growth innovation development

Financial Statements 2000

ACCOR

ACCOR

SUMMARY

Management Report regarding 2000 consolidated results presented by the Management Board to the Shareholders' Meeting

PRESENTATION OF ACTIVITIES

Accor, which is present in 140 countries and has 145,000 employees, is the leading European and one of the leading world Group in its two worldwide activities, **hotels** and **services**, and in travel agencies, casinos, restaurants or catering and on-board train services.

Hotels

Accor is the third ranking hotel group in the world, with 3,488 hotels and 389,437 rooms in 88 countries at December 31, 2000. In the hotel activity, Accor's position is unique, with a presence across all market segments, from 1 to 5 stars. Accor is a leading player in Economy and Budget hotels with Ibis, Etap Hotel, Formule 1, Motel 6 and Red Roof Inns, and in Business and Leisure hotels through the Mercure, Novotel and Sofitel brands, as well as labels such as Coralia (leisure), Atria (conference centers) and Thalassa (spas), plus the Parthenon hotel residences in Brazil.

Accor's unique position is also characterised by the worldwide presence of its brands. Leader in Europe (according to MKG Conseil – February 2001) with a network of 191,777 rooms representing 49% of its entire portfolio, Accor deploys its expertise in every region of the world, 34% of its rooms being offered in North America, 4% in Latin America, 5% in Africa and the Middle East, and 8% in Asia and the Pacific.

Geographical Breakdown of Hotel Portfolio at December 31, 2000

	France		Rest of Europe		North America		Latin America		Africa Middle East		Asia-Pacific		**Total**	
	Number of hotels	*Number of rooms*	Number of hotels	*Number of rooms*	Number of hotels	*Number of rooms*	Number of hotels	*Number of rooms*	Number of hotels	*Number of rooms*	Number of hotels	*Number of rooms*	**Number of hotels**	***Number of rooms***
Sofitel	36	*6,487*	30	*4,660*	9	*2,776*	16	*2,508*	30	*5,935*	23	*4,585*	**144**	***26,951***
Novotel	116	*14,108*	104	*16,708*	9	*2,400*	18	*2,862*	23	*3,673*	59	*12,737*	**329**	***52,488***
Mercure	290	*26,230*	167	*20,999*	-	-	77	*7,539*	34	*4,957*	72	*9,085*	**640**	***68,810***
Ibis	309	*27,472*	192	*22,978*	-	-	9	*1,163*	10	*1,148*	18	*3,085*	**538**	***55,846***
Etap Hotel	146	*10,676*	62	*4,962*	-	-	-	-	1	*120*	-	-	**209**	***15,758***
Formule 1	283	*20,723*	38	*2,757*	-	-	-	-	23	*1,597*	8	*652*	**352**	***25,729***
Red Roof Inns	-	-	-	-	351	*38,952*	-	-	-	-	-	-	**351**	***38,952***
Motel 6	-	-	-	-	814	*86,438*	-	-	-	-	-	-	**814**	***86,438***
Other	20	*2,388*	55	*10,629*	2	*442*	4	*857*	25	*3,655*	5	*494*	**111**	***18,465***
Total	**1,200**	***108,084***	**648**	***83,693***	**1,185**	***131,008***	**124**	***14,929***	**146**	***21,085***	**185**	***30,638***	**3,488**	***389,437***
Total in %	34%	*28%*	19%	*21%*	34%	*34%*	4%	*4%*	4%	*5%*	5%	*8%*	**100%**	***100%***

Accor also holds a unique position because its hotels are operated in several different ways. Most of Accor's hotels are operated directly, with 65% of rooms being owned or leased. Some 19% of rooms are operated under management contract and 15% of rooms are franchised.

For Accor, a worldwide presence of its brands across all market segments and adapting the appropriate type of operation is the key to a balanced hotel portfolio and to a reduced exposure to cycles.

Breakdown of Hotel Portfolio by Type of Operation at December 31, 2000

	Owned		Leased		Managed		Franchised		Total		Breakdown in % of number of rooms
	Number of hotels	*Number of rooms*	Number of hotels	*Number of rooms*	Number of hotels	*Number of rooms*	Number of hotels	*Number of rooms*	**Number of hotels**	***Number of rooms***	
Sofitel	28	*4,942*	29	*6,620*	80	*14,115*	7	*1,274*	**144**	***26,951***	*7%*
Novotel	97	*14,209*	95	*13,815*	106	*20,697*	31	*3,767*	**329**	***52,488***	*13%*
Mercure	90	*11,026*	151	*19,381*	238	*25,861*	161	*12,542*	**640**	***68,810***	*18%*
Ibis	202	*20,641*	113	*15,711*	58	*7,604*	165	*11,890*	**538**	***55,846***	*14%*
Etap Hotel	67	*5,547*	83	*5,921*	6	*528*	53	*3,762*	**209**	***15,758***	*4%*
Formule 1	289	*21,271*	44	*3,059*	9	*720*	10	*679*	**352**	***25,729***	*7%*
Red Roof Inns	113	13,546	150	*16,974*	-	-	88	*8,432*	**351**	***38,952***	*10%*
Motel 6	223	*24,170*	482	*54,874*	2	*117*	107	*7,277*	**814**	***86,438***	*22%*
Other	20	*3,308*	9	*1,543*	32	*4,420*	50	*9,194*	**111**	***18,465***	*5%*
Total	**1,129**	***118,660***	**1,156**	***137,898***	**531**	***74,062***	**672**	***58,817***	**3,488**	***389,437***	*100%*
Total in %	32%	*30%*	33%	*35%*	15%	*19%*	19%	*15%*	**100%**	***100%***	

Services

Accor has a global presence and leads the market for service vouchers. Present in 31 countries with 12 million daily users, Accor Services counted 330,000 corporate customers and 960,000 affiliated providers at December 31, 2000.

The showcase product of this Accor activity is the Ticket Restaurant. This, created at the end of the sixties to enable workers with no canteen to buy themselves a subsidised meal, has given birth to a range of new products:

- Food vouchers: these offer a flexible, economic alternative to cantines (Ticket Restaurant, Ticket Alimentation, Ticket Canasta);
- Expense management: this offers practical solutions for management of certain professional expenses incurred by staff, mostly in the area of company car management (Ticket Car, Ticket Combustible) and for dry cleaning of professional clothing (Clean Way);
- Services and Personal assistance: this contributes to improving the social welfare of staff, and includes assistance programmes (FamilyLife Solutions, Americare) or childcare services (Childcare Vouchers);
- Services to Public Sector: this strenghtens efficacy of programmes backing up State assistance (purchases of basic necessities, transport for jobseekers);
- Incentive/Events: these concern employee incentive and reward programmes (Top Premium, Incentive House).

The operating principle for these service vouchers is as follows: corporate customers buy the vouchers issued by Accor for their face value plus a service commission. They then sell them on to their staff at a price lower than the face value, and benefit from a tax rebate, the amount of which varies from country to country (the price in France has been FRF 30, since January 1, 2001). The user spends the vouchers at their face value in affiliated networks such as restaurants, which then apply to Accor for the payment of the face value less a refund commission. Between the moment Accor is paid the value of the tickets sold, and the moment it has to pay back the recipient of the voucher, the funds are invested and produce financial revenue which, in addition to the service and refund commissions, constitute the revenue from this activity.

Service vouchers have economic and social usefulness which is valid in both developed and emerging countries.

Since 1995, Accor Services has been involved in a process of technological migration. The service voucher on paper is beginning to be replaced by magnetic strip or smart cards, of which there were almost 600,000 holders at end 2000.

Other activities

Travel Agencies

Accor is the world number 2 in business travel, in terms of traffic recorded, through its 50% holding in Carlson Wagonlit Travel. This joint-venture is the product of the merger between Accor and the American Carlson Companies, in January 1997, which followed on from the commercial agreement signed in 1994. Carlson Wagonlit Travel, present in 140 countries, advises the large international groups and companies of all sizes on their travel policy and management of business travel expenses. Today, the development of Carlson Wagonlit Travel has begun to focus on the new technologies and on services with high added value, with the creation of an Internet portal B2B, which offers its clients direct access to information, in particular an online booking tool and statistical reports on the travel expenses.

Casinos

Accor holds the third position in France in the casino activity, and its ambition is to become a leading European player in this activity. Over the year 2000, Accor Casinos opened two casinos in France, located in Les Sables-d'Olonne and Besançon, and one in Dinant, Belgium. At December 31, 2000, Accor Casinos controlled 13 operational casinos.

Restaurants

Accor is present in all sectors of the gourmet food industry via its subsidiary Lenôtre, which is Accor's world-famous luxury brand, Lenôtre deals in top-of-the-range catering, demonstrating its prowess more especially during the Sydney Olympic Games in the catering for the French Olympic and Sports Committee. Lenôtre also manages a network of 36 shops spread over 8 countries, including Germany, the United States, Japan, South Korea, and Kuwait. In France, Lenôtre has a network of 7 shops and runs three prestigious restaurants in Paris, including the Pré Catelan and the Pavillon Elysées. It trains some 3,000 professional chefs in its own school. Lenôtre currently boasts 10 Meilleurs Ouvriers de France, ("best cook award" prizewinners), one "sommelier" elected best head wine waiter in the world in 2000, and a portfolio of over 30,000 recipes. Ultimately, Accor wishes to develop the synergy between Lenôtre and its hotel catering activities.

Accor is also present in public restaurants in Italy, with its subsidiary Gemeaz Cusin, and in Brazil via a joint-venture with the British group Compass.

On-board train services

Accor is the European leader for food services on board trains, via its subsidiary the Compagnie des Wagons-Lits. More particularly present on the northern and southern European railway networks, the Compagnie des Wagons-Lits makes travellers' journeys pleasanter with sleeping and catering services.

Personnel of managed activities

	1998	1999	2000
Hotels	**83,037**	**90,546**	**101,317**
Services	**3,228**	**3,548**	**3,933**
Other activities			
Travel agencies	8,224	7,015	7,702
Casinos	876	1,123	2,607
Restaurants	19,768	19,811	22,557
On-board train services	6,128	4,816	5,130
Other	451	1,991	3,260
Total	**121,712**	**128,850**	**146 506**

THE YEAR'S EVENTS 2000

The main event of 2000 was the **double-digit growth in Accor's results for the seventh consecutive year**. The result for 2000 means that over the four years since 1996, income and net earnings per share has doubled. These perfomances, due to the Group's development and the achievements of the Accor 2000 project, show that Accor's strategy in the hotel and services is on the right track.

The year 2000 was also marked by **Accor's participation in the Sydney Olympic Games**, after the Football World Cup in 1998. Throughout the Games, the savoury scents of France hovered over the stadiums thanks to Lenôtre's gourmet restaurants. Accor was also present in Sydney via its Novotel – Ibis hotel complex (the first of its kind in the entire history of the Games) and some fifteen hotels in Sydney.

In the hotel activity, Accor continued to build up its assets with **254 hotel openings** (net of closures) **for a total of 34,785 rooms** over the year 2000. This development was mostly achieved by organic growth, with some 25,000 rooms opened. Some strategic acquisitions also added to the total, with the purchase of the 25 All Seasons hotels in Australia and the 49 Orbis hotels in Poland.

The year 2000 also saw success for the **Sofitel brand** with more hotels in the major international gateways. In France, the Sofitel offer was added to with the Sofitel Paris La Défense Grande Arche and the Sofitel Paris Bercy. On the international scene, the marking event came from the United States with the opening of the Sofitel New York. With its ideal location between Fifth and Sixth avenues and 44th and 45th Streets, the Sofitel New York is already a runaway success with an international clientele, and it received the architectural prize for 2000 awarded by the team of skyscrapers.com, the reference website for architecture.

The opening of the Philadelphia (United States), Rabat (Morocco) and Angkor (Cambodia) Sofitels should also be noted. In total, twelve new Sofitels joined the Group in 2000.

Still in hotel activities, the launch of the online booking and sales website **www.accorhotels.com** at the end of June was one of the high spots of the year 2000. Within one year, the number of nights booked in Europe via the Internet reached 7,500 per week (February 2001). It should also be noted that 88% of reservations on all Accor sites were made for the economy and budget hotel rooms, a sector not marketed by the traditional distribution networks. These results reveal that Accor should be able to expect a strong impact from the Internet in Europe and in economy hotels in the medium term.

Another important event last year was the integration of the labels "Accorhotels" and "Accorservices" with the Accor brand logos. By deploying its signature, **Accor is stepping up its international recognition and visibility**. This is one of its concrete strategic priorities.

In services, the main event of the year 2000 was the **rollout of the restaurant smartcard** "Yagao E Can Ka" **in China**, in Beijing and Shanghai.

The human resources and quality department saw the election in 2000 of **Olivier Poussier as Best "Sommelier"** (Head Wine Waiter) **in the World for the year 2000**. A head wine waiter for Lenôtre and œnology advisor for Accor, his victory confirms Accor as the guarantor for French know-how and tradition.

Finally, as regards sustainable growth, Accor was distinguished for its social and environmental policy and awarded the **best social and environmental rating by the ARESE Agency** (Social and Environmental Rating Agency).

MILESTONES

1967

• **Paul Dubrule** and **Gérard Pélisson** founded the SIEH company.

• First **Novotel** hotel in Lille (North of France).

1974

• Opening of the first **Ibis** at Bordeaux.

• Takeover of **Courtepaille**.

1975

• Purchase of **Mercure**.

1976

• A structure established in **Brazil**.

1980

• Takeover of **Sofitel** (43 hotels and two Spa centers).

1981

• Introduction of SIEH on the Paris Stock Market.

1982

• Acquisition of Jacques Borel International, European leader in contract catering (Générale de Restauration) and concession restaurants (Café Route, L'Arche), and world leader for the issuance of **Luncheon Vouchers** (165 million vouchers a year distributed in 8 countries).

1983

• Novotel SIEH Group - Jacques Borel International merger: **Accor** was born.

1985

• Creation of **Formule 1**: Accor creates a new concept in the hotel business, calling on particularly innovative building and management techniques.

• Creation of the **Accor Academy**, the first company university for service activities in France.

• Acquisition of **Lenôtre** (de-luxe caterer, gastronomic catering and cookery school).

1988

• 100 new hotels and 250 restaurants during the year: one opening a day on average!

1989

• First international opening of Formule 1 with two hotels in Belgium.

• Association with the Lucien Barrière group for the development of hotel-casino concept.

• Launch of the **Atria business center** concept with the CNIT in Paris-La Défense.

1990

• Acquisition of the **Motel 6** chain in the United States, made of 550 properties. Accor ranked number one worldwide in managed or owned (excluding franchise) hotels under its various brand names.

1991

• Successful takeover bid for the **Compagnie Internationale des Wagons-Lits et du Tourisme** with its activities in hotels (Pullman, Etap, PLM, Altea, Arcade), car rental (Europcar), onboard train services (Wagons-Lits), travel agencies (Wagonlit Travel), contract catering (Eurest) and motorway catering (Relais Autoroute).

1993

• **Accor Asia Pacific Corp.** is created in Asia Pacific, resulting from the merger of Accor's business activities in the region with Quality Pacific Corp.

• Stake-holding in the **Pannonia** hotel chain (24 hotels), in the context of privatizations in Hungary.

• Launch of the **Coralia** label for leisure hotels.

1994

• Partnership between **Carlson** and **Wagonlit Travel** in the business travel sector.

1995

• Sale of Eurest to Compass: Accor is the major shareholder of the world leader in contract catering.

• Expansion of Service Vouchers: the market doubled in three years (10 million users/day).

• Disposal of 80% of concession restaurants.

• Launch of an extensive training programme for **environmental protection**.

1996

• Accor ranks #1 in Asia Pacific with 144 hotels in 16 countries and 56 projects under construction.

• From now on, Sphere International comprises Ibis, Etap Hotel and Formule 1.

• Launch of the **"Compliment Card"** with American Express as partner.

1997

• Set up of a new management structure: Paul Dubrule and Gérard Pélisson become Co-Chairmen of the Supervisory Board; **Jean-Marc Espalioux** is appointed Chairman of the Management Board - Launch of the **"Accor 2000"** Group project, in order to resume growth and make the "technological leap forward".

• Effective merger of Carlson and Wagonlit Travel with the creation of a joint company owned equally by Accor and Carlson Companies.

• Launch of a takeover bid for the total of AAPC's share capital.

• Take-up of a majority stake in SPIC, renamed **Accor Casinos**.

• Partial disposal of stake-holding in Compass.

• Disposal of remaining investments in concession restaurants.

1998

• Accor owns 100% of AAPC after the takeover bid initiated in 1997.

• Acquisition of the Dutch hotel chain **Postiljon**.

• Launch of the **"Corporate Card"** with Air France, American Express and Crédit Lyonnais as partners.

• New partnerships: Air France, SNCF, American Express, Crédit Lyonnais, Danone, France Télécom, Cegetel,...

1999

• Hotel network grew by 22% with 639 new hotels, notably with the acquisition of **Red Roof Inns** in the United States (322 properties).

• Internet strategy.

2000

• Accor, official partner of the Comité National Olympique et Sportif Français, is present for the Olympic Games in Sydney.

• Net openings of 254 hotels, including 12 Sofitel.

• Launch of **accorhotels.com**

• Featuring of "Accorhotels" and "Accorservices" in brand logos: improvement of Accor international visibility and public awareness.

• Conquest of China by services.

ANALYSIS OF RESULTS FOR 2000

In fiscal year 2000 Accor posted soaring income and profitability, illustrating the efficacy of the strategy it has implemented over the past few years. The Group also benefited from a favourable economic climate in both the United States and Europe.

