



March 30, 1999

**Accor 1998 :
Sharp increase in results and profitability**

Revenues : +16.1%

Consolidated revenues amounted to EUR 5,623 million (FRF 36,881 million) in 1998, up from EUR 4,843 million (FRF 31,780 million) in 1997. Based on comparable accounting methods, revenues grew by 13.3%.

Total income from operations : +32.9%

Total income from operations rose by EUR 123 million to EUR 496 million (FRF 3,258 million), notably reflecting the favorable environment in Europe and the US.

Earnings per share : +28.1%

Net income, Group share, totaled EUR 297 million (FRF 1,951 million), up from EUR 230 million (FRF 1,508 million) in 1997. Earnings per share rose by 28% to EUR 8.3 (FRF 54.3).

Cash flow : +15.8%

Cash flow from operations increase by 15.8% at EUR 696 million (FRF 4,567 million). Free cash flow after investments for renovation rose by 18.5% to EUR 339 million (FRF 2,222 million). New capital expenditure have more than doubled within two years.

Debt-to-equity ratio : 60%

Debt-to-equity ratio decreased from 87% to 60%, after reduction by EUR 806 million (FRF 5,286 million) of net indebtedness.

Return on capital employed : 11.2%

It rose from 10.2% in 1997 to 11.2% in 1998. In 1998, Accor created value of EUR 214 million (FRF 1,406 million) in 1998.

Strategic initiatives

Accor pursued the implementation of its "**Accor 2000 – Succeeding together**" Group project. In 1998, a multibrand organization of Accor's hotel activities was established, its international salesforces were strengthened, and 1,540 hotels went on line. Pilot sites prepared the deployment, by the year 2000, of new reservation systems.

Furthermore, Accor aims to propose a broad offering, by optimizing synergies across activities, developing partnerships (Air France, SNCF, American Express, Crédit Lyonnais, Danone, France Telecom, Cegetel...), expanding loyalty programs and encouraging internet access.

New business development is the Group's strategic priority. As of January 1999, a total of 457 hotels were planned or under construction around the globe. The fundamental change of the business travel agencies is well underway, targeting significant improvements in profitability. Europcar's ambition is to rank as the European leader in car rental, while building a worldwide network. Corporate services are expanding their offering to improve the productivity and the satisfaction of their employees, while preparing the switch to electronic cards. The Group is also strengthening its positions in the gaming sector, with the planned opening of seven casinos in 1999.

Activity through February 1999

Revenues per available room (RevPar) in European business and leisure hotels rose by 4.3% in the first two months of the year, while it was up by 6.1% in economy hotels. At Motel 6, RevPar rose by 6.3% in US dollar terms. Travel agency traffic increased by 11.3%, and car rental revenues by 19.9%. Issuance volume in corporate services outside of Brazil increased by 6.7%. In Brazil, issuance volume was up 3.5% in local currency terms (but down 45.8% in euro terms with no material effect on net income, Group share).

Dividend : +14%

A dividend of EUR 4 (FRF 26.24), or EUR6 including "Avoir fiscal" tax credit, will be proposed to the **Annual General Meeting of Shareholders**, to be held next May 27 in Paris. The dividend will be payable in cash as of June 14, 1999. The Group's dividend payout ratio will amount to 48%.

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