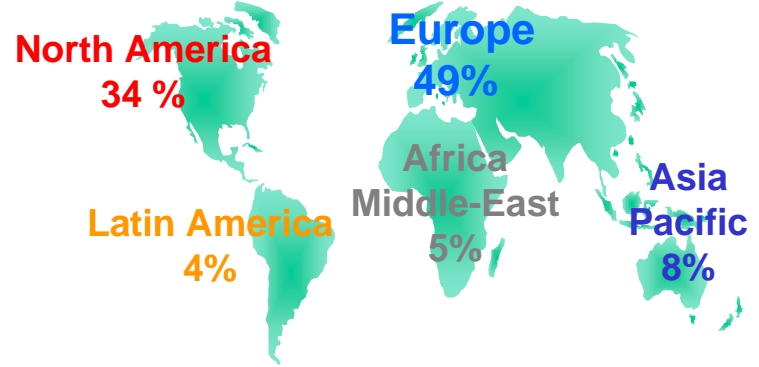
Unique Positioning



3,454 Hotels (385,427 Rooms) in 90 Countries at August 31, 2000

As % of Total Rooms

- ▶ **Global Presence and European Leadership**
- ▶ **Presence in all Market Segments**
- ▶ **Focus on Owned and Leased Properties**



Well-Balanced Hotel Portfolio



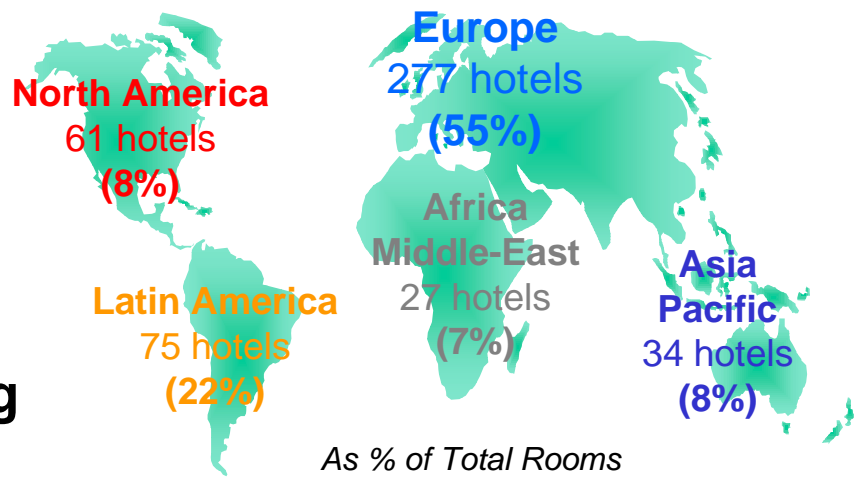
Target: 10% Annual Growth of Hotel Portfolio

- ▶ Priority to European market
- ▶ Worldwide expansion of budget/economy segment
- ▶ Sofitel in key metropolitan gateways around the globe
- ▶ Selective development in emerging countries and leisure resorts

Project Pipeline

474 Hotels - 58,736 Rooms

(at August 31, 2000)



Without Capital Increase

- ▶ **Focus on owned / leased properties in Europe and North America**
- ▶ **Partnerships, minority interests or management contracts in emerging countries**
- ▶ **Franchises to round out network**

Highly Attractive Long-Term Leases

- ▶ **Control over hotel operations**
- ▶ **Moderate cost of fixed long-term leases**
- ▶ **No mandatory buy-back but long-term capital gain upside**

To Speed Up Development

Unique Positioning
+ Growth of Hotel Portfolio
+ The Right Financing
=
Sustained Earnings Growth
and Reduced Cyclicity

The Web will Energize Accor's Sales and Image

- ▶ **Worldwide accessibility of Accor products**
- ▶ **Expected strong impact on budget/economy segment and European hotels**
- ▶ **Reinforcing the international recognition of Accor and its brands**

accorhotel.com

3,500 hotels in 90 countries



Market Share Gains

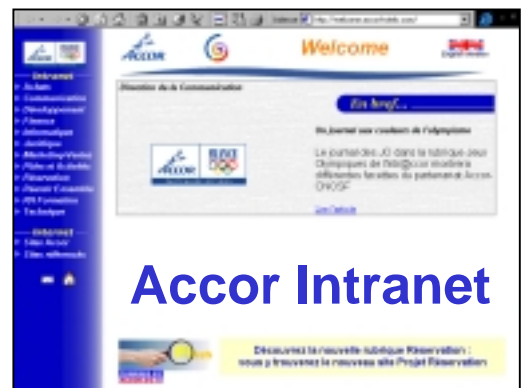


▶ **accorhotel.com: 3,500 hotels on-line**

▶ **Best-in-class intranet**

▶ **Major strategic alliances:**

- on-line reservations with Hilton and Forte, and with Starwood in Asia
- « market place » also joined by Bass, Granada Compass and Whitbread