Activity volume

The **activity volume** takes account of all the sales flows for which Accor is responsible. This takes account the sales by businesses in which Accor has over 50% interests (subsidiaries), the revenues from hotels under management contracts, the volume of service voucher issues, the travel agencies traffic (50% of Carlson Wagonlit Travel), and the volumes of the contract catering businesses under management contracts.

The activity volume totaled € 20,767 million, representing growth of 20.4% over the € 17,246 million earned in 1999.

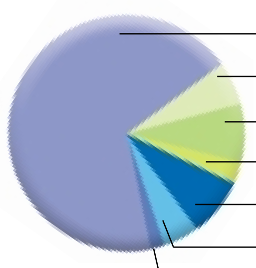
Activity volume

in € millions	1998	1999	2000	% change
HOTELS	**4,146**	**4,735**	**6,156**	**+30.1%**
Business and leisure	2,787	3,016	3,926	+30.2%
Economy	703	813	938	+15.4%
Economy United States	656	906	1,292	+42.6%
SERVICES	**5,868**	**5,615**	**6,956**	**+23.9%**
Other activities				
Travel agencies	4,450	4,988	5,950	+19.3%
Casinos	129	185	243	+31.3%
Restaurants	712	489	542	+10.8%
On-board train services	340	330	333	+0.9%
Car rental	402	396	-	-
Other	154	508	587	+15.6%
Total	**16,201**	**17,246**	**20,767**	**+20.4%**

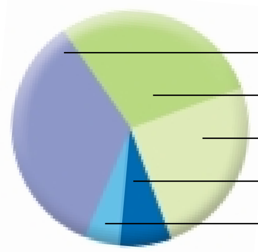
Consolidated sales

Accor's consolidated sales for fiscal year 2000 amounted to € 7,007 million, an increase of 14.8% in published figures over those of 1999 (€ 6,105 million).

Sales per activity



Sales per geographical area



The 14.8% increase in sales may be analysed as follows:
- activity (on a like-for-like basis): +6.6%
- expansion: +10.8%
- currency impact: +4.8%
- assets disposals: -7.4%

Consolidated Sales per activity

in € millions	1998	1999	2000	% change
HOTELS	**3,174**	**3,747**	**4,739**	**+26.5%**
Business and leisure	1,829	2,052	2,525	+23.0%
Economy	691	793	922	+16.3%
Economy United States	654	902	1,292	+43.2%
SERVICES	**365**	**361**	**437**	**+21,2%**
Other activities				
Travel agencies	390	434	531	+22.4%
Casinos	129	185	243	+31.3%
Restaurants	676	489	542	+10.8%
On-board train services	343	330	333	+0.9%
Car rental	402	396	-	-
Other	144	163	182	+11.7%
Total	**5,623**	**6,105**	**7,007**	**+14.8%**

Hotels

The increase in activity (occupancy rate and revenue per available room - RevPAR), for all our hotel divisions was excellent in 2000, reflecting the favourable economic climate in Europe and the United States and the beneficial effects on the margins of Accor's network.

Sales for the entire hotel business in 2000 rose sharply by 26.5%, to € 4,739 million, driven by the new openings and the acquisitions (among which Red Roof Inns, in July 1999).

Year-on-year occupancy rate per hotel brand at end December 2000

	1998	1999	2000
Sofitel	62.8%	63.6%	65.2%
Novotel	64.3%	66.2%	67.2%
Mercure	61.2%	60.8%	63.5%
Ibis	71.2%	72.5%	73.2%
Etap Hotel	74.0%	77.9%	78.3%
Formule 1	73.2%	76.1%	77.3%
Motel 6	64.5%	65.0%	66.1%
Red Roof Inns	-	72.8%	68.1%

RevPar, which is the occupancy rate multiplied by the average price per room, rose sharply, due to increased volumes and the average prices in all geographical zones, particularly Europe.

Year-on-year RevPar per segment at end December 2000

Hotels	Occupancy rate (in %)	Occupancy rate (var. in pts)	Average room rate (var. in %)	RevPAR (var. in %)
Business and leisure Europe	67.2%	+0.7	+5.9%	+6.9%
Economy Europe	75.5%	+0.4	+6.6%	+7.2%
Economy United States	66.7%	-0.4	+3.5%	+2.9%

Year-on-year change in RevPAR per country at end December 2000

(in local currency)	Number of rooms (subsidiaries and management contracts)	Occupancy rate (in %)	Average room rate (var. in %)	RevPAR (var. in %)
France	79,620	72.9%	+6.7%	+7.7%
Germany	27,239	67.8%	+4.8%	(1) +4.2%
United Kingdom	6,410	71.9%	-2.8%	(2) – 1.9%
Netherlands	4,986	77.4%	+14.2%	+15.6%
Belgium	4,791	71.4%	+5.0%	+9.0%
Italy	3,054	66.8%	+10.9%	+14.3%
Hungary	2,940	65.0%	+6.4%	+9.5%
United States (Business Hotels)	3,500	67.9%	+9.6%	+6.9%

(1) excluding development: +7.8%
(2) excluding development: +5.4%

In **business and leisure hotels** (Sofitel, Novotel, Mercure), RevPar climbed +6.9% in Europe.

Sofitel hotels made particularly spectacular sales, with RevPAR rising by 16.1%.

For this division as a whole, sales rose 23.0% to € 2,525 million, of which 7.8% on a constant currency basis and at comparable Group structure, 14.0% attributable to development (including Sofitel openings in New York, Philadelphia, Paris Bercy and Paris Grande Arche among others) and 2.2% due to foreign currency translation fluctuations.

In the **economy and budget hotel** activity (Ibis, Etap Hotel and Formule 1) in **Europe**, RevPar also climbed steeply 7.2%.

Economy hotels realised sales of € 922 million, an increase of 16.3%, of which 4.9% arose from growth in existing activities and 9.5% from new developments (not least the opening of 13 Ibis in the United Kingdom, 5 Ibis in Germany and 18 Etap Hotels in France).

In the United States, **Accor Economy Lodging** (grouping Motel 6 and Red Roof Inns) saw RevPAR increasing 2.9%. RevPAR for Motel 6 rose 5.1% over the year, and a strategy to re-position Red Roof's average price was introduced as of April 2000, to improve the profitability of the Red Roof/Motel 6 business as a whole. This policy led to significant increases in prices as of the end of 2000 (an average $50 per room at Red Roof as against $40 for Motel 6), with a temporary drop in occupancy rates.

Accor Economy Lodging sales soared 43.2% to € 1,292 million, of which 3.2% were due to increased business, 24.7% to development (with the acquisition of Red Roof in July 1999), and 15.9% from the rise of the US dollar against the Euro.

Services

In 2000, the volume of Accor Service issues rose steeply by 23.9%, to € 6,956 million.

Sales reached € 437 million, an increase of 21.2%. Growth amounted to 11.3% on a constant currency basis and with comparable Group structure. The increase in value of the Brazilian Real resulted in an 8.1% rise.

Several countries, such as France and Italy, where issue volumes continue to increase, saw excellent performances.

Performances in Latin America were driven by increased volumes of sales.

Countries like Mexico and Venezuela also saw excellent results with strong rises in sales volumes. In Brazil, sales rose 1.7% in a climate where interest rates had been falling.

Other activities

Travel agencies

Business handled by the travel agencies totalled € 11,900 million, a surge of 19.3%.

Sales (commissions on distribution of transport products, car rentals and hotels; fees on service contracts; margin on sales of package holidays) amounted to € 531 million over 2000, an increase of 22.4% compared to 1999.

Casinos

After the integration of three new casinos in 2000 (Besançon, Sables d'Olonne, Dinant), Accor Casinos sales rose steeply by 31.3% to € 243 million. On a comparable Group structure basis, the division shows strong growth of 14.8%.

Restaurants

Sales in Restaurants rose 10.8%, with excellent performances from Lenôtre with sales which rose by 13.2%.

On-board train services

Sales for on-board train services rose 0.9% to € 333 million, representing a 7.7% rise at comparable Group structure. In 2000, re-negotiation of our catering contract with French railways (SNCF) enabled to post a sharp rise (+9.5%) in our French sales.

EBITDAR

EBITDAR (earnings before interest, tax, depreciation, amortization and rents) is a key measurement of operating performances.

EBITDAR for the Group as a whole amounted to € 1,891 million, a sharp increase of 21.2% over 1999 (€ 1,560 million).

The 21.2% increase, a difference of € 421 million, can be broken down as follows:

- activity (on a like-for-like basis): +7.5%
- expansion: +12.5%
- currency impact: +6.0%
- asset disposals: -4.8%

EBITDAR per activity

in € millions	1999	2000	% change
HOTELS	**1,221**	**1,557**	**+27.5%**
Business and leisure	542	677	+24.9%
Economy	297	346	+16.5%
Economy United States	382	534	+39.8%
SERVICES	**141**	**146**	**+3.5%**
Other activities			
Travel agencies	36	50	+38.9%
Casinos	37	50	+35.1%
Restaurants	40	50	+25.0%
On-board train services	13	32	+146.0%
Car rental	60	-	-
Other activities and headquarters	12	6	-
Total	**1,560**	**1,891**	**+21.2%**

EBIT

EBIT is the EBITDAR less rental expense, depreciation and operating provision expense. It amounted to € 847 million at end 2000, as against € 723 million the previous year.

in € millions	1998	1999	2000	% change
EBITDAR	**1,351**	**1,560**	**1,891**	**+21.2%**
Rental expense	(402)	(478)	(616)	-
Depreciation and operating provision expense	(307)	(359)	(428)	-
EBIT	**642**	**723**	**847**	**+17.2%**

Profit before tax

Profit before tax (formerly total income from operations), is the sum of EBIT, net financial expense and the Group share of income from associated equity companies. It totals € 751 million, an increase of 26.2%.

in € millions	1998	1999	2000	% change
Net financial expense	(158)	(143)	(121)	-
Net income from associated equity companies, Group share	12	15	25	-
Profit before tax	**496**	**595**	**751**	**+26.2%**

Net financial expense for 2000 is € -121 million, including € 45 million of other income, of which € 29 million are recapture of provisions for redemption premiums on convertible bonds.
Income from associated equity companies amounted to € 25 million as against € 15 million in 1999. It includes the earnings from SHCD (Société des Hôtels et Casinos de Deauville) 35% owned by Accor, those from TAHL (Tourism Asset Hotel Ltd), Australia, 37% owned by Accor, and Orbis, Poland, 20% owned by Accor.
The 26.2% increase in earnings may be broken down as follows:

- activity (on a like-for-like basis): +13.0%
- expansion: +5.7%
- currency impact: +5.3%
- asset disposals: +2.2%

Consolidated net income, Group Share

in € millions	1998	1999	2000	% change
Profit before tax	**496**	**595**	**751**	**+26.2%**
Result from management of hotel portfolio	(15)	18	19	-
Current income before taxes	**481**	**613**	**770**	**+25.6%**
Result from management of other assets	21	(29)	23	-
Goodwill amortization	(60)	(68)	(96)	-
Income taxes	(153)	(222)	(256)	-
Exceptional items (net of taxes)	37	82	35	-
Minority interests	(29)	(24)	(28)	-
Consolidated net income, Group share	**297**	**352**	**447**	**+27.0%**

Current income comprises income before tax plus income from management of the hotel portfolio, which shows gains or losses from recurrent disposals of hotel assets.
Income from management of the hotel portfolio rose € 19 million. It included capital gains in the amount of € 40 million on disposal of hotel real estate in Europe and various provisions in the amount of € 16 million.
Current income, at € 770 million, recorded a rise of +25.6%.
The result from management of other assets, at € 23 million, included capital gains of € 89 million arising mainly from disposal of the interest in Compass, and non-operating provisions (more particularly in connection with technology) of € 66 million.
Corporate taxation was € 256 million. The effective tax rate (as a percentage of current income) was 33.2% as against 36.2% in 1999.
Exceptional items concerned mainly the disposal of 80% of Courtepaille, which resulted in a capital gain of € 38 million.
Minority interests amounted to € 28 million, leaving a **consolidated net income, Group share** standing at € 447 million, an increase of 27.0% over 1999.
Earnings per share rose 17.5% to € 2.28 compared to the previous year, on the basis of a weighted average number of 196,002,275 circulating shares over the year 2000.

Cash flows from operations

in € millions	1998	1999	2000	% change
Consolidated cash flow from operations	696	778	984	+26.5%
Investments for renovation and maintenance	(357)	(431)	(422)	-
Free cash flow	339	347	562	+62.0%

Consolidated cash flow from operation rose +26.5% to € 984 million. After € 422 million of investment in existing assets in 2000 as against € 431 million in 1999, **free cash flow** totalled € 562 million, a jump of +62% over 1999.
In 2000, investment in new developments represented € 1,251 million, and disposals of assets brought in € 843 million, as shown below:

Investment in new developments, in € millions	
Hotels	796
Casinos	121
Tourism	35
Technological investments	52
Other	247
Total	**1,251**

Proceeds from disposals of asset, in € millions	
Hotel real estate	593
Courtepaille (80%)	101
Other	149
Total	**843**

Financial Ratios

Change in the accounting method
Until December 31, 1999, Accor made part provision for retirement undertakings in compliance with the accounting rules applicable in each country it is present in. In application of rule CRC 99-02 of the French Accounting Rules Committee as of January 1, 2000, the Group now applies the preferential method and makes provision for its entire retirement undertakings. The impact of this change in accounting method was deducted in the amount of € 30 million from consolidated reserves on January 1, 2000.

Net debt-to-equity ratio ("gearing")
The financial structure of Accor's financial statements improved substantially in 2000. With shareholders' equity standing at € 3,984 million and net debt of € 2,547 million, the net debt-to-equity ratio fell from 77% in 1999 to 64% in 2000.

Adjusted consolidated cash flows from operations/ re-adjusted net debt
Adjusted consolidated cash flows from operations, or Funds from Operations (FFO) comprises consolidated cash flow from operations plus 2/3 of rental expense.
In application of the ratio used by the main rating agencies, the ratio of FFO over readjusted net debt (capitalization of 5 times the amount of annual rents) rose to 23.4% at end 2000 compared to 21.0% at end 1999.

Coverage of financial expense by EBITDAR
The ratio of EBITDAR over adjusted financial expense (the result of financial income plus 1/3 of rental expenses) also rose. In 2000, EBITDAR represented 5.1 times financial expense, as against 4.6 times in 1999.

Return on capital employed

Return on capital employed (ROCE), measured by the EBITDA added to the gross value of fixed assets, plus working capital requirements, was 11.7% in 2000 as against 11.2% in 1999. Excluding hotels in construction, ROCE was 12.1%.

Breakdown of ROCE (Return On Capital Employed) is as follows

	1998	1999	2000
HOTELS	**11.5%**	**11.4%**	**11.9%**
Business and leisure	11.5%	10.3%	11.0%
Economy	14.2%	14.3%	14.6%
Economy United States	9.7%	10.9%	11.4%
SERVICES	**21.3%**	**23.5%**	**19.7%**
Other activities			
Travel agencies	5.4%	3.8%	5.0%
Casinos	17.0%	16.9%	16.9%
Restaurants	15.8%	13.7%	14.7%
On-board train services	4.9%	4.6%	13.6%
ROCE Group (1)	**11.2%**	**11.2%**	**11.7%**

(1) Excluding hotels in construction: +12.1% in December 2000 as against 11.6% in December 1999.

Value creation

Creation of economic value added (EVA) is determined as follows: (ROCE after tax - weighted average cost of capital) X capital employed.
With a ROCE after tax of 9.0% and a weighted average cost of capital of 6.7%, Accor created EVA in the amount of € 265 million as against € 224 million in 1999.

Objectives for 2001 - 2005

For the years 2001 - 2005, Accor's objectives are to maintain a double-digit growth in its overall profit before tax, and double its earnings per share in five years (on the basis of earnings per share of € 2.28 in 2000).

Shareholders

To the best of Accor's knowledge, no shareholder held more than 5% of Accor capital at December 31, 2000.

Employee shareholding

One of Accor's remuneration policy goals is to develop employee savings.
After the success of the capital increase reserved for French staff in June 1999, the Management Board decided to extend this measure to its staff worldwide in the last quarter of 2000. The saving program was deployed in 23 countries. The subscription price, fixed in compliance with statutory requirements, was € 35.83 per share, and the subscription period was from October 20 to November 20, 2000.
In all, 16,000 French and foreign employees subscribed to 766,000 shares, representing 0.39% of the capital. As of December 31, 2000, employees hold 1,404,574 Accor shares representing 0.71% of its share capital through saving programs.

IMPORTANT EVENTS IN THE BEGINNING OF 2001

First activity trends

In **hotels**, the trends in January and February show gains in activity points in all segment of the market.
In business and leisure hotels in Europe, the growth of RevPAR at the end of February rose to 10.8%. In economy and budget hotels, RevPAR grew by 10.9% in Europe and 4.1% in the United States.

Activity trends in hotels as of February, 2001 (cumulated)

	Occupancy rate (in %)	Occupancy rate (var. in points)	Average room rate (var. in %)	RevPAR (var. in %)
Business and leisure Europe	56.90%	+2.0	+6.8%	+10.8%
Economy Europe	66.40%	+2.2	+7.2%	+10.9%
Economy USA	58.40%	+0.9	+2.5%	+4.1%

In the **services** business, volume of issuance over the first two months of 2001 rose in every geographical zone in which we do business, with very strong growth in Latin America and Central Europe. Over the services business as a whole, issue volumes amounted to € 1,187 million at the end of February 2001, an increase of 12.4% year on year.

Development

In the **hotel business**, early 2001 was also marked by the opening of 2 Sofitel, one in Peru - the Sofitel Royal Park in Lima - and one in Poland, with the Krakow Sofitel. A Novotel was opened in early 2001 in Praha, the Praha City Novotel, which is the first in the Czech Republic, and another was opened in Cuzco, Peru. Accor also acquired Nikko Hotel in Paris, which will be Novotel rebranded in 2002.
The new chain Suitehotel was rolled out in the European market in early 2001. Suitehotel is a new hotel concept, in the 3-star category, designed to meet the requirements of individual, independent business clients, seeking a place in which to relax, work, receive guests, eat and stay with family.

In the **services** sector, Accor acquired Pilote Distribution in France, which is a leading distributor of gifts, gift vouchers and individual incentive travel, designed to motivate and reward corporate sales forces and their distribution networks. This acquisition enables us to reinforce the Accor Services Incentive / Events branch in France, adding to Incentive House and Market Place. Another significant event in the first quarter was the acquisition of Employee Advisory Resource (EAR) in England, one of the leaders in employee assistance programmes. EAR supplies its client companies' employees with telephone assistance offering individual advice on debt, taxation, legal issues, and stress management. This acquisition is in line with Accor's strategy to become a major player in integrated services in the framework of its second international business.

Awards

Our online reservation and sales web site www.accorhotels.com has just received the Silver Click prize for the best e-commerce web site, on the occasion of the fifth Web Grand Prix, which was inaugurated in 1997 by the magazine CB News and Yahoo!. This award was for the web site's online transcription of the entire offer of Accor hotel chains, its homogeneity and its functions, as well as its design and the ergonomy and quality of the content and services on offer.

OUTLOOK AND STRATEGY

Hotels

In the hotel business, Accor is deploying a strategy of selective development, along with a policy to improve the profitability of its existing portfolio of hotels. This strategy is grounded in the balanced character of the Accor hotel portfolio, which has a unique position and is benefiting from a favourable climate on long-term profitable markets.

Growth in demand higher than growth in supply

As regards demand for rooms, the fundamentals in this sector are very favourable. With the increase in households' available income and leisure time, and across-the-board falls in airline prices, as well as the booming development of online travel services, demand for middle-of-the range and economy hotel products has soared.

2001: sharp increase in demand expected

France	+5.2%
Germany	+7.9%
United Kingdom	+2.6%
Netherlands	+7.9%
Belgium	+13.5%
Economy United States	+2.4%

Source: MKG Conseil (February 2001), PWC (January 2001)

In the space of twenty years, between 1980 and 2000, the number of international travellers has risen from 290 million to 700 million, and should reach 1,600 million by 2020 according to the forecasts of the World Tourism Organisation. These forecasts of strong demand growth are also confirmed for the very short term by specialists who expect an increase in 2001 of +5.2% in France and of +7.9% in both Germany and the Netherlands.

The fundamentals in this sector are also very favourable for Accor, as regards hotel room offer. Over the year 2000 alone, room supply grew only slightly, by +0.8% in Europe and +3.7% in the economy range in the United States according to MKG Conseil (February 2001) and Price Waterhouse Coopers (January 2001).

According to Price Waterhouse Coopers (January 2001), the forecast for the year 2001 of growth in supply in the US is 2.5% in the economy and budget segment.

Europe: a very fragmented market

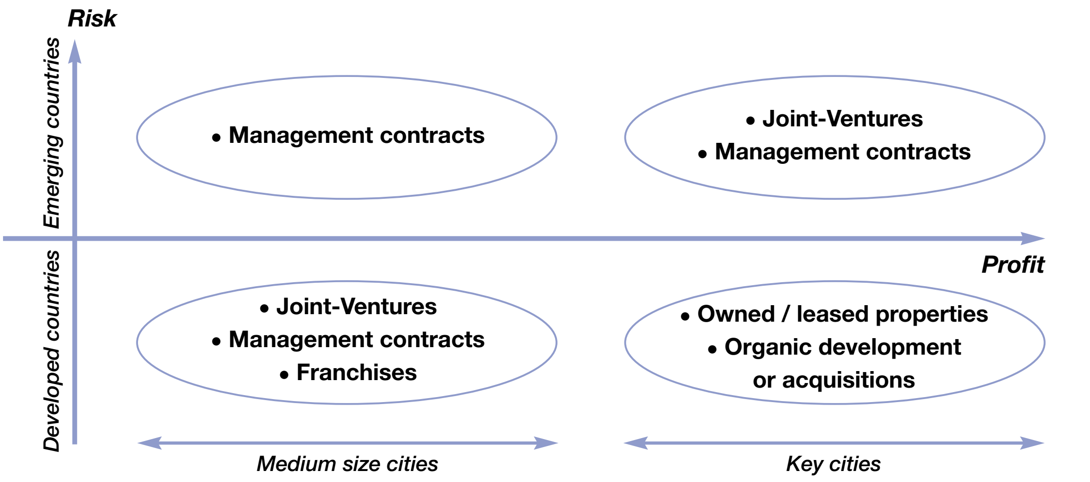
Given this market configuration, characterised by growth in demand which exceeds that in supply, Accor will carefully select its investments to give priority to Europe. This preference for Europe is first of all due to the size and structure of the market, which represents 50% of the world market as against 30% for the United States. Although the hotel chains in the United States hold some 70% of the overall room supply (so 30% represents the independent hotel offer), the European market remains highly fragmented (chains representing 19% of the market, according to MKG Conseil (February 2001). This offers opportunities for consolidation.

Europe and large cities: 90% of Accor's investments

Accor's investment choices are based on a selective development strategy, itself grounded in optimisation of the profit-risk ratio. Accor has chosen to make direct investments in geographical zones with better economic and political visibility, mainly in Europe, but also in the main international gateways.

Elsewhere, Accor will choose suitable financing formulas, by taking minority shareholdings in joint-ventures with local partners, or by setting up management contracts without capital investment. Accor thus hopes to open 22,000 rooms in 2001 via organic growth, to which possible acquisitions could be added, mainly in local markets.

Selective Development Strategy



Main openings in 2000

	Owned / Leased	***Management***	***Franchises***
Sofitel	*Paris (2), New-York, Philadelphia*	*Angkor, Rabat, Smir*	
Novotel	*London, Sydney, Canberra*	*Geneva, Havana, Cartagena, Sao Paulo, Beijin, Shangaï, Jodhpur, Jérusalem*	
Mercure	*London, Berlin, Rome*	*Hammamet, Yaounde, Algiers, Budapest, Sydney (3), Delhi*	*Perpignan (France)*
Ibis	*Berlin (2), London, Barcelona, Lisbon, Amsterdam, Stockholm, Warsaw, Sydney, Sao Paulo*	*Zurich*	*Dinant (Belgium), Granville (France)*
Etap	*Paris (4), London*	*Zurich, Tiberias (Israel)*	*St Malo, Manosque (France)*
Formule 1	*Paris (2), Liverpool, Bremen Zurich*	*Newcastle (Australia), Jonkoping (Sweden)*	
Motel 6, Red Roof Inns	*12*		*44*

Improving profitability in existing hotel portfolio

The other important aspect of Accor's hotel strategy is improving hotel profitability by increasing RevPAR, using internet technology, and cutting operating costs.

As regards RevPAR, Accor is endeavouring to target new clients and keep existing ones. The burgeoning development of online sales on the web sites, the new fidelity programmes set up at Group level, and the increased efficiency of our sales due to the new central booking system, will all have a positive effect on sales figures. The sophisticated market techniques of yield management, by which hotel room occupation and prices are administered for an entire town, whatever the hotel chain, represent an original approach that Accor is beginning to adopt in France and internationally. This still offers room for growth in sales.

Cuts in hotel operating costs can also contribute to an increase in Accor's cost effectiveness. At purchasing level, coming improvements will be due to the setting up of an Enterprise Resource Planning (ERP) system by the end of 2002, and the development of a marketplace. Another important aspect of this strategy is the promotion of direct distribution methods. Given that the cost of selling a room for a night via a web site is far lower than that for one booked via a call centre, the productivity gains expected from any measure to optimise distribution costs remain very high.

Finally, in addition to technological advances, Accor has seen higher cost effectiveness due to the economies of scale which result from each new addition to its network.

Services

In services, Accor is pursuing a robust, steady growth strategy, driven by three growth factors: organic and geographical development, product diversification and technological migration.

Organic and geographical development

Organic and geographical development is the first source of growth in Accor services. This strategy is first of all based on existing opportunities for growth in Accor Services' traditional client countries, and is materialised by signature of new contracts. This is, for instance, the case for the offer of Ticket Restaurant to the French and Italian civil services in 2000. Accor Services opens up an average of two new markets a year. In 2000, Lebanon and China were added to the list of existing client countries, in addition to some Central European countries in 1999.

Product diversification

Product diversification is the second factor of growth in Accor services. On the back of the continuing success of its showcase product the Ticket Restaurant, Accor decided to adopt a strategy of product diversification in order to conquer new markets. This, started in 1995, has already recorded good results. Although Food Voucher sales continue to rise (€ 6.0 billion in 2000 as against € 4.5 billion in 1996), the share of Food Services in the overall issue volume of Accor Services has fallen (87% of issue volume in 2000 as against 99.5% in 1996), to the benefit of innovative services. Among these innovative services, Accor has gained significant recognition in its integrated services such as employee assistance programmes and incentive products, fields in which Accor hopes to become a leading world player.

Technological migration

Technological migration is the third factor in the growth of the Services business. This strategy, rolled out in 1997, aims to replace paper supports by magnetic and smart cards. This technological migration allows Accor to offer not only secure services to its users and clients, but also a wider range of services. By the end of 2000, Accor Services counted some 600,000 card holders.

Technological migration is also taking place in order-taking, with the setting up of web sites. These sites allow Accor Services to cut operating costs while at the same time improving the quality of the services offered. In Brazil, for instance, online orders accounted for 47% of all orders in 2000.

ACCOR INTEREST AND EXCHANGE RATE RISK MANAGEMENT POLICY

Accor uses financial instruments such as swaps, caps or forward buying and selling of currencies to cover the interest and exchange rate risks involved in Group operation. Accor's risk management policy is part of its triple goals of security, liquidity and profitability. Interest and exchange rate risk management is centralised in the Treasury and Financing Department, itself directly attached to the Corporate Direction of Finance and Participations. Accor's use of these instruments is in line with its investment, financing and hedging policies (debt and sales flow management).

Investment policy

When the Accor parent company invests either directly or indirectly in a foreign subsidiary, the investment is generally made in the currency of the beneficiary. These positions are not hedged insofar as they are very long term investments.

Short term financing operations

Because of its reputation in the international financial markets, Accor has access to diversified sources of short term financing, directly offered to investors: the French Commercial Paper market, the Euro Commercial Paper market in London, and the Commercial Paper market in the United States. Moreover, depending on the opportunities offered by the market, Accor is often led to raise short term funds in a certain currency and at a certain price, then to use a swap to convert it into the currency and interest rate required for the funding of operational contingencies.
The cost of the resource has been found to be best optimised by using these financial instruments.

Interest rate hedging

Accor's consolidated debt is composed partly of fixed rate debt and partly of floating rate debts (Libor, Euribor etc.). Management of interest rate risks takes account of this split for each currency. Depending on the changing composition of the portfolio (new debt or redemption of debts at maturity), and the expected fluctuations in interest rates for each currency, the Group fixes its targets for debt at fixed or floating rates. These choices are regularly reviewed and determined for subsequent periods by the Group directors and then implemented by the Treasury and Financing Department.
Swaps are the most commonly used instrument. They are undertaken with banks with high ratings in accordance with the AFB (French Banking Association) legal clauses negotiated in our international contracts.

Currency hedging

Exchange rate hedging operations are undertaken mostly in the travel agency branch, on the basis of an identified underlying asset (outstanding receivables). The most commonly used instruments are forward buying and selling of currencies.
In the rest of the Group, exchange rate hedging operations are very little used. This situation may be explained by the fact that intra-Group flows in different currencies are limited, and also that income from sales is in the same currency as operating expenses.

To conclude, it is not Accor's business to undertake speculative operations or build up financial business. Both for Accor SA and the Group, there are no exposed exchange or interest rate positions likely to cause significant threat.

SENSITIVITY ANALYSIS FOR 2001

Accor drew up its budget for 2001 on the basis of estimated growth of RevPAR and interest and exchange rate fluctuations.
Using these basic data, Accor has undertaken sensitivity analysis to measure the impact of any variation in these estimates on profit before tax.

In the event that RevPAR increased by +5% in Europe and +2.5% in the United States in economy hotels, the study shows that the impact of a 1% variation in RevPAR on profit before tax would be € 15 million in Europe and € 8 million in the United States.

Assumptions 2001		Sensitivity analysis
• RevPAR		**Impact on PBT of 1% change in RevPAR**
- Europe	+5.0%	€ 15.0 M
- USA (M6 +RRI)	+2.5%	€ 8.0 M
• Interest rate (3 months Floating rate)		**Impact on finance of 50 Bp ∆ in interest rate**
- Europe	5.2%	€ 2.5 M
- USA	6.8%	€ 4.6 M
• Change		**Impact on PBT of 5 Bp ∆ in currency**
- € / $	0.97	€ 12.5 M
- € / £	0.65	€ 3.5 M

As regards interest rates (3 months floating), the budget has been drawn up on the hypothesis of 5.2% for euro rates and 6.8% for US rates. The sensivity analysis shows that the impact of a 50 basis point variation would be € 2.5 million in Europe and € 4.6 million in the US. Given the current rate cuts in the United States and Europe, this is will have a positive effect on earnings.

Finally, as regards exchange rates, the hypothesis chosen was € 0.97 for one american dollar and € 0.65 for one pound Sterling. The impact on earnings before tax was estimated at € 12.5 million for the US Dollar and € 3.5 million for the Pound Sterling in the event of a 50 basis point variation.
To sum up, depending on the upward or downward trend in exogenous items (RevPAR, interest and exchange rates), the latter would only have a balanced effect on Accor's profit before tax.

THE MANAGEMENT BOARD'S REPORT TO THE COMBINED GENERAL MEETING

The purpose of this report is to present to the General Meeting, the text and aims of the resolutions proposed to it.

Resolutions pertaining to the ordinary agenda

Approval of accounts and regulated conventions

The **first resolution** submitted to the Meeting includes a request to approve the accounts for financial year 2000 presented to it by the Management Board.

The **second resolution** concerns conventions regulated by article L 225-86 of French commercial law authorized by the Supervisory Board in the course of financial year 2000 and which are the subject of the Statutory Auditors' special report.

Appropriation of earnings

The Management Board is proposing to the Meeting to appropriate the available profit, namely:

	€	FRF
Income for year 2000	406,384,946.18	2,665,710,501.44
To which has been added		
- the account carried forward credited with	347,326,720.89	2,278,313,938.58
- Representing total cash of	**753,711,667.07**	**4,944,024,440.02**
as follows:		
- to the legal reserve	1,948,714.32	12,782,728.00
- to the dividend	198,324,605.00	1 300,924,129.22
- to the advanced statement of	47,692,760.35	312,844,000.00
- account to be deducted to the balance carried forward	505,745,587.41	3,317,473,582.80

The income appropriation has been detailed in the **third resolution**.

Dividend

The dividend proposed above will be distributed to the 198,324,605 shares entitled to dividends on January 1, 2000. Per share, each dividend represents € 1.00 (FRF 6.56) and € 1.50 (FRF 9.84) with tax credit, which represents 11.11% increase on the dividend distributed for the 1999 fiscal year. The dividend will be paid on Thursday June 14, 2001.

The dividends distributed in respect of the previous three financial years were as follows:

	1997		1998		1999	
	FRF	€	FRF	€	FRF	€
Net dividend	4.60	0.70	5.25	0.80	5.90	0.90
Tax paid	2.30	0.35	2.62	0.40	2.95	0.45
Total income	6.90	1.05	7.87	1.20	8.85	1.35

Renewing the functions of members of the Supervisory Board.

In the context of renewing the members of the Supervisory Board by rotation every two years, as defined in article 16 of the Articles of Association, the General Meeting has been asked to renew the mandates of BNP-Paribas, IFIL Finanziaria di Participazioni Spa, of Maurice Simond and Societe Generale, for a term of six years which will expire at the General Meeting convened to approve the accounts of financial year 2006 (**fourth to seventh resolutions**).

Renewing the functions of the statutory auditors

The mandates of the Company's two statutory auditors: The mandates of Cabinet Barbier Frinault et Autres and Cabinet Deloitte, Touche, Tohmatsu – Audit, will expire at the end of this general Meeting. A proposal has been made to the Meeting to renew their functions for a period of six financial years. The General Meeting has also been requested to renew the functions of Mr. Christian Chiarasini as substitute auditor of Cabinet Barbier Frinault et Autres and to appoint the company BEAS in place of Mr Olivier Azières as substitute auditor of Cabinet Deloitte, Touche, Tohmatsu – Audit, and this for the same term as that of the statutory auditors (**eighth to eleventh resolutions**).

Directors' fees

The General Meeting has been requested to allocate to the Supervisory Board an annual sum of € 276,000 (i.e. FRF 1,810,441.32) as directors' fees. This amount will be renewed each year until the Meeting takes a new decision (**twelfth resolution**).