Services : Accor's Second Business

- ▶ Leadership and global presence (31 countries)
- ▶ Diversification of products and technologies
- ▶ Sustained, steady growth
- ▶ Non capital-intensive and highly profitable



High-Potential Activity on Fast-Growing Markets

Accor Strategy: Strong, Steady Performance



- ▶ **Double-digit earnings growth for six consecutive years**
- ▶ **EPS doubled over four years**
- ▶ **Outstanding future outlook**

The background of the slide is an aerial photograph of a large, modern white building complex. The main building is a tall, curved structure with many windows. In the foreground, there are several lower-rise buildings and a parking lot. The sky is blue with some clouds.

***Sharp Rise in
First Half 2000***

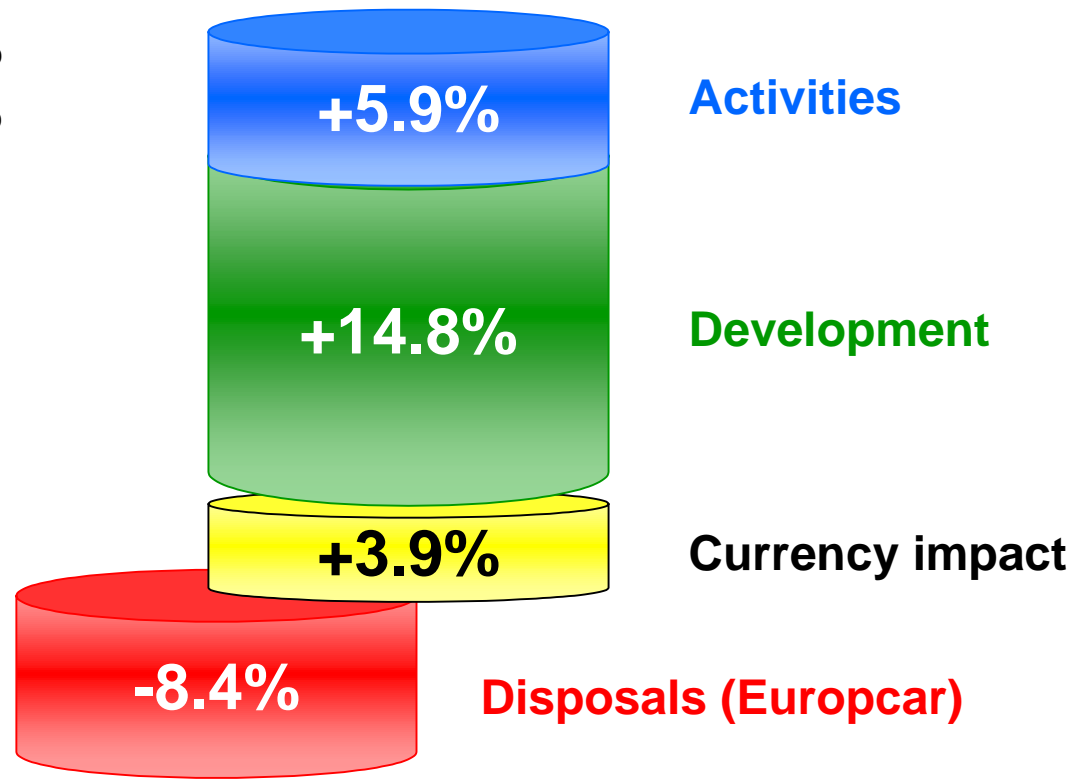
Key Figures First Half 2000

<i>(in EUR million)</i>	<i>H1 99</i>	<i>H1 00</i>	<i>Change</i>
▶ Consolidated Sales	2,854	3,316	+16.2%
▶ EBITDAR	683	851	+24.6%
▶ Total Income from Operations	239	326	+36.1%
▶ Consolidated Net Income, Group Share	155	196	+26.9%