Authorization to be given to the Management Board to trade in Company shares

The Combined General Meeting of May 30, 2000 authorized the Management Board to trade in the Stock Exchange on the company's shares in the context of articles 217-2 et seq. of the law of July 24, 1966 (now article L 225-209 of French commercial law), by setting the maximum purchase price at € 60 and the minimum selling price at € 25.

In application of this authorization and the authorization of the previous year, the Company sold in the course of financial year 2000, 410,000 of its own shares (out of the 547,500 in its possession on December 31, 1999) at an average price of € 49.03 per share, with related negotiation costs amounting to € 51,133.68. Further, the Company acquired in 2000, 1,144,570 of its own shares at an average price of € 41.32, with related negotiation costs amounting to € 128,963.78.

At December 31, 2000, Accor held 1,282,070 of its own shares at € 3 nominal each, to be cancelled, corresponding to a purchase value of € 53,227,305.75 and representing 0.65% of the capital on that date.

The General Meeting has been requested to renew the authorization given to the Management Board to trade in the Company's shares on the Stock Exchange in the context of legal provisions and regulations applicable to such operations and in compliance with the prospectus signed by the COB and published by the Company. The goals of the share buyback program are detailed in the **thirteenth resolution** submitted to the Meeting for voting, and in the prospectus.

The authorization is valid for eighteen months. The maximum purchase price has been set at € 60 and the minimum sale price at € 35. The Company may not purchase more than 13 million of its shares by virtue of this authorization, corresponding to a maximum price of € 780 million.

In its annual report to the General Meeting, the Management Board will render account of how it used the authorization given to it.

Resolutions pertaining to the special agenda

Spin-off to Accor Services France

• Reasons and goals of the spin-off operation

A proposal has been made to the General Meeting (fourteenth resolution) to decide on a spin-off operation pursuant to which Accor SA would give to Accor Services France its service ticket issuing industry segment in France. This activity is currently and historically exercised directly by Accor SA, within which it is organized autonomously. The spin-off operation would be aimed at and would result in transferring the activity to a subsidiary, Accor Services France, currently without activity, whose shares are 100% held by Accor SA.

Since its creation, the Group has developed a service voucher issuing business which, in France, especially includes:

a) Under the **"Ticket Restaurant"** brand, the issue of restaurant tickets defined by ordinance no. 67.830 of September 27, 1967, as special means of payment partly acquired by the employer for its employees to enable the latter to pay, up to the amount of the face value written on the voucher, all or part of the price of a meal, cooked dish or edible preparation from a network of affiliated restaurants and retail outlets.

b) Under the **"Ticket Service"** brand:
   - either the issue of personalized support checks defined by the law no. 98-657 dated July 29, 1998, as special payment vouchers given by distributors (local authorities, school funds, associations, etc.) to help beneficiaries in difficult social situations to acquire, up to the amount of the face value written on each voucher, all or part of the goods, products or services described on the voucher, from a network of affiliated service providers (large and medium-sized stores, transport, culture, etc.).
   - or the issue of service vouchers, acquired by clients for beneficiaries that they define at acquisition, up to the amount of the face value written on the voucher, of goods, products or services similar to those mentioned on the voucher, from a network of affiliated service providers.

c) Under the **"Ticket Emploi Domicile"** brand, the issue of service job vouchers as provided for by law no. 96-63 of January 29, 1996, as a payment medium acquired by third party paying agents (works council or equivalent, local authorities, etc.) and given to beneficiaries, possibly in return for a financial participation, to enable the latter to pay, up to the amount of the voucher's face value, for all or part of a service (as defined in Article L 129-1 of the French labor code: e.g.: domestic or family duties, etc.) supplied by a service provider who is also a member of an affiliated network.

d) The issue of special products on behalf of various clients: authorities, State institutions, private companies, etc. under each client's different proprietary brands (for example: mobility check, etc.).

e) Under the **"Domiphone"** brand, the sale to communities, associations or others, of a management tool that uses an interactive voice server to count the number of hours spent on providing a home service to individuals benefiting from a home assistance service (for example: elderly people).

The scheduled spin-off operation is part of an overall scheme to harmonize the juridic organization of the Group's service activities. This is because the service vouchers issuing business is carried out by the subsidiaries if Accor SA in the 30 countries where this business has been developed. It therefore seems rational and logical to organize the business carried out in France in this field in the same way as in the other countries and to put this business in the hands of a subsidiary.

The different brands under which the company Accor Services France will carry out its business and especially the most widely-known of them, the Ticket Restaurant brand, are and remain the property of Accor SA which will give the operating license to Accor Services France under the same procedure as that used for the foreign subsidiaries.

Determining the spin-off value

The accounts used as a benchmark for the spin-off operation are those of the two companies drawn up on December 31, 2000.

Since the net book value does not appear to be material to the value of the contributed industry segment, an economic assessment was made of the business contributed by Accor SA. The business was valued using two criteria considered as relevant: the assets criterion and the earnings criterion. The economic value of other assets and liabilities items of the spin-off correspond to their net book value.

Assets criterion:

The assets criterion considered as relevant for evaluating the business of the spin-off from Accor SA is that of the re-valued net book value based on the method of discounting future cash flows from operations to present value.

The method of discounting future available cash flows to present value may be summarized as follows:

Available cash flow is defined as the gross operating surplus, after deduction of the tax and investments net of the sales of assets linked to the operation

- These cash-flows have been calculated for 2001 to 2004.
- After 2004, the future cash flows have been valued on the basis of a terminal value calculated from an infinite growth hypothesis.
- The discounting rate has been calculated by factoring in the weighted average cost of the capital specific to the contributed activity.

Income criteria:

The selected income criteria applied to the contributed activity are:

- The gross operating surplus, being income from operations before amortization expenses,
- Net income.

Average of valuation criteria:

The valuation carried out by applying the average of the results obtained according to the criterion defined above totals FRF 2,545 million, or (in FRF million):

- Valuation according to the method of the revalued net assets:	2,404 MF
- Valuation according to the method of the gross operating surplus:	2,606 MF
- Valuation according to the net income method:	2,624 MF
- Average valuation selected for the business:	**2,545 MF**

Evaluation of Accor Services France:

Owing to the absence of activity for this company at the time of the contribution, it was estimated that the actual value is correctly reflected by its book value.

Considering the selected valuation for the business contributed and the amount of the other asset items contributed at their net book value on December 31, 2000,

the value of the spin-off totals:	4,711,343,740.28 F
the liabilities items consolidated by the company Accor Services France evaluated at their net book value on December 31, 2000 totaling:	2,014,725,603.30 F
The net value of contributions amounts to:	**2,696,618,136.98 F**

Remuneration of contributions. Increasing the capital of Accor Services France

In payment of the contributions made by Accor SA, Accor Services France will allocate 23,800,000 shares of a nominal value of 16 euros each, fully paid up, and will proceed to the corresponding increase of its share capital, representing an amount of 380,800,000 euros (2,497,884,256 F).

the difference between the net value of contributions, or:	2,696,618,136.98 F
and the nominal amount of shares allocated as payment for the contributions, or:	2,497,884,256.00 F
and representing the sum of:	198,733,880.98 F (30,296,784.85 €)

will be registered on the company's accounts Accor Services France to a reserve fund named "share premium".

The new shares allocated to Accor SA will bear a dividend as from January 1, 2001. The spin-off operation will be carried out after the Special Shareholders General Meeting of Accor Services France that will meet no later than June 30, 2001 and will be convened to approve the spin-off and decide on the capital increase that will pay for it.

Authorization given to the Management Board to carry out financing operations

At its meeting of May 27, 1999, the Combined General Meeting authorized the Management Board to issue various securities giving immediate or future access to the share capital, by an overall proxy in application of article 180 III of the law of July 24, 1966 on Commercial companies (now article L 225-129 of the French commercial Code).

The law provides that the validity of authorizations may not exceed twenty-six months. Considering that the validity of the authorizations currently held by the Management Board will soon expire, the Management Board is proposing to the General Meeting to renew the global proxy granted to it by the Combined General Meeting of May 27, 1999, according to the terms described hereafter.

Therefore, voting of the resolutions submitted to the General Meeting will enable the Management Board to maintain the option of assembling the financial means required for the Group's expansion in a swift, flexible manner. The proxy granted to the Management Board to issue securities while maintaining the pre-emptive share rights of shareholders, or canceling it, would result in allowing, at the appropriate time, all types of investments in France, abroad and/or on international markets, depending on the opportunities offered by the financial markets and the interests of the Company and its shareholders.

The **fifteenth resolution** authorized the Management Board to issue securities granting immediate and/or future access to shares that are or will be issued in the context of the capital increase, with maintenance of the pre-emptive share rights of shareholders.

The financial operations covered by this resolution mainly include the issue of:

- Common stock with stock warrants attached or not
- Bonds convertible into shares, bonds with share warrants attached, bonds that can be swapped or refunded in shares
- Autonomous warrants, via subscription or bonus shares
- Of all other securities that give the holder right, via conversion, swapping, refund, presentation of a voucher or any manner whatsoever, to the allocation of shares.

The nominal amount of the capital increase that could be carried out under the present proxy, may not exceed € 200 million, and this amount may be increased by the nominal value of additional shares to be issued to preserve the rights of holders of securities that give right to Company shares, in accordance with applicable regulations.

The maximum nominal amount of debt securities that could be issued in application of the proxy granted to the Management Board, in the form of, as indicated above, convertible bonds, bonds with stock warrants, or bonds that can be swapped or refunded for shares, has been fixed at € 2 billion, or the equivalent value of this amount in the event of issue in another currency.

The proxy given to the Management Board is valid for twenty-six months as from the decision of the Meeting and cancels and replaces the proxy granted by the eleventh resolution of the Combined General Meeting of May 27, 1999. The Supervisory Board will be convened for prior authorization of any issue project contemplated by the Management Board.

The **sixteenth resolution** authorizes the Management Board to issue securities granting immediate and/or future access to shares that are or will be issued in the context of the capital increase, without the need to exercise the pre-emptive share rights of shareholders.

This is because the Management Board would like to be able to react rapidly to any financial opportunity depending on the mobility and diversity of the financial markets in France and abroad, and consequently may within very short periods of time need to undertake issues that could be placed with investors interested by certain types of financial products. This means that the Management Board must be in a position to carry out such issues without shareholders exercising their pre-emptive share right.

In the event that this option were used, the shareholders would benefit from a priority share right, for a period; and according to terms, to be defined by the Management Board, depending on market practices.

Further, in accordance with legal provisions, the issue would include strict rules determining the conditions for issuing securities, and particularly the definition of their prices In addition, first the Management Board and second, the Statutory Auditors would draw up additional reports that would be made available to shareholders under conditions defined by law.

The operations covered by this resolution mainly include the issue of:

- Common stock with stock warrants attached or not
- Bonds convertible into shares, bonds with share warrants attached, bonds that can be swapped or refunded in shares
- Autonomous warrants, via subscription
- All other securities that give the holder right via conversion, swapping, refund, presentation of a voucher or any manner whatsoever, to the allocation of shares
- Shares subscribed on presentation of securities issued by any subsidiary in which the Company might directly or indirectly hold more than half of the capital
- Spin-off shares to pay for the securities contributed to a takeover offer in the conditions laid down by article L 225-148 of the French commercial Code

The maximum nominal amount of capital increases likely to be carried out by virtue of this proxy is limited at € 150 million. Further, any increase of share capital by issue of spin-off shares created to pay for the securities contributed to a takeover offer must comply with the same limit.

The nominal amount of debt securities that could be issued in application of this proxy is limited to € 1 billion or the equivalent value of this amount in the event of the issue in another currency.

The proxy given to the Management Board is valid for twenty-six months as from the decision of the Meeting and cancels and replaces the proxy granted by the twelfth resolution of the Combined General Meeting of May 27, 1999. The Supervisory Board will be convened for prior authorization of any issue project contemplated by the Management Board.

The **seventeenth resolution** authorizes the Management Board to increase the share capital by capitalization of reserves, profits, premiums or other items that may be capitalized. The Management Board may combine this operation with a cash capital increase pursuant to the fifteenth resolution. It may also proceed by allocating bonus shares or increasing the nominal value of existing shares.

The nominal amount of the capital increase that could be made may not exceed € 200 million. The proxy granted to the Management Board, subject to the prior authorization of the Supervisory Board, shall, like the previous ones, be valid for a period of twenty-six months and cancels and replaces the previous proxy given by the thirteenth resolution of the Combined General Meeting of May 27, 1999.

The **eighteenth resolution** defines an overall limit to the nominal amount of capital increases with or without shareholders' pre-emptive share right, that could be carried out by the Management Board, immediately or in the future by virtue of the fifteenth, sixteenth and seventeenth resolutions, during the validity period of the authorizations. The nominal amount of the increases to the share capital has been limited to € 350 million, to which, as the case may be, might be added the nominal amount of additional shares to be issued to preserve the rights of bearers of securities entitling the holders to the Company's shares.

Authorization to be given to the Management Board to issue stock options and stock purchase options

The General Meeting has been requested (**nineteenth and twentieth resolutions**) to renew the authorizations granted to the Management Board by the Combined General Meeting of January 7, 1997 to issue, for the benefit of the Group's employees and/or executives, stock option schemes applicable to shares issued through capital increase, and stock purchase options from a prior buyback of the Company's shares on the stock exchange, in accordance with the provisions of Articles L 225-208 and L 225-209 of the French commercial Code.

Previous authorizations were valid for five years and a request is being made for them to be renewed for a period of thirty-eight months, in accordance with the new provisions included in the bill on new economic regulations.

The Management Board may use these proxies, with the prior authorization of the Supervisory Board, in one or several operations. It may set the length of schemes within a range of five to ten years for the stock option schemes and between three and six years for the stock purchase schemes.

The subscription or purchase price may not be less than the minimum price defined by law, in other words, currently 80% of the average of the prices quoted at the twenty Stock market sessions preceding the decision date of the Management Board, nor, in respect of the purchase options, 80% of the average share purchase price paid by the Company. The total number of options opened and not yet exercised has been limited to 5% of the capital for each authorization.

Authorization to be given to the Management Board to proceed to the issue of shares and/or other securities that give access to the Company's capital, reserved to employees participating in the Employee Savings Plan or in the Accor Group Voluntary Employee Partnership Savings Plan

Accor implements an active employee savings policy. On authorization from the Combined General Meeting of May 27, 1999, an initial capital increase for employees only was carried out in June 1999, in France. It resulted in the creation of 239,000 shares subscribed by approximately 7,000 people. A new employee shareholding scheme was extended abroad in November 2000, to 23 countries. The new scheme enabled 16,000 French and foreign employees to subscribe to 766,000 new shares.

At December 31, 2000, the percentage of employee shareholding represented 0.71% of Accor's capital.

A proposal has been made to the General Meeting to renew the option granted to the Management Board to proceed to the issue of shares for employees only, in compliance with the new provisions of the law on employee savings dated February 19, 2001 (**twenty-first resolution**).

Subscriptions may be carried out by employees participating in a Group company savings plan or by direct shareholding in the country where the use of these instruments is not possible. The total number of shares and/or securities giving access to the capital that could be issued in application of the authorization requested from the General Meeting and the previous authorization, which it replaces for its non-binding part, has been restricted to 2% of the share capital as of the day of the Management Board's decision. The authorization shall be valid for five years and the Management Board may use it on one or several occasions.

In application of article L 443-5 of the French labor Code, the subscription price may neither exceed the average of prices quoted on the stock exchange at the twenty sessions prior to the Management Board's decision date, nor fall below this average, minus the maximum discount allowed by regulation.

Authorization to be given to the Management Board to reduce the issued capital by cancellation of shares

The General Meeting has been requested to grant the Management Board the option of canceling all or part of the shares acquired in the conditions laid down by the thirteenth resolution, within the limit of 10% of the share capital for each 24-month period, and to reduce the share capital correlatively. This authorization, which is the subject of the statutory auditors' special report stipulated by law, has been given to the Management Board by the **twenty-second resolution**.

Amendment of article 22 of the By-laws

The Management Board proposes to the General Meeting that the By-laws stipulate that shareholders may utilize electronic communication resources to participate in General Meetings (**twenty-third resolution**).

These provisions, contained in the bill on the new economic regulations, would be implemented on Decision by the Management Board insofar as the developments of the relevant techniques and applicable legislation in the field allow. The amendment to article 22 of the By-laws for this purpose includes two aspects. First, the possibility of sending the postal voting form and proxy by remote transmission, and second, including the number of shareholders participating in the General Meeting via video conference or electronic means in the calculation of the quorum and majority required for the Meeting.

Authorization to be given to the Management Board, in a period of a takeover bid or offer concerning the Company's securities, to make use of the authorizations for capital increases not reserved for specifically-named beneficiaries

The **twenty-fourth resolution**, as in previous years, grants the Management Board the option to make use of the authorizations for issuing new securities which they have not reserved for specifically-named persons, where necessary, in the event of a takeover bid or offer concerning the Company's securities.

A proposal has been made to the General Meeting to maintain this authorization but restrict its scope to only acquisitions, so as to take the recommendations contained in the Corporate Governance Committee's last report into account, and also so that the absence of such an authorization will not prevent the Company from taking advantage of acquisition opportunities during the offer period.

OBSERVATIONS OF THE SUPERVISORY BOARD TO THE MIXED GENERAL MEETING

In its meeting of March 13, the Supervisory Board examined the accounts of fiscal year 2000 and the Management Board's Report. These statements show that steady, substantial growth of Accor's earnings and results continued, illustrating the Group's ability to take full benefit from a favourable climate, especially owing to its unique position and its diversified financing policy.

The Supervisory Board expresses its satisfaction with the results for fiscal year 2000, the seventh year in succession where growth in two figures was recorded. The Board is also pleased that earnings per share have also increased, more than doubling in four years. Finally, it expresses its confidence in the balanced, sustainable growth strategy implemented by the Management Board under their Chairman.

The Management Board have proposed that the dividend be set at € 1 per share and € 1.5 with the tax credit - which represents an increase of 11.11% over the dividend distributed for fiscal year 1999.

The Supervisory Board approves this proposal.

The Supervisory Board also asks the General Meeting to vote all the resolutions submitted to it.

Consolidated Financial Statements

REPORT OF THE STATUTORY AUDITORS
Year ending December 31 2000

In carrying out the mission assigned to us by your Annual General Meeting, we proceeded to check the consolidated financial statements of Accor, expressed in euros, relative to the financial year ended on December 31, 2000, as appended to the present report.

The consolidated financial statements were prepared by your Board of Directors. It is our duty to express an opinion on these financial statements based on our audit.

We carried out our audit according to the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain the reasonable assurance that the consolidated financial statements are free of material misstatements. An audit entails examining, on a test basis, evidence supporting the amounts and disclosures in these financial statements. An audit also entails assessing the accounting principles used and significant estimates made by management in preparing the accounts, as well as evaluating the overall presentation. We believe that our audit provides a reasonable basis for the opinion expressed hereafter.

We certify that the consolidated statements, prepared in compliance with the generally accepted accounting rules and principles applicable in France, are true and sincere and fairly present the financial position, and the results of all Group entities included in the consolidation.

We have also reviewed the information given in the Directors' management report. We have no special comment to make regarding their fairness and conformity with the consolidated financial statements.

Neuilly, March 14, 2001

The Statutory Auditors

Barbier Frinault & Autres
Arthur Andersen

Deloitte Touche Tohmatsu – Audit

Members of the Versailles Chamber of Auditors

Christian Chochon

Alain Pons

The Revisers

Deloitte Touche Tohmatsu

CONSOLIDATED INCOME STATEMENT

in millions	Notes	1998	1999	2000	
		€	€	€	FRF
Revenues		**5,554**	**6,044**	**6,946**	**45,565**
Other operating revenues		69	61	62	404
Consolidated sales	3	**5,623**	**6,105**	**7,007**	**45,968**
Operating expenses		(4,272)	(4,545)	(5,117)	(33,565)
EBITDAR	4	**1,351**	**1,560**	**1,891**	**12,403**
Rental expense	4	(402)	(478)	(616)	(4,041)
EBDIT		**949**	**1,082**	**1,275**	**8,362**
Depreciation and operating provision expense	4	(307)	(359)	(428)	(2,805)
EBIT	4	**642**	**723**	**847**	**5,558**
Net financial expense	5	(158)	(143)	(121)	(791)
Net income from associated equity companies, Group share	6	12	15	25	161
Total income from operations		**496**	**595**	**751**	**4,928**
Result from management of hotel portfolio	7	(15)	18	19	127
Current income before taxes		**481**	**613**	**770**	**5,055**
Result from management of other assets	8	21	(29)	23	149
Goodwill amortization		(60)	(68)	(96)	(632)
Income taxes	9	(153)	(222)	(256)	(1,680)
Exceptional items (net of taxes)	10	37	82	35	227
Minority interests		(29)	(24)	(28)	(186)
Consolidated net income, Group share		**297**	**352**	**447**	**2,933**
Average number of shares outstanding (in thousands)	19	**179,670**	**181,280**	**196,002**	**196,002**
Earnings per share (in €/in FRF)		**1.65**	**1.94**	**2.28**	**15.0**
Net income, fully diluted	19	**1.62**	**1.89**	**2.27**	**14.9**

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets (at December 31)

in millions	Notes	1998	1999	2000	
		€	€	€	FRF
Intangible fixed assets	11	**457**	**530**	**581**	**3,810**
Goodwill (net of amortization)	12	**1,247**	**1,684**	**1,911**	**12,538**
Property, plant and equipment net of accumulated depreciation	13	**3,458**	**4,518**	**4,696**	**30,804**
Long-term loans	14	243	280	294	1,928
Investments in associated equity companies	15	152	204	303	1,990
Other financial assets	16	333	163	176	1,154
Financial assets		**728**	**647**	**773**	**5,072**
Fixed assets	17	**5,890**	**7,379**	**7,961**	**52,223**
Inventories		114	78	85	559
Trade accounts receivables		1,070	1,052	1,201	7,877
Other receivables	18	499	584	614	4,027
Service vouchers reserve funds		205	230	259	1,698
Financial receivables related to vehicle buy-back	25	415	-	-	-
Receivables on short-term asset disposals	25	22	265	102	667
Short-term loans	25	58	138	79	516
Marketable securities	25	491	619	792	5,196
Cash and equivalents	25	445	488	599	3,926
Current assets		**3,319**	**3,454**	**3,731**	**24,467**
Prepaid expenses		167	159	189	1,245
Deferred charges		48	60	73	478
Prepaid expenses and deferred charges		**215**	**219**	**262**	**1,723**
Total assets		**9,424**	**11,052**	**11,954**	**78,414**

CONSOLIDATED BALANCE SHEET

Liabilities and Shareholders' Equity (at December 31)

in millions	Notes	1998	1999	2000	
		€	€	€	FRF
Share capital		551	556	591	3,878
Additional paid-in capital		1,560	1,655	1,894	12,426
Reserves (retained earnings)		516	627	724	4,748
Translation adjustments		(50)	89	187	1,229
Net income for the year		297	352	447	2,933
Shareholders' equity	19	**2,874**	**3,279**	**3,843**	**25,214**
Minority interests	20	175	185	141	923
Shareholders' equity and minority interests		**3,049**	**3,464**	**3,984**	**26,137**
Provisions	21	519	604	609	3,993
Repackaged Perpetual Subordinated Floating Rate Notes (TSDI)	22	402	363	270	1,768
Convertible bonds	23	307	291	-	-
Exchangeable bonds	23	-	434	434	2,843
Other long-term debt	25	1,176	1,667	2,477	16,250
Capital leases	25	205	242	216	1,417
Long-term debt	24	**2,090**	**2,997**	**3,397**	**22,278**
Non-current liabilities and shareholders' equity		**5,658**	**7,065**	**7,990**	**52,408**
Trade accounts payable		705	584	677	4,443
Other payables	18	790	1,031	1,154	7,571
Service vouchers in circulation		1,030	1,142	1,325	8,693
Short-term debt	25	867	831	251	1,649
Due to banks	25	308	347	470	3,083
Current liabilities		**3,700**	**3,935**	**3,877**	**25,439**
Accrued liabilities		**66**	**52**	**87**	**567**
Total liabilities and shareholders' equity		**9,424**	**11,052**	**11,954**	**78,414**

CONSOLIDATED STATEMENT OF SOURCES AND USES OF FUNDS

in millions	Notes	1998	1999	2000	
		€	€	€	FRF
Consolidated net income, Group share		297	352	447	2,933
Minority interests		29	24	28	186
Depreciation, amortization and provision		367	426	524	3,437
Net income from associated equity companies, Group share, net of actual dividends received		(4)	1	(11)	(69)
Deferred taxes		28	10	77	501
Financial provisions and provisions on assets management		153	105	12	79
Consolidated cash flow (1)		**870**	**918**	**1 078**	**7,067**
Net realized capital (gains)/ losses on asset sales (2)		(208)	(213)	(149)	(977)
Non-operating losses/ (profit)		34	73	56	365
Consolidated cash flow from operations		**696**	**778**	**984**	**6,455**
Investments for renovation and maintenance (3)		(357)	(431)	(422)	(2,767)
Free cash flow		**339**	**347**	**562**	**3,688**
New capital and technology expenditure (4)		(731)	(2,680)	(1,251)	(8,209)
Proceeds from asset disposals (excluding Europcar) (5)		1,438	1,428	843	5,528
Net impact of the sale of Europcar (6)		-	440	-	-
Decrease/ (increase) in working capital (7)		(24)	14	116	759
Non-operating gains (losses)		(34)	(72)	(56)	(365)
Net sources / (uses) from operations		**988**	**(523)**	**214**	**1,401**
Dividends (8)		(210)	(218)	(248)	(1,627)
Capital increases / (decrease) (9)		26	101	274	1,809
Currency translation adjustments on fixed assets and shareholders' equity (10)		29	(243)	(97)	(646)
Changes in the scope of consolidation on provisions and minority interests (11)		(27)	52	(24)	(159)
Decrease/ (increase) in net indebtedness	25	**806**	**(831)**	**119**	**778**
Net indebtedness (beginning of the period)		(2,640)	(1,834)	(2,665)	(17,482)
Net indebtedness (end of the period)		(1,834)	(2,665)	(2,547)	(16,704)
Decrease/ (increase) in net indebtedness	25	**806**	**(831)**	**119**	**778**
Cash flows from operating activities (1)+(2)+(7)		**638**	**719**	**1 044**	**6,849**
Cash flows from investing activities (3)+(4)+(5)+(6)		**350**	**(1,243)**	**(830)**	**(5,448)**
Cash flow (8)+(9)		**(184)**	**(117)**	**26**	**182**
Miscellaneous (10)+(11)		**2**	**(190)**	**(121)**	**(805)**
Decrease/ (increase) in net indebtedness		**806**	**(831)**	**119**	**778**

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (before minority interests)

in € millions	Number of shares oustanding	Share capital	Additional paid-in capital	Translation adjustments*	Reserves (retained earnings)	Consolidated Shareholders' equity
At December 31, 1998	**180 704 995**	**551**	**1 560**	**(50)**	**813**	**2 874**
Capital increases:						
• Conversions of bonds	623,302	2	14	-	-	16
• Exercise of stock options	1,067,500	3	15	-	-	18
• Through merger / transfer of assets	2,757,015	8	46	-	-	54
• Through employee subscription	329,170	1	12	-	-	13
Dividend	-	-	-	-	(187)	(187)
Translation adjustments	-	-	-	139	-	139
Conversion of share capital into €	-	(9)	8	-	1	-
Net income for 1999	-	-	-	-	352	352
At December 31, 1999	**185,481,982**	**556**	**1 655**	**89**	**979**	**3 279**
Change in accounting method** CRCO2	-	-	-	-	(30)	(30)
Capital increases:						
• Conversions of bonds	11,296,983	34	254	-	-	288
• Exercise of stock options	-	-	-	-	-	-
• Treasury shares	779,590	2	9	-	-	11
• Through merger / transfer of assets	(1,282,070)	(4)	(48)	-	-	(52)
• Through employee subscription	766,050	3	24	-	-	27
Dividend	-	-	-	-	(225)	(225)
Translation adjustments	-	-	-	98	-	98
Net income for 2000	-	-	-	-	447	447
At December 31, 2000	**197,042,535**	**591**	**1,894**	**187**	**1,171**	**3,843**

in FRF millions	Number of shares oustanding	Share capital	Additional paid-in capital	Translation adjustments*	Reserves (retained earnings)	Consolidated Shareholders' equity
At December 31, 1998	**180,704,995**	**3,614**	**10,230**	**(326)**	**5,334**	**18,852**
Capital increases:						
• Conversions of bonds	623,302	12	92	-	-	104
• Exercise of stock options	1,067,500	22	98	-	-	120
• Through merger / transfer of assets	2,757,015	54	300	-	-	354
• Through employee subscription	329,170	6	77	-	-	83
Dividend	-	-	-	-	(1,218)	(1,218)
Translation adjustments	-	-	-	908	-	908
Conversion of share capital into €	-	(58)	60	-	(1)	1
Net income for 1999	-	-	-	-	2,306	2,306
At December 31, 1999	**185,481,982**	**3,650**	**10,857**	**582**	**6,421**	**21,510**
Change in accounting method** CRCO2	-	-	-	-	(196)	(196)
Capital increases:						
• Conversions of bonds	11,296,983	222	1,664	-	-	1,886
• Exercise of stock options	-	-	-	-	-	-
• Treasury shares	779,590	15	58	-	-	73
• Through merger / transfer of assets	(1,282,070)	(25)	(318)	-	-	(343)
• Through employee subscription	766,050	16	165	-	-	181
Dividend	-	-	-	-	(1,477)	(1,477)
Translation adjustments	-	-	-	647	-	647
Net income for 2000	-	-	-	-	2,933	2,933
At December 31, 2000	**197,042,535**	**3,878**	**12,426**	**1,229**	**7,681**	**25,214**

* including € (14) million [FRF (92) millions] for the Euro countries at December 31, 1998, € (18) million [FRF (116) millions] at December 31, 1999, € (17) million [FRF (103) millions] at December 31, 2000.
** see Note 1 on Accounting Principles.
The change in translation adjustments between 1998 and 1999, and between 1999 and 2000 primarily stems from the impact on the Group's North American assets - mainly the Motel 6 and Red Roof Inns chain - of the higher or lower US dollar exchange rate relative to the French Franc (December 31, 1998: 5.6221, December 31, 1999: 6.52953 and December 31, 2000: 7.04951). In addition, part of the change in translation adjustments during 1999 is attributable to the impact of the devaluation of the Brazilian Real. The Brazilian Real versus French Franc exchange rates used for the financial statements at December 31, 1998, December 31, 1999 and December 31, 2000 were 4.65310, 3.64057 and 3.615084, respectively.

KEY MANAGEMENT RATIOS

	Notes	1998	1999	2000
Gearing	a	60.0%	77.0%	64.0%
FFO / Net Debt	b	19.6%	21.0%	23.4%
Financial Charge Cover	c	4.8	4.6	5.1
Return On Capital Employed	d	11.2%	11.2%	11.7%
Economic Value Added (in € millions)	e	214	224	265

Note a: Gearing is the ratio used by the Group to assess its indebtedness. It is the ratio of net debt to shareholders' equity including minority interests.

Note b: Funds from operations / Net debt. Pursuant to the methodology applied by major rating agencies, the ratio of funds from operations to net debt is established as follows:

- Consolidated cash flow from operations (see consolidated statement of sources and uses of funds) are adjusted to reflect 2/3 of rents paid during the year;
- Net debt is restated to take into account investments and divestitures, prorated on the basis of their impact in the income statement. For example, proceeds generated by a divestiture occurring on December 31 of year N will be fully restated under "Net debt". In addition, restated net debt is adjusted to include five times rents paid during the current year.

Note c: Financial Charge Cover Ratio is the ratio of EBITDAR to net financial expense, adjusted to reflect 1/3 of rents paid during the year. In 1998 and 1999, this ratio was published at 4.6 and 5.2 respectively in the total Financial Income. As of 2000, the ratio is now calculated only from the interest base and in compliance with the major rating agencies.

Note d: Return on Capital Employed, or ROCE, is defined in Note 17.3.

Note e: Economic Value Added (EVA).

The calculation of Economic Value Added at the end of 1998, 1999 and 2000 was established as follows:

in € millions	1998	1999	2000
Cost of equity (1)	7.86%	8.74%	8.60%
Cost of debt after tax	3.60%	3.39%	3.68%
Equity/Debt Ratio			
- Equity	62.45%	56.18%	61.01%
- Debt	37.55%	43.82%	38.99%
WACC (2)	**6.26%**	**6.39%**	**6.68%**
ROCE net of Income Taxes (3)	**8.72%**	**8.69%**	**9.04%**
Capital employed (see Note 17.3)	**8,699**	**9,757**	**11,214**
EVA (4)	**214**	**224**	**265**

(1) The Beta used in calculating the Cost of Equity during 1998, 1999 and 2000 is 0.8, 0.9 and 0.9 respectively. With a risk premium of 4% and an OAT - 10 years of 5%, cost of equity is 8.6% in 2000.

(2) The WACC is determined as follows:

$$\text{Cost of Equity} \times \frac{\text{Equity}}{(\text{Equity} + \text{debt})} + \text{Cost of Debt} \times \frac{\text{Debt}}{(\text{Equity} + \text{Debt})}$$

(3) ROCE net of Income taxes is determined as follows:

$$\frac{\text{EBITDA} - [(\text{EBITDA} - \text{operational amortization}) \times \text{tax rate}]}{\text{Capital employed}}$$

For example, in the year 2000, the data is as follows:

EBITDA	:	1,315 M€	(see Note 17.3)	Tax rate	:	33.2%	(see Note 9.2)
Amortization	:	(408) M€	(see Note 4.3)	Capital employed	:	11,214 M€	(see Note 17.3)

(4) The EVA is determined as follows:
(ROCE net of Income taxes – WACC) X Capital employed
The variation of the Beta of +/- 0.1 during 1998, 1999 and 2000 is € 27 million, € 20 million and € 27 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

note 1 Accounting principles

The Consolidated Financial Statements of the Accor Group are established in accordance with French regulations presently in force. As from January 1, 2000, Accor applies the new methodology (Reglement CRC 99-02). Pursuant to new French regulation, the impact in changes of accounting methods has been posted to shareholders' equity as at January 1, 2000. The amount recorded thereby totals € 30 million fully corresponding to the Group commitment for employee benefits.

In addition, reflecting the international scope of its activities, Accor has decided to retain, among the options afforded by new French regulation, those that are closest to international accounting practices (capitalization of contracts defined as capital leases; entering into the Income Statement latent gains and losses; entering into the Balance Sheet the full amount for employee benefit).