Consolidated Sales Up 16.2%

EUR 3,316 million

Hotels : +31.6%
 Services : +21.2%

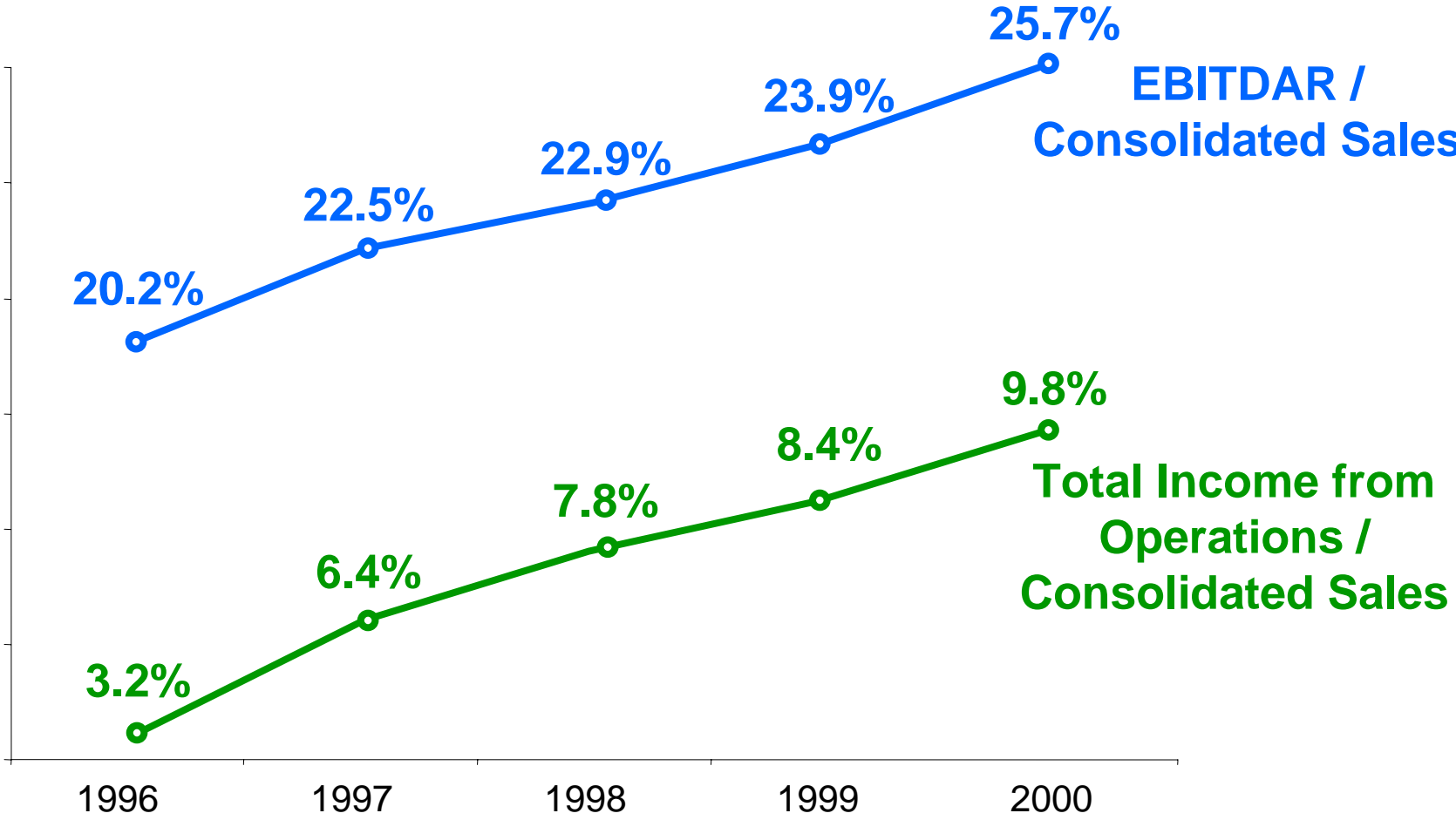


+20.7% excluding Disposals and Currency impact

Total Income from Operations

<i>(in EUR million)</i>	<i>H1 99</i>	<i>H1 00</i>	<i>Change</i>
▶ EBITDAR	683	851	+24.6%
Rental Expenses	(226)	(291)	
Depreciation	(166)	(192)	
▶ EBIT	291	368	+26.5%
Net Financial Expense	(56)	(47)	
Associated Companies	4	5	
▶ Total Income from Operations	239	326	+36.1%

Steady Increase in Profitability



As of June 30



Consolidated Net Income, Group Share

(in EUR million)