The financial statements of consolidated Group companies, prepared in accordance with the rules of the individual countries in which they operate, are restated to conform to Group principles prior to consolidation.

A. Consolidation methods

The companies over which the Group directly or indirectly exercises exclusive controlling influence are fully consolidated.

Companies controlled and operated jointly by Accor and a limited number of partners are consolidated through proportional integration.

Companies over which the Group exercises a significant influence and in which it controls, directly or indirectly, between 20% and 50% of voting rights, are accounted for by the equity method.

B. Goodwill

Within the first year following an acquisition, all assets and liabilities of an acquired business are reviewed and valued. Whenever possible, the difference between the purchase price and the fair value of the Group's share of the underlying net assets at the date of acquisition is posted to the corresponding balance sheet item.

The balance is recorded as goodwill in the consolidated balance sheet and is amortized on a straight-line basis according to the nature of the activities involved, within the maximum following limits:

• Hotels	40 years
• Services	40 years
• Travel Agencies	40 years
• Casinos	20 years
• Restaurants	20 years
• Onboard Train Services	40 years
• Other	10 years

C. Translation of financial statements prepared in foreign currencies

Foreign-currency denominated balance sheet items are translated into French francs at year-end exchange rates. Income statement items are translated at average annual rates. The resulting difference is posted to shareholders' equity.

In the case of subsidiaries operating in exceptionally high-inflation countries, non-monetary balance sheet items are translated at historical rates prevailing on the date of the transaction, while monetary balance sheet items are translated at year-end rates.

Non-monetary income statement items are translated into French francs at historical rates. Other income statement items are translated at the average monthly historical rate following the transaction. Translation differences resulting from the application of this method are incorporated in the Net Financial Expense in the income statement. This method used to present revenues and expenses provides maximum insight by allocating currency rate adjustments directly to the relevant income statement items. As a result, revenue and expense items are translated into French francs, using exchange rates close to the appropriate historical rates.

D. Fixed assets

D.1. Intangible fixed assets

Intangible fixed assets are recorded at cost.

Prior to initial consolidation, major intangible fixed assets are valued by outside appraisers on the basis of commonly accepted criteria which can be subsequently monitored. When these assets may not be amortized, their value is periodically reviewed and losses in value, if any, are provisioned for.

Start-up costs are written off over a maximum period of five years. Only networks and brand names are not subject to amortization, but may reflect a provision for risks.

D.2. Property, plant and equipment

Property, plant and equipment are valued at cost, including related financial charges.

Property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Formule 1 hotels / Motel 6 motels	40 years
Other hotels	60 years
Rail cars and other railway equipment	20 years
Other equipment	10 to 30 years
Fixtures and fittings	5 to 10 years

D.3. Long-term leases, financial leases, sale and lease-back

Pursuant to French legislation, the Group applies the preferential method which allows the capitalization of financial leases and so-called capital leases.

To distinguish capital leases from operating leases, the Group systematically favors an economic analysis of risks and ownership benefits in the relationship between lessor and lessee. Consequently, it classifies leases as operating from the standpoint of the lessee only when related liabilities and commitments are substantially weighted towards the lessor.

Capital leases which substantially transfer the risks and rewards of ownership to the lessee are recognized in the balance sheet. The corresponding assets are included under fixed assets as properties and depreciated according to the Group's accounting principles and the corresponding obligation is listed separately as a liability in the balance sheet.

Operating leases are recognized as rental expenses of the period. Regardless of contractual payment terms, total rental expenses are annualized on a straight-line basis and expensed on an economic basis in equal annual installments over the life of the contract. Future rental charges are detailed in Note 4.2.

Sale and lease-back transactions are recognized based on the classification of the underlying long-term leases:

- for capital leases, the capital gains or losses are deferred and amortized over the life of the contract, except when it shows an impairment of the underlying asset value which is immediately recognized ;
- in the case of operating lease contracts, assuming sales prices and rents are confirmed to reflect market values by independent experts, capital gains or losses are immediately recognized.

Sale and lease-back transactions are primarily related to hotel activities.

D.4. Investments in unconsolidated companies

Investments in unconsolidated companies are recorded at cost.

D.5. Book value of fixed assets

Fixed assets are valued at cost. When cost exceeds the fair value of the asset, a provision is made to recognize the loss of value.

Fair value is based upon an evaluation of the asset's usefulness in enabling the company to achieve its strategic goals.

In particular, in the case of hotel properties, fair value is estimated on the basis of a multiple of average free cash flow over the duration of a hotel industry business cycle. Depreciation, if any, is posted to income under result from management of hotel portfolio (see Notes 1.P.5 and 7).

In addition, in the case of unconsolidated investment securities, usefulness value is based, among other criteria, on the Company's share in revalued net worth and future profitability prospects.

Provisions for loss of value are written to reduce assets held for disposal to market value.

E. Inventories

Inventories are valued on the basis of weighted average prices. They are depreciated, as needed, on the basis of estimated realization value.

F. Special reserve funds

As a result of legal restrictions on the use of Ticket Restaurant operating funds in France, these are held in special escrow accounts.

G. Financial receivables related to vehicle buy-back contracts

These financial receivables correspond to the buy-back value guaranteed by the vehicle manufacturers pursuant to short-term buy-back contracts for vehicles leased out under short-term rental contracts.

H. Marketable securities

Marketable securities are recorded at the lower of cost or market.

I. Deferred charges

Deferred charges include:

- costs incurred prior to the opening of new hotels and restaurants, which are written off over three years in the case of hotels and over one year in the case of restaurants;
- costs related to the acquisition of fixed assets, which are written off over a maximum of five years ;
- bond issuance costs, which are written off over the life of the issue ;
- costs related to the development of data processing systems, which are written off over the useful life of the systems.

Deferred charges are included in fixed assets.

J. Prepaid expenses

Prepaid expenses correspond to expenses paid during a given period but related to the following period. In particular, prepaid expenses include the utilization cost of rental vehicles (difference between purchase cost and estimated resale value), which is expensed on a straight-line basis over the period for which these vehicles are held.

K. Personnel expenses

Personnel expenses comprise all sums paid by the Company to its salaried employees, including employee profit-sharing. Employee profit-sharing – totaling € 14 and € 16 million in 1998 and 1999, respectively – was included in result from management of other assets. In 2000, employee profit-sharing was included under personnel expenses, for € 17 million.

L. Provisions for pension and retirement benefits

Until December 31, 1999, the Group made partial provisions for retirement commitments pursuant to the accounting regulations applicable in each of the countries in which it operates. Pursuant to regulation CRC* 99-02 in effect since January 1, 2000, the Group applies the preferential method and makes provisions for the totality of its retirement commitments.

The impact of this change in accounting method has been deducted from consolidated reserves at January 1, 2000.

In the case of defined benefit retirement plans, liabilities have been calculated pursuant to IAS 19 ; in particular, the Group has estimated its commitments based upon the prospective method, taking into account actuarial assumptions, e.g. salary increases, retirement age, mortality, employment turnover rates, as well as discount rates. These hypotheses take into consideration the specific conditions, notably macro-economic, of the various countries in which the Group operates.

In order to determine net retirement liabilities at January 1, 2000, the Group also took into account assets held to cover these commitments, based on their market value as of that date.

In addition, changes in actuarial assumptions give rise to actuarial adjustments, which are prorated based on the average residual employment period of the salaried employees covered by the respective retirement plans.

Actuarial adjustments in effect prior to January 1, 2000 were preserved and were thereby not deducted from consolidated reserves.

The impact of the change in accounting method is the difference between the liability at January 1, 2000, calculated according to this method, and the provision included in the financial statements as at that date, taking into account corresponding deferred taxes.

M. Translation of foreign currency-denominated transactions

For each Group entity, transactions denominated in a currency other than its own functional currency are translated into that currency at the exchange rate prevailing at the time of the transaction.

Corresponding assets and liabilities, with the exception of those covered by currency hedging transactions, converted into French francs, are translated at year-end rates. Exchange gains and losses resulting from year-end exchange rate conversions are posted to net financial income.

In the case of receivables and debts denominated in currencies of the Euro zone (“in” currencies), the Group has used the conversion rates set irrevocably on December 31, 1998 between the “in” currencies and the Euro, and effective since January 1, 1999. The corresponding foreign exchange gains and losses have been posted to net financial expense.

N. Deferred taxes

The Group held the Balance Sheet method with variable postponement, according to which future tax payables and receivables are evaluated at the last known tax rate, without actualization.

Deferred tax assets on tax losses carried forward are recognized only if they are likely to be used within a reasonable time frame.

O. Financial instruments

Financial instruments such as swaps and options contracts primarily used to manage interest rate and currency exposure are recorded as off-balance sheet commitments.

Income from hedging transactions is recognized using the same principle as that applied to the recognition of income or expense on the hedged asset or liability.

P. Income statement and statement of sources and uses of funds

The presentation of the consolidated income statement and statement of sources and uses of funds is matching closely the key indicators used internally for managing its activities and assessing management performance.

P.1. Consolidated sales

Consolidated revenues include all revenues from sales of products and services by consolidated companies in the course of their normal activities. They encompass:

- for corporate services: commissions paid by client companies, and participating restaurants, royalties and revenues from technical assistance ;
- for travel agencies: commissions on travel tickets, car rental and hotel accommodations, fees related to service contracts, and revenues from the sale of travel packages. This definition of revenues corresponds to the evolution underway in the travel agency business ;
- for onboard train services: catering and lodging services charged to railway networks, as well as subsidies received and capital improvements performed by the Group ;
- for casinos: gross receipts from gaming activities (slot machines and traditional casino games).

P.2. Other operating revenues

Other operating revenues comprise financial income on the management of available funds generated by Corporate Services activities.

Together, consolidated revenues and other operating revenues make up the consolidated sales.

P.3. EBITDAR

EBITDAR comprises operating revenues and charges, reflecting management performance before rent, depreciation, net financial expenses, taxes and operating provision expense.

P.4. Total income from operations

The heading "Total Income from Operations" reflects results from operations and financing of the Group's activities. It combines EBIT, net financial expense, and the net income from associated equity companies, Group share.

P.5. Result from management of hotel portfolio

Result from management of hotel portfolio encompasses realized capital gains and losses on the sale of hotel properties, as well as provisions on hotel properties. These items of a recurring nature in the ongoing management of hotel operations are not directly related to the management of the Company's operations.

P.6. Current income before income taxes

Current income before income taxes is the sum of total income from operations and result from management of hotel portfolio (before amortization of goodwill).

P.7. Result from management of other assets

Result from management of other assets encompasses realized capital gains and losses on the sale of other assets, excluding hotel portfolio, provisions, as well as non-operating losses and gains. These items are not directly related to the management of the company's operations.

Results on management of other assets also takes into account provisions for risks related to the impact of dilution from future exercise by employees of stock options issued by Group subsidiaries.

Each year, the difference between the market value of stock options and their exercise price is provided for.

P.8. Exceptional items (net of taxes and of minority interests)

Exceptional items are essentially limited to extraordinary transactions – such as disposal of Group core activities – which are not part of the Group's current activities, and do not occur frequently.

P.9. Statement of sources and uses of funds

The statement of sources and uses of funds was reorganized to match the key indicators used internally in the management of Accor's activities and to differentiate uses and sources of funds from operations on the one hand, and financing activities on the other.

Sources and uses of funds from operations include:
- consolidated cash flow from operations after changes in deferred taxes and before capital gains or losses on asset sales ;
- capital improvements, which cover maintenance and renovation of existing operating assets held on January 1 of the reporting year and required by their ongoing operations ;
- new capital investments, including fixed assets of newly consolidated subsidiaries and the constitution of new assets ;
- capital gain or losses on asset sales ;
- net change in working capital.

note 2 Changes in the scope of consolidation

Reallocation of resources

Pursuant to information provided at the Shareholders' Meetings of January 7 and June 4, 1997, the Group has completed in the first half of 1997 an extensive strategic review of its activities and operating procedures. This review led to the identification of certain non-strategic assets, whose disposal has been initiated in 1997 and pursued during the past four years.

The impact of the Group's resource reallocation program since 1997 has been as follows:

A. Disposals conducted as part of the resource reallocation program

A.1. Disposal of hotel properties

As part of its resource reallocation program, the Group has identified hotel properties as a low profitability activity and has initiated a program to dispose of these activities, which has resulted in 1997 in the sale of:
- 35 Motel 6 units for USD 130 million (€ 118 million);
- 29 Business and Leisure hotels (13 Novotel and 16 Mercure units) for € 113 million;
- 5 Ibis hotels for € 29 million.

In 1998, in the sale of:
- 261 Motel 6 units (30,339 rooms) for a gross value of USD 1,005 million (€ 853 million);
- 5 Novotel units (572 rooms), 3 Mercure units (709 rooms), 1 Sofitel (109 rooms) and 30 Economy and Budget hotels (Ibis/Etap/Formule 1) for € 114 million, all located in France.

In 1999, the Group completed the following hotel property disposals:
- 36 Economy hotels (Ibis, Etap and Formule 1) for a total consideration of € 240 million in France, Germany and Great-Britain;
- 56 Motel 6 units (of which 12 including real estate component and ongoing business and 44 including real estate component alone) for a total consideration of € 135 million;
- 142 Red Roof Inns for a total consideration of € 446 million;
- 27 Business and Leisure hotels (1 Sofitel, 16 Mercure and 10 Novotel units), chiefly in the UK (10 Novotel units) and The Netherlands (14 Mercure units), for a total consideration of € 242 million.

Finally, in 2000, the Group carried out the following disposals:
- 10 Business and Leisure properties (3 Sofitel, 3 Novotel, 2 Mercure and 1 SuiteHotel hotels) in Europe and 3 Sofitel hotels in the US, for total proceeds of € 483 million;
- 67 Economy properties for total proceeds of € 83 million, in France, Sweden and The Netherlands.

A.2. Disposal of non-strategic assets

A.2.1. Sale of part interest in Compass PLC

At December 31, 1996, the Accor Group held 136,600,402 shares of Compass Plc. These shares had been received in 1995 as partial remuneration of the sale of Eurest France and Eurest International to Compass Plc.

As part of Accor's resource reallocation strategy, the Group sold 73,000,000 Compass Plc shares in the first half of 1997, corresponding to 11.5% of Compass's share capital, at a price of £ 3.5 per share, thereby realizing a net capital gain of € 202 million.

Following this transaction, the Group's interest in Compass Plc was reduced to 10%. Since January 1, 1997, Compass Plc is no longer accounted for by the equity method. Accor's remaining interest in Compass Plc has been transferred to investment in unconsolidated companies as of January 1, 1997, on the basis of their equity method valuation (after translation adjustments).

In 1998, the Group sold 32,893,520 Compass shares, generating net proceeds of € 200 million, thereby realizing a net capital gain of € 130 million.

In March 1999, the Group has issued bonds exchangeable into Compass shares. Holders of these bonds, with a par value of € 1,000 and a three-year maturity (to March 29, 2002), bearing interest at 1%, and far a total value of € 434 million, may convert their bonds into Compass shares or be reimbursed at par in cash at maturity. The number of Compass shares concerned by this issue is 30,699,987. The bond issue price represented a 28% premium over the equivalent Compass share price at the time of the issuance of the bonds (£ 7.45 or € 11.03), taking into account a conversion ratio of 70.8215 Compass shares per Accor bond. This transaction has formalized the Group's intention to dispose of its entire interest in Compass in the future. Consequently, the Compass shares held by the Group have been reclassified as marketable securities in Accor's consolidated balance sheet at January 1, 1999.

Finally, in 2000, Accor has sold and purchased Compass shares in the open market (see Note 8).

At December 31, 2000, the stock market value of the Compass shares held by Accor amounted of £ 224 million (€ 356 million).

A.2.2. Sale of Spanish public restaurant activities

In the second half of 1998, the Accor Group has sold all of the shares it owned in Geresa, a Spanish public restaurant company (roadside, airport concessions…). This transaction, based on an enterprise value of € 30 million generated capital gains after taxes of € 13.4 million recorded in exceptional items.

A.2.3. Sale of 50% of Brazilian public restaurant and institutional catering activities

In December 1998, in order to establish a strategic alliance with Compass in Brazilian public restaurant and institutional catering activities, Accor Brasil, a 50%-owned Accor subsidiary, has transferred all of its Brazilian assets in these two activities to an equally owned joint-venture with Compass. Since December 1, 1998, these activities, jointly controlled by Accor Brasil and Compass, are consolidated through proportional integration in the Group's balance sheet and income statement. This transaction generated a capital gain, Group share, of € 19.4 million, recorded in exceptional items. Taking into account the devaluation of the Brazilian Real in January 1999 as well as the Group's financial strategy, pursuant to which the capital gain on this sale should be distributed in the form of a dividend, a provision for exchange rate loss has been deducted from the above-mentioned capital gain, Group share.

A.3. Sale of 50% interest in Europcar

In November 1999, Accor sold its 50% interest in Europcar International. This transaction, based on a consideration of € 204.5 million generated a capital gain, excluding minority interests, of € 82 million, recorded under Exceptional Items in the income statement for the year ended December 31, 1999 (see Note 10). Concurrently, Europcar and Accor have signed a partnership agreement aimed at preserving and expanding the marketing synergies developed by the two groups.

Europcar's results have been included on a proportional basis for the period December 31, 1997 through October 30, 1999. The following income statement reflects the contribution of the Europcar group to Accor's consolidated results in 1999:

in € millions	1999
Consolidated sales	**395**
Operating expenses	(335)
EBITDAR	**60**
Rental expense	(16)
EBDIT	**44**
Depreciation and operating provision expense	(23)
EBIT	**21**
Net financial expense	(23)
Net income from associated equity companies, Group share	–
Total income from operations	**(2)**
Result from management of other assets	(1)
Goodwill amortization	(1)
Income taxes	(7)
Consolidated net income, Group share	**(11)**

The impact of the sale of Europcar on the Group's consolidated balance sheet may be summarized as follows:

in € millions	1999
Fixed assets	96
Working capital	165
Provisions	(25)
Change in net debt	**236**
Cash and equivalents	204
Impact on Group net debt	**440**

A.4. Disposal of Courtepaille

In December 2000, Accor sold 80% of its interest in its Courtepaille public restaurant subsidiary to the Barclays Private Equity investment fund and the management of the company.

This transaction – based on an enterprise value of € 125 million – generated after-tax consolidated capital gains of € 38 million (see Note 10). Courtepaille consolidated sales, EBDIT and EBIT included in the consolidated financial statements for 2000 amounted to € 89 million, € 15 million and € 8 million, respectively.

B. Investment program

B.1. AAPC Public Exchange Offer

On December 4, 1997, Accor launched a Public Exchange Offer for all outstanding shares of AAPC, a company listed on the Sydney Stock Exchange, in which the Group previously held a 25.89% interest accounted for by the equity method. The offering price AUD 0.65 per share valued the company at € 237 million. Upon expiration of the offer, on February 23, 1998, Accor held 99.5% of all outstanding shares of AAPC. Following a squeeze-out offer pursuant to Australian securities regulation launched subsequently, Accor held, directly or indirectly, 100% of AAPC, at the end of March 1998.

During 1997, Accor exercised a insignificant influence over the management of AAPC, thereby accounting for the company by the equity method on the basis of its ownership interest (25.89%) during the period. To reflect the takeover of AAPC by Accor at 1997 year end, completed in early 1998, AAPC's balance sheet was fully consolidated in Accor's consolidated financial statements at December 31, 1997.

The total acquisition cost of the 74.11% interest in AAPC purchased by Accor amounted to € 184 million. At December 31, 1997, Accor conducted a preliminary estimate of the fair value of the assets and liabilities acquired, net of assets and liabilities related to Accor's relationship with AAPC (particularly, rights to use the Accor hotel brand names and management contracts in the Asia-Pacific region, which had been sold to AAPC in 1993 and 1996, in exchange for cash and shares) . On the basis of this estimate, total goodwill resulting from this transaction amounted to € 196 million.

At December 31, 1997, the impact of the full consolidation of AAPC's balance sheet on the Accor consolidated financial statements was as follows :

in € millions	
Property, plant and equipment	42
Goodwill, net of amortization	196
Securities accounted for by the equity method and non-group securities	93
Other fixed assets	19
Change in securities accounted for by the equity method and AAPC bonds held by Accor	(103)
Change in fixed assets	**247**
Other assets	29
Change in total assets	**276**
Minority interets	9
Provisions	15
Translation adjustments	(6)
Net debt	258
Change in total liabilities and shareholders' equity	**276**
Acquisition debt	184
AAPC debt (after elimination of convertible bonds)	74
Change in net debt on Accor balance sheet	**258**

In 1998, Accor completed the estimation of the fair value of the acquired assets and liabilities, and allocated the goodwill generated thereby between the Asia and Pacific zones, in proportion to their expected profit contribution in coming years. At December 31, 1998, this operation generated final goodwill of € 172 million on the Australian activities, amortized over 40 years, and total goodwill of € 77 million on the Asian activities, amortized over 20 years.

B.2. Frantour

In February 1999, Accor acquired 100% of the Frantour group on the basis of an enterprise value of € 142.2 million representing a multiple of 8.6 times 1999 EBITDA. Pursuant to this transaction, the following activities have been integrated, effective March 1, 1999:

- 31 hotels (4,217 rooms) primarily located in France (including 5 in the Paris region), including 14 owned or leased units and 17 franchised units;
- 86 travel agencies, operated under the Frantour or Sud Ouest Voyages brands;
- 1 tour operating company, active in France and 6 other European countries, representing a total of 620,000 clients in 1998.

In the first 10 months of activities under Accor ownership, the Frantour group contributed € 12.6 million to Accor 1999 EBIT.

B.3. Red Roof Inns

On July 12, 1999, Accor launched a tender offer for all of the outstanding shares of the Red Roof Inns Inc. economy hotel group on the basis of an estimated enterprise value, before transaction costs, of € 1,050 million (USD 1,120 million), based on a price per Red Roof Inc. share of USD 22.75 (representing a 27.5% premium over the average Red Roof share price during the 30 trading days preceding the offer). This represents a multiple of 7.64 times 1998 EBITDA.

Red Roof operates a network of 324 units (37,208 rooms, including 29,907 fully owned rooms and the balance operated under franchise). Following the close of the offer on August 13, 1999, Accor held over 99% of all outstanding shares of Red Roof Inns, Inc. Red Roof Inns is fully consolidated since July 1, 1999.

The effect of the integration of Red Roof Inns on the consolidated income statement is as follows:

in millions	July - december 1999		January-June 2000	
	USD	€	USD	€
Consolidated sales	**198**	**186**	**192**	**200**
Operating expenses	(116)	(109)	(120)	(125)
EBITDAR	**82**	**77**	**72**	**75**
Rental expense	(5)	(5)	(17)	(18)
EBDIT	**77**	**72**	**55**	**57**
Depreciation and operating provision expense	(9)	(9)	(9)	(10)
EBIT	**68**	**63**	**46**	**47**
Net financial expense	(26)	(24)	(19)	(19)
Total income from operations	**42**	**39**	**27**	**28**

B.4. Purchase of SEIH / Merger with Participation SA

On December 15, 1999, an Extraordinary General Meeting of Shareholders approved the merger of Participation SA within Accor and the transfer to Accor of the hotel assets of Société d'Exploitation et d'Investissement Hôtelier (SEIH). The assets included in this transaction comprise 35 hotels located in France, including 22 three- and four-star hotels and 13 economy hotels.

The merger with Participation SA was approved by the Extraordinary General Meeting of Shareholders on the basis of the following exchange ratio: 20 Accor shares for 41 Participation SA shares, leading to the issuance of 1,206,000 new Accor shares.

Assets transferred from SEIH were remunerated through issuance of 1,506,360 Accor shares; separately, the transfer of a 10% interest in SHMD was remunerated through issuance of 44,655 Accor shares.

The merger and transfers were valued on the basis of the net book value of the assets transferred. On this occasion, a capital increase of € 54 million was recorded. In the 1999 consolidated financial statements, no income from this transaction was recorded. The assets transferred, conversely, were fully consolidated in the balance sheet at December 31, 1999.

B.5. Acquisition of ABC Hotels

In partnership with two American investment funds, Accor has acquired in December 1999 the hotel activities of CGIS, a subsidiary of Vivendi. The hotel portfolio thereby acquired comprises 41 Libertel hotels and eight Sofitel Demeure hotels, representing a total of 3,240 rooms.

The acquisition vehicle (ABC Hotels), 30%-held by the Accor Group, has simultaneously signed management contracts with Accor.

At December 31, 1999, Accor's total investment in this transaction amounted to € 63.1 million.

B.6. Acquisition of 35% of Accor Casinos

In November 2000, Accor has exercised its call option for the 35% of the capital of Accor Casinos held by SHCD (Société des Hôtels et Casinos de Deauville) for an amount of € 69 million.

In addition, Accor retained its 35% interest in SHCD.

Accor Casinos' EBIT amounted to € 39 million in 2000.

B.7. Acquisition of 20% of Orbis

In August 2000, as part of the Polish State's privatization program, Accor has acquired a 20% interest in the capital of the Polish hotel and tourism group Orbis for a total of € 81 million.

The Orbis group, also active in travel and casinos, is the leading Polish hotel group, with 55 hotels (10,349 rooms) located in the country's 25 major cities. Beginning in 2001 and following a renovation program, these hotels will be operated under Accor Group brand names.

In 2000, revenues of Orbis's hotel activities totaled € 194 million.

B.8. Other investments (external and internal growth)

Taking into account external and internal growth initiatives, the Group opened or acquired 326 additional hotels (41,309 rooms) in 2000. Separately, 69 hotels (6,725 rooms) were closed during the year. Hotel acquisitions and openings included:

- the management of 25 hotels (3,512 rooms) in Australia, previously operated under the All Seasons brand ;
- the acquisition of 27 hotels (3,056 rooms) in Germany, of which 23 leased properties and four properties operated under management contracts. These hotels joined the Mercure network in 2000 ;
- the acquisition of eight economy hotels on let (660 rooms in the UK), which have joined the Ibis network in 2000 ;
- the opening of the Sofitel Bercy and Grande Arche in Paris and Sofitel New York and Philadelphia in the US (representing a total of 1,492 rooms).

In addition, the Group made several other acquisitions in its other areas of activity during 2000 of which the most significant are 38.5% interest in Go Voyages (travel agency); 60% interest in Market Place (events communications) and the acquisition of the Besançon and Niederbronn casinos.

note 3 Breakdown of consolidated sales by geographical area and by activity

At December 31, 2000, operating revenues of entities whose revenues (royalties) are not specific to a given region are presented under 'worldwide structures'.

in € millions	France	Europe (excluding France)	North America	Latin America	Other countries	Worlwide structures	2000	1999
HOTELS	**1,607**	**1,262**	**1,493**	**67**	**222**	**86**	**4,739**	**3,747**
Business and Leisure	1,095	884	198	58	203	86	2,525	2,052
Economy Hotels	512	378	3	9	19	-	922	793
Economy Hotels United States	-	-	1,292	-	-	-	1,292	902
SERVICES	**60**	**137**	**17**	**218**	**5**	**-**	**437**	**361**
Other activities								
Travel Agencies	65	193	221	30	15	7	531	434
Casinos	243	-	-	-	-	-	243	185
Restaurants	172	169	-	190	11	-	542	489
On-board Train Services	154	176	-	-	-	3	333	330
Car Rental	-	-	-	-	-	-	-	396
Holdings and other	59	98	-	12	5	8	182	163
Total 2000	**2,360**	**2,035**	**1,731**	**517**	**258**	**104**	**7,007**	**-**
Total 1999 Proforma	**2,069**	**2,075**	**1,236**	**415**	**221**	**89**	**-**	**6,105**
Total 1999	**2,079**	**2,025**	**1,234**	**416**	**195**	**156**	**-**	**6,105**

At December 31, 2000, consolidated sales totaled € 7,007 million, as compared to € 6,105 million at December 31, 1999. This represents an increase of € 902 million or +14.8%. This change breaks down as follows:

- like-for-like growth +6.6%
- business development +10.8%
- closing or disposal of activities (chiefly Europcar) – 7.4%
- currency impact +4.8%

note 4 Breakdown of EBITDAR and EBIT

Note 4.1. EBITDAR by activity and by region

in € millions	France	Europe (excluding France)	North America	Latin America	Other countries	Worldwide structures*	2000
HOTELS	**457**	**442**	**598**	**14**	**56**	**(10)**	**1,557**
Business and Leisure	292	293	63	13	50	(34)	677
Economy Hotels	165	149	1	1	6	24	346
Economy Hotels United States	-	-	534	-	-	-	534
SERVICES	**27**	**64**	**2**	**62**	**-**	**(8)**	**146**
Other activities							
Travel Agencies	7	18	15	1	-	9	50
Casinos	50	-	-	-	-	-	50
Restaurants	25	15	-	8	2	-	50
On-board Train Services	14	11	-	1	-	5	32
Car Rental	-	-	-	-	-	-	-
Holdings and other	(4)	13	-	-	(2)	(1)	6
Total 2000	**576**	**563**	**615**	**86**	**56**	**(5)**	**1,891**

in € millions	France	Europe (excluding France)	North America	Latin America	Other countries	Worldwide structures*	1999
HOTELS	**405**	**348**	**433**	**7**	**41**	**(13)**	**1,221**
Business and Leisure	255	228	50	7	33	(31)	542
Economy Hotels	150	120	1	-	8	18	297
Economy Hotels United States	-	-	382	-	-	-	382
SERVICES	**23**	**51**	**1**	**66**	**1**	**(2)**	**141**
Other activities							
Travel Agencies	6	13	12	4	(1)	2	36
Casinos	37	-	-	-	-	-	37
Restaurants	22	13	-	2	3	-	40
On-board Train Services	1	13	-	-	-	(1)	13
Car Rental	8	40	-	-	-	12	60
Holdings and other	4	11	-	3	-	(6)	12
Total 1999	**506**	**489**	**446**	**82**	**45**	**(8)**	**1,560**

(*) EBITDAR of entities whose revenues (royalties) are not specific to a given region are presented under 'worldwide structures'.

At December 31, 2000, EBITDAR totaled € 1,891 million, as compared to € 1,560 million at December 31, 1999. This represents an increase of € 331 million or + 21.2%.

This change breaks down as follows:
- like-for-like growth +7.5%(**)
- business development +12.5%
- closing or disposal of activities (chiefly Europcar) - 4.8%
- currency impact +6.0%

(**) In the year 2000, due to the new accounting methods (see Note 1.K), an amount of € 17 million of employee-sharing profit was included under personnel expenses. Excluding this, the variation for the like-for-like growth would be +8.6%.

Note 4.2. Operating rental expenses

Rental charges amounted to € 478 million in 1999 and € 616 million in 2000.The increase in rent recorded in 2000 primarily reflects sale leaseback of hotel properties (see Notes 7 and 2.A.1), new business development and foreign exchange fluctuations.
Pursuant to international principles (see Note 1.D.3), these rental expenses are exclusively related to operating leases. Regardless of actual payment profiles, total rental expenses related to these leases are accounted for on a straight-line basis and indexed (e.g., on the basis of the French INSEE new construction index) in order to record a constant expense stream on an economic basis. Certain leases have been signed for periods exceeding the traditional French nine-year term, primarily to protect Accor against the absence of commercial property rights in certain countries.

As January 1, 2001, annualized expenses related to non-discounted rental leases break down as follows:

in € millions	2000	2001	2002	2003	2004	2005	2006-2010	2011-2015	2016-2020	> 2020	Total
Business and Leisure hotels	(283)	(280)	(283)	(286)	(288)	(300)	(1,469)	(1,347)	(1,007)	(396)	(5,656)
Economy Hotels	(96)	(114)	(114)	(114)	(113)	(112)	(533)	(382)	(236)	(239)	(1,956)
Economy Hotels United States	(183)	(183)	(149)	(152)	(153)	(154)	(851)	(941)	(834)	(323)	(3,739)
Other	(54)	(20)	(17)	(17)	(15)	(13)	(36)	(16)	(2)	0	(136)
Total	**(616)**	**(598)**	**(564)**	**(568)**	**(568)**	**(579)**	**(2,889)**	**(2,686)**	**(2,078)**	**(958)**	**(11,488)**

Some contracts include renewal clauses and/or options to purchase based on market conditions.

Note 4.3. Detail of amortization and provisions

in € millions	1998	1999	2000
Amortization	(305)	(352)	(408)
Provisions	(2)	(7)	(20)
Total	**(307)**	**(359)**	**(428)**

Note 4.4. EBIT by activity and geographical area

in € millions	France	Europe (Excluding France)	North America	Latin America	Other countries	Worldwide structures*	2000
HOTEL	**210**	**166**	**275**	**3**	**22**	**(18)**	**658**
Business and Leisure	123	109	26	4	19	(44)	237
Economy Hotels	87	57	1	(1)	3	26	173
Economy Hotels United States	-	-	248	-	-	-	248
SERVICES	**25**	**58**	**1**	**51**	**(1)**	**(12)**	**122**
Other activities							
Travel Agencies	2	5	(4)	-	(1)	5	7
Casinos	39	-	-	-	1	-	41
Restaurants	12	9	-	4	2	-	28
On-board Train Services	3	7	-	-	-	(2)	8
Car Rental	-	-	-	-	-	-	-
Holdings and other	(7)	5	-	(1)	(4)	(10)	(17)
Total 2000	**284**	**250**	**273**	**59**	**19**	**(37)**	**847**

en € millions	France	Europe (Excluding France)	North America	Latin America	Other countries	Worldwide structures*	1999 pro forma	1999 publié
HOTEL	**184**	**140**	**222**	**1**	**14**	**(17)**	**544**	**539**
Business and Leisure	101	89	30	2	9	(35)	196	192
Budget and Economy Hotels	83	51	-	(1)	5	18	156	154
Budget and Economy Hotels US	-	-	192	-	-	-	192	193
SERVICES	**20**	**46**	**-**	**55**	**-**	**(5)**	**116**	**116**
Other activities								
Travel Agencies	2	-	(5)	-	(2)	1	(5)	(4)
Casinos	28	-	-	-	-	-	28	28
Restaurants	12	7	-	(2)	2	-	19	19
On-board Train Services	(6)	9	-	-	-	(2)	1	1
Car Rental	5	15	-	-	-	2	22	22
Holdings and other	3	3	-	2	-	(10)	(2)	2
Proforma Total 1999	**248**	**220**	**217**	**56**	**14**	**(31)**	**723**	**-**
Published Total 1999	**212**	**220**	**218**	**56**	**13**	**4**	**-**	**723**

(*) EBIT of Group units whose costs and revenues (royalties) are not attributable to a specific geographical region have been included under "Worldwide structures".

The EBIT in the year 1999 was adjusted in order to be comparable with the results in the year 2000. These adjustments mainly concern the cost allocations between Business & Leisure France and Business & Leisure Worldwide Structures.

note 5 Net financial expense

in € millions	1998	1999	2000
Net interest income / expense	(150)	(180)	(166)
Other financial revenues and expenses	(8)	37	45
Net financial expense	**(158)**	**(143)**	**(121)**

In 1999, other financial revenues and expenses primarily comprise foreign exchange gains (€ 28 million) and dividends received from unconsolidated companies.
In 2000, other financial revenues and expenses primarily comprise a € 29 million recapture of provision for redemption premium of convertible bonds.

note 6 Income (loss) of associated equity companies, Group share

Key contributions break down as follows:

in € millions	1998	1999	2000
TAHL	2	3	3
Société Hôtelière des Casinos de Deauville	5	5	7
Orbis	-	-	3
Other	5	7	12
Group share in income before tax	**12**	**15**	**25**

note 7 Result from management of hotel portfolio

in € millions	1998	1999	2000
Capital gains or losses on sale of assets	9	69	25
Provisions on hotel properties (see Note 1. D. 5)	(24)	(51)	(6)
Total	**(15)**	**18**	**19**

In 1998, Result from Management of Hotel Portfolio primarily encompasses the capital gain realized on the sale of 5 Novotel, 1 Sofitel and 3 Mercure hotels, as well as 30 Economy hotels (all located in France and representing a combined total of 3,632 rooms), for a total of € 20 million as well as lease renegotiation payments in Germany for € 7.6 million. Provision for loss of value related among other to 37 units in France, 3 units in the UK, 3 units in Germany and 1 unit in Brazil, for a total of € 21.2 million.
In 1999, result from management of hotel portfolio notably included € 69.5 million in capital gains on the sale of economy and budget hotels (28 Ibis hotels, 6 Etap hotel and 2 Formule 1 hotels) in France, Germany and Great-Britain, capital gains of € 11.4 million on the sale of 14 Mercure in The Netherlands and of € 5.6 million on the sale of 10 Novotel in Great-Britain and a capital loss of € 9.1 million on the sale of 12 Motel 6 units (property and business). In 1999, provisions on hotel assets include a € 23 million provision related to 23 Motel 6 units earmarked for disposal. These assets were written down, in the consolidated financial statements, on the basis of their estimated disposal value. In addition, the value of 5 hotel units in Brazil and the Caribbean were written down to reflect their usefulness value, leading to the creation of a € 6 million provision.

In 2000, result from management of hotel portfolio primarily encompasses capital gains on the sale of economy hotels (16 Ibis, 5 Etap and 46 Formule1 hotels) in France, Sweden and The Netherlands for € 25 million, capital gains on the sale of two Novotel properties in Spain for € 15 million as well as a capital loss on the sale of two Sofitel in France for € 5 million.

note 8 Result from management of other assets

in € millions	1998	1999	2000
Capital gains or losses on sale of assets	139	62	89
Provisions	(84)	(19)	(10)
Non-operating gains (losses)	(34)	(72)	(56)
Total	**21**	**(29)**	**23**

In 1998, Capital Gains and Losses from asset disposals primarily encompassed a € 130 million non-taxable gain on the sale of 32.9 million Compass shares (See Note 2.A.2.1.), and a € 8.1 million gain from a financial swap.
In 1998, Result from Management of Other Assets includes costs related to the year 2000 transition and the Group's adaptation to the Euro for € 39.3 million including € 34 million corresponding to estimated costs not yet disbursed. Provision also include € 16.4 million related to potential risks from loss of contracts in Europe in onboard train services. In addition, non-operating gains and losses encompass costs related to the Accor 2000 Hotel activity reengineering program for a total of € 4.6 million.
In 1999, capital gains of € 62 million are primarily related to the sale of Compass shares. Provisions on other assets are primarily related to additional reengineering costs in hotel activities and travel agencies, for € 31 million and to onboard train services in France, in relation with potential liabilities upon termination of contracts, for € 13 million. Separately, in 1999, non-operating losses include costs related to the transition to the year 2000 (€ 17 million), provisioned in 1998, as well as costs related to employee profit-sharing plans (€ 16 million).
At December 31, 2000, the € 89 million capital gain on sale of assets mainly reflects capital gains on the sale of Compass shares (see Note 2.a.2.1) and on the exchange of a 23.35% interest in CNIT SA for a 1% interest in Unibail (see Note 16).
Non-operating losses in 2000 primarily encompass non-recurring expenses related to the deployment of the Accor 2000 projects (Reservation, Back office, Yield management), as well as charges related to the closure of certain activities (buffets railway, Brazil foodservices).
In addition, non-operating losses comprise, in 1998 and 1999, expenses related to employee profit-sharing for € 14 million and € 16 million respectively. In 2000, pursuant to new French accounting standards, expenses related to employee profit-sharing are included in EBITDAR as personnel expenses for € 17 million (see note 4.1).

note 9 Income taxes

Note 9.1. Tax expenses of the fiscal year (excluding exceptional items)

in € millions	1998	1999	2000
Current taxes and provisions	(120)	(206)	(170)
Deferred taxes	(28)	(10)	(77)
Group share in current and deferred taxes of associated equity companies	(5)	(6)	(9)
Total	**(153)**	**(222)**	**(256)**

in € millions	1998	1999	2000
Current income before tax	481	613	770
Total consolidated income tax	(153)	(222)	(256)
Group apparent tax rate on current income	**31.8%**	**36.2%**	**33.2%**

In 1999, excluding Europcar's tax situation, the Group's nominal income tax rate amounted to 34.5%.

Note 9.2. Effective tax rate

in € millions	1998	1999	2000
Current income before tax	481	613	770
Result of the management of other assets	21	(29)	23
Goodwill amortization	(60)	(68)	(96)
Income before tax	**442**	**516**	**697**
Goodwill amortization	60	68	96
Elimination of intra-Group capital gains	-	-	3
Asset depreciation	72	65	5
Other	9	44	67
Total of permanent differences (non-deductible expenses)	**141**	**177**	**171**
Income subject to lower tax rates or not subject to taxes (1)	**(176)**	**(196)**	**(238)**
Income taxable at current rates	**407**	**497**	**630**
Current tax rate in France	41.7%	40.0%	37.8%
Theoretical income tax at current French tax rate	**(170)**	**(199)**	**(238)**
Impact of theoretical income tax of:			
• differences in tax rate in countries other than France	23	21	11
• unutilized tax losses for the year	(25)	(39)	(23)
• utilization of tax losses from prior years	17	14	24
• tax credit resulting from timing differences not recognized in prior years	10	7	-
• losses carried forward unrecognized in prior years (2)	10	-	-
• other	(8)	(29)	(8)
Total	**27**	**(26)**	**4**
Income tax at current tax rate	**(143)**	**(225)**	**(234)**
Income tax at lower rates	**(10)**	**3**	**(22)**
Total consolidated income tax	**(153)**	**(222)**	**(256)**
Apparent tax rate on net income before exceptional items and minority interests	**34.6%**	**43.0%**	**36.7%**
Current income before tax	481	613	770
Total consolidated income tax	(153)	(222)	(256)
Group apparent tax rate on current income	**31.8%**	**36.2%**	**33.2%**

(1) Primarily capital gains on asset sales.
(2) Tax losses carried forward result in deferred tax assets only when they are likely to be recovered within a reasonable time frame.

Note 9.3. Detailed deferred tax assets and liabilities in balance sheet

in € millions	1998	1999	2000
Deferred tax assets	110	112	126
Deferred tax liabilities	(118)	(172)	(217)
Net deferred taxes	**(8)**	**(60)**	**(91)**

Note 9.4. Deferred tax assets not accounted for

At 2000 year end, deferred tax assets not included in the financial statements amounted to € 85 million.

note 10 Exceptional items (net of taxes and minority interests)

in € millions	1998	1999	2000
Exceptional items	37	82	35

In 1998, exceptional items mainly comprise a capital gain on the sale of the Group's total interest in Medotels for a total of € 18.8 million, the capital gain on the sale of Spanish catering activities for € 13.4 million (see note 2.A.2.2.) and a € 19.4 million capital gain on the tranfert of Brazilian public restaurant and institutional catering activities to a 50/50 joint-venture with Compass Plc.

In 1999, exceptional items include a net capital gain, excluding minority interests, of € 82 million on the disposal of Europcar (see Note 2.A.3).

In 2000, exceptional items include a € 38 million capital gain on the sale of the Group's interest in Courtepaille (see Note2.A.4) and a € 3 million capital loss (including disposal costs) relative to the sale of the railway maintenance activities.

note 11 Intangible fixed assets

in € millions	1998	1999	2000
Brand name, Motel 6 (1)	171	196	216
Brand name, Red Roof Inns (1)	-	119	129
Market share, Onboard train services	75	75	75
Brand name, Europcar	61	-	-
Other networks and brand names	11	12	11
Business rights	63	18	17
Start-up costs	27	20	16
Other intangible fixed assets	142	184	223
Total (gross) (2)	**550**	**624**	**687**
Amortization	(93)	(94)	(106)
Total (net)	**457**	**530**	**581**

(1) Changes in the valuation of the Motel 6 and Red Roof Inns brands are primarily due to fluctuations in the exchange rate at the closing date of the US Dollar against the French franc (December 31, 1999: 6.52953 – December 31, 2000: 7.049511).
(2) Provision for risks are written in the case of intangible fixed assets held for disposal whenever their estimated market value is lower than book value.

note 12 Goodwill

in € millions	1998	1999	2000
Goodwill (gross)	1,481	2,003	2,331
Amortization	(234)	(319)	(420)
Total net goodwill	**1,247**	**1,684**	**1,911**

in € millions		1998	1999	2000
Motel 6 (1)	(40 years)	298	326	336
Red Roof Inns	(40 years)	-	222	239
Business & Leisure Hotels France	(40 years)	66	148	231
Travel Agencies	(20 years)	257	243	230
Casinos (Accor Casinos and subsidiaries)	(20 years)	67	113	211
Hotels, Australia	(40 years)	172	206	198
Economy Hotels (excluding Motel 6 and RRI)	(40 years)	74	109	115
Hotels, Asia	(20 years)	77	68	69
Société des Hôtels et Casinos de Deauville	(40 years)	31	30	29
Hotels, Hungary (Pannonia)	(40 years)	24	21	21
Lenôtre	(20 years)	18	17	16
French Railway Catering	(7 years)	16	12	14
Hotels, Poland (Orbis)	(40 years)	-	-	11
Brazillian Luncheon Vouchers (Apetik)	(40 years)	14	11	10
Brazilian Institutional Catering (Embral)	(20 years)	9	6	6
Other (under K€ 15)		124	152	175
Total net goodwill		**1,247**	**1,684**	**1,911**

The change in net goodwill break down as follows:

in € millions	1999	2000
Total net goodwill at beginning of period	**1,247**	**1,684**
Increase in gross value and impact of changes in the scope of consolidation:	**427**	**223**
• Casinos (cf. note 2.B.6.)	53	107
• Hotels, France 2000 - Miscellaneous	9	19
• French Railway Catering	-	15
• Hotels Poland (Orbis) (cf. note 2.B.7.)	-	12
• Go Voyages (Tour Operator)	-	11
• Red Roof Inns	211	-
• Australian Institutional Catering (Compass Australia)	11	-
• Hotels France 1999 - Franchisee (cf. note 2.B.4.)	46	-
• Hotels France 1999 - Frantour (cf. note 2.B.2)	29	-
• Hotels Australia (All Seasons)	19	-
• Budget and Economy Hotels Sweden (Good Morning)	3	-
• Other	46	59
Disposal of Europcar (cf. note 2.A.3.)	**(16)**	**-**
Disposal of Courtepaille (cf. note 2.A.4.)	**-**	**(13)**
Translation adjustments	**47**	**36**
Amortization	**(68)**	**(96)**
Line-by-line restatement and other changes	**47**	**77**
Total net goodwill at end of period	**1,684**	**1,911**

note 13 Property, plant and equipment

in € millions	1998	1999	2000
Land	410	543	562
Buildings	2,576	3,230	3,308
Fittings	702	829	972
Equipment and furniture	1,276	1,463	1,584
Construction in process	325	603	536
Total gross	**5,289**	**6,668**	**6,962**
Depreciation and amortization	**(1,831)**	**(2,150)**	**(2,266)**
Total net	**3,458**	**4,518**	**4,696**

Changes of the year

in € millions	1998	1999	2000
Total as of January 1st	**4,115**	**3,458**	**4,518**
Evolution of the scope of consolidation	94	1,047	33
Disposals	(920)	(983)	(571)
Investments of the period	588	1,094	1,079
Amortization	(294)	(354)	(377)
Translation adjustments	(106)	255	139
Other changes	(20)	2	(125)
Total as of December 31st	**3,458**	**4,518**	**4,696**

At December 1999, the increase in the net value of this item primarily reflects the acquisition of Red Roof Inns (see note 2.B.3.) and Frantour (see note 2.B.2.).

At December 31, 2000 property, plant and equipment held under capital leases totaled € 681 million (gross value), as against € 651 million at December 31, 1999.

note 14 Long-term loans

in € millions	1998	1999	2000
Hotels, Asia / Pacific (1)	33	45	58
ABC Company (Demeure/Libertel Hotels) (2)	-	47	53
Hotels, US/Canada	13	1	31
Hotels, UK	-	25	30
Hotels, The Netherlands	14	28	28
Courtepaille	-	-	19
Le Duff Group	13	-	-
Vaturi Group (3)	49	51	-
Other	121	83	75
Total	**243**	**280**	**294**

(1) In 1999, this item primarily included a loan to the Australian land company TAHL, for € 17 million related to the financing of the construction of the Homebush Novotel/Ibis (Olympic village) and the financing of 6 other hotels in Australia. At December 31, 2000, this loan has been refunded. In addition, during that period, Accor granted a loan to TAHL for an amount of € 28 million.
(2) See note 2.B.5.
(3) Pursuant to various transactions with the Vaturi group, Accor held, at January 1, 2000, interests of 5% and 2% in the companies Financière Saresco and Saresco (duty-free activities, perfumery boutiques), as well as a € 48 million loan receivable from Immtel. As part of an arbitration procedure under the supervision of the Paris commercial court, Accor has exchanged all the above assets plus the payment of € 15 million against the lease of a four-star Paris 400-room hotel, [effective January 1, 2009].

note 15 Investments in companies accounted for by the equity method

in € millions	1998	1999	2000
Orbis (Hotels Poland) (see note 2.B.7.) (1)	-	-	80
TAHL (Australia) (2)	53	66	59
Société Hôtelière des Casinos de Deauville (3)	22	24	28
Other associated equity companies (Asia)	28	34	32
Eurest Australia	-	18	16
ABC Company (Demeure, Libertel hotels) (see note 2.B.5.)	-	15	15
Morocco Investment Funds (4)	-	-	15
Sofitel Le Faubourg	8	8	8
Société Hôtelière Paris les Halles	1	2	5
CNIT (see note 8)	13	12	-
Quadro Rodas (Hotels, Brazil)	2	1	-
Other associated equity companies	25	24	45
Total	**152**	**204**	**303**

(1) Key figures of Orbis are as follows:

Key figures of Orbis (in € millions)	1999	2000
Turnover	186	194
Net Income	21	21
Net Indebtness	(45)	(15)

(2) Following the full consolidation of the balance sheet of Accor Asia Pacific Company as of December 31, 1997, Accor accounts for by the equity method the subsidiaries over 20% owned by AAPC. These primarily comprise TAHL, 36.11% owned, a company owning and operating hotels in Australia operated under management or rental contracts by AAPC. Key figures of TAHL are as follows:

Key figures of TAHL (in € millions)	1999	2000
Turnover	139	182
Net Income	15	19
Net Indebtness	271	509

(3) Key figures of Société Hôtelière des Casinos de Deauville are as follows:

Key figures of SHCD (in € millions)	1999	2000
Turnover	144	172
Net Income	9	12
Net Indebtness	50	70

(4) During the first quarter 2000, Accor holds 48% in the investment fund established by the Group in Morocco (Risma).
Since January 1, 2000, Risma has been consolidated by the equity method. Key figures of Risma are as follows:

Key figures of Risma (in € millions)	1999	2000
Turnover	28	35
Net Income	–	2
Net Indebtness	3	4

note 16 Other financial fixed assets

in € millions	1998	1999	2000
Investment in unconsolidated companies and convertible bonds (1)	207	116	112
Deposits and securities (2)	178	91	95
Total (gross)	**385**	**207**	**207**
Provision for loss in value	(52)	(44)	(31)
Total (net)	**333**	**163**	**176**

(1) At December 31, 1997, following the sale of 73,000,000 Compass shares during the year, the Accor Group held 63,600,402 Compass shares with a value of € 159 million, corresponding to their equity method valuation at January 1, 1997 (see Note 2.A.2.1). Following the sale of 32,893,520 Compass shares in February 1998, the Accor Group held only 30,706,882 Compass shares with a value of € 77 million, corresponding to their valuation at December 31, 1998. In the first half of 1999, reflecting the issuance of bonds exchangeable into Compass shares, the Compass shares held by the Group have been reclassified as marketable securities (see Note 2.A.2.1).
(2) At December 31, 1999, deposit related to the Repackaged Perpetual Subordinated Floating Rate Notes (Titres Subordonnés à Durée Indéterminée, or TSDI) has been reclassified into short-term loan reflecting its February 2000 maturity.

note 17 Breakdown of fixed assets by activity

Note 17.1. Net