	H1 99	H1 00	Change
▶ Total Income from Operations	239	326	+36.1%
Result from Management of Hotel Portfolio	(4)	(14)	
▶ Current Income Before Taxes	235	312	+32.7%
Result / Other Assets	36	36	
Goodwill Amortization	(30)	(38)	
Income Taxes	(74)	(104)	
Minority Interests	(12)	(10)	
▶ Consolidated Net Income, Group Share	155	196	+26.9%
▶ Earnings Per Share (in EUR)	0.86	1.00	+16.7%

Consolidated Cash Flow from Operations

<i>(in EUR million)</i>	<i>H1 99</i>	<i>H1 00</i>	<i>Change</i>
▶ Consolidated Cash Flow from Operations	365	434	+18.9%
▶ Investments for Renovation and Maintenance	(208)	(209)	
▶ Free Cash Flow	157	225	+43.9%

(in EUR million)

	<i>H1 99</i>	<i>H1 00</i>
▶ Free Cash Flow	157	225
Investments for Development	(573)	(492)
Disposals	249	433
Other	(438)	(242)
▶ Change in Net Debt	(605)	(76)

Investments for Development

(in EUR million)

▶ Upscale and Midscale Hotels	213
▶ Budget/Economy Lodging Europe	94
▶ Budget/Economy Lodging USA	22
▶ Australia	48
▶ Casinos	35
▶ Other (including Technologies)	80
TOTAL	492

Strong Financial Structure

	<i>December 1999</i>	<i>June 2000</i>
▶ Net Debt (in EUR million)	(2,665)	(2,741)
▶ Financial Ratios		
– Net Debt-to-Equity (Gearing)	77.0%	73.5%
– Interest Coverage (1)	x5.2	x5.2
– F.F.O. (2) / Readjusted Net Debt (3)	21.0%	21.3%

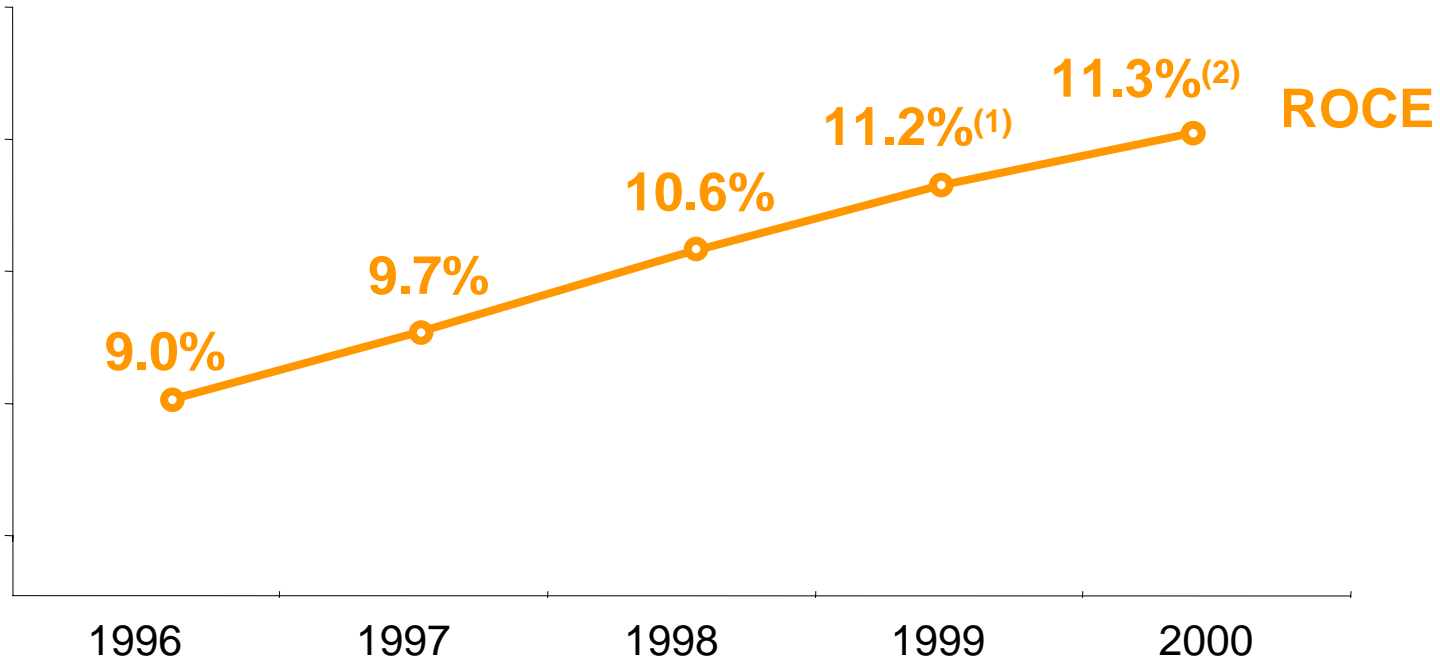
(1) EBITDAR / Net Financial Results + 1/3 of Rents

(2) Funds From Operations = Consolidated Cash Flow from Operations +2/3 of Rents

(3) Net Debt Adjusted to include Five Times Current Year Rental Expense

Steady Increase in ROCE

As of June 30,
Sliding 12 months



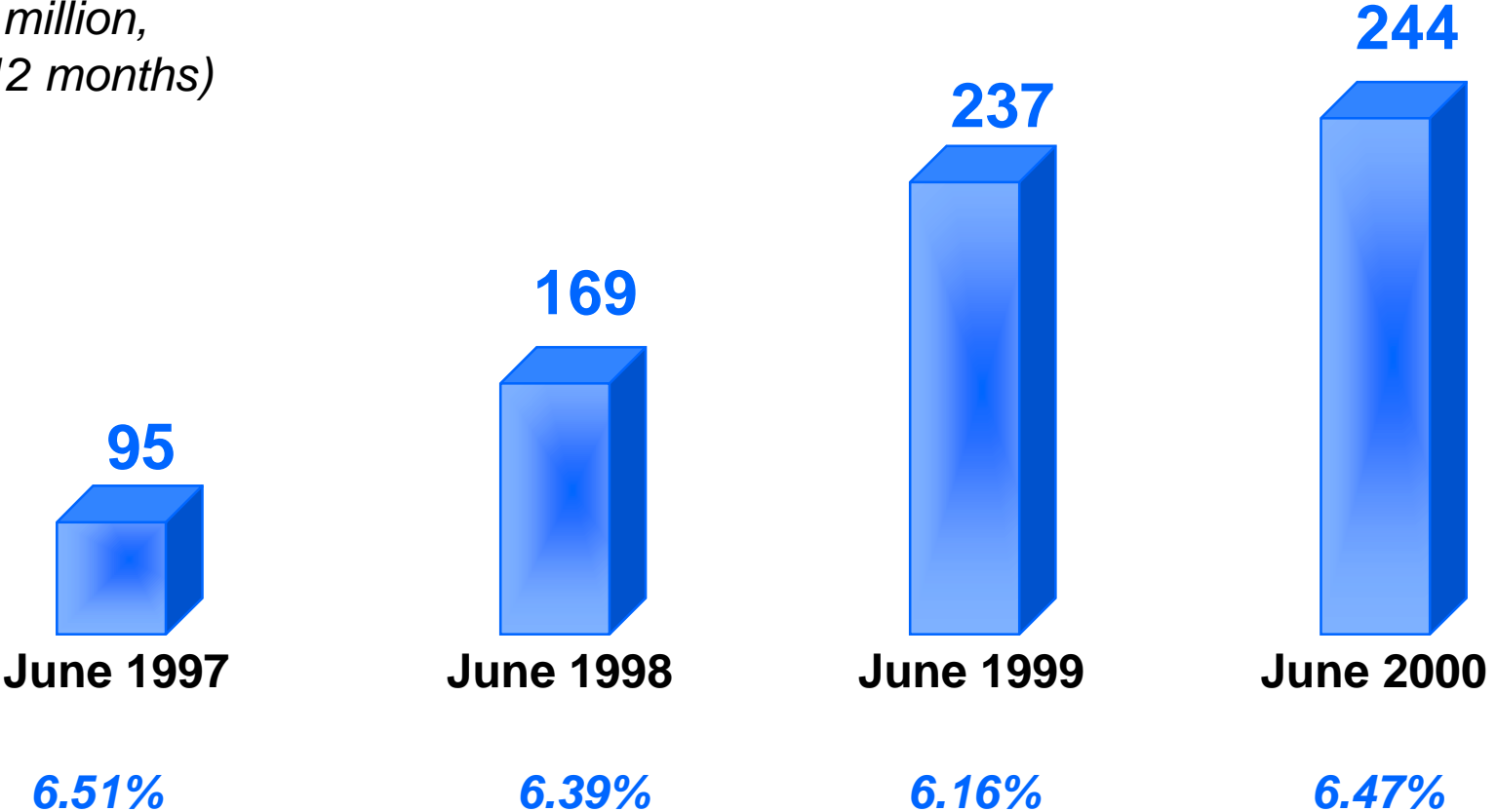
(1) Excluding Hotel under Construction 11.4% as of June 1999

(2) Excluding Hotel under Construction 11.7% as of June 2000

Continued Rise in Economic Value Added (EVA)



(in EUR million,
Sliding 12 months)



* Weighted Average Cost of Capital



The background of the slide is an aerial photograph of a large, modern white building complex. The building has multiple wings and a prominent central tower. The surrounding area includes parking lots, landscaped grounds with trees, and other smaller buildings. The sky is blue with some light clouds.

***Favourable Trend in
First Eight Months of 2000***

First Eight Months of 2000

Hotels: RevPAR by Market Segment (as of August, 2000)

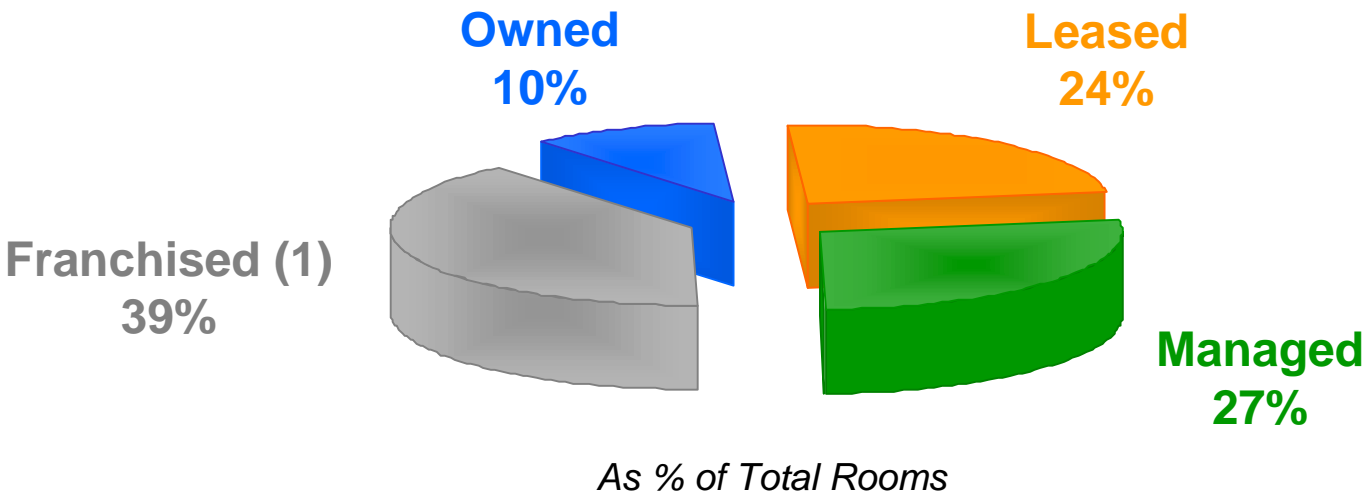
	<i>Occupancy Rate</i> (in %)	<i>(ch. in pts)</i>	<i>Average Room Rate</i> (ch.in %)	<i>RevPAR</i> (ch. in %)
▶ Upscale and Midscale Europe (FRF)	66.3%	+0.6	+5.1%	+6.1%
▶ Budget/Economy Europe (FRF)	76.0%	+0.6	+6.2%	+7.0%
▶ Budget/Economy USA (USD)	68.3%	- 0.4	+3.5%	+2.8%

Average Room Rates drive RevPAR Increase

Increase in Hotel Portfolio at August 31, 2000:

+220 Hotels (+30,775 Rooms)

► Breakdown by Type of Management



(1) Orbis included

First Eight Months 2000

<i>(in EUR million, YTD)</i>	<i>August 1999</i>	<i>August 2000</i>	<i>Change as Published</i>	<i>Change Constant Currency and Scope</i>
▶ Services : Issuance Volume	3,614	4,408	+22.0%	+13.7%
▶ Other Activities				
– Travel Management*	3,111	3,395	+9.1%	+8.5%
– Casinos	152	199	+30.9%	+15.5%

* Traffic 50% Carlson Wagonlit Travel

**At least 20% increase
in Total Income from Operations
and Net Income**

Three Strategic Goals

- ▶ **Bolster Competitive Edge**
- ▶ **Achieve Strong, Sustainable and Balanced Growth**
- ▶ **Be the Reference in the Industry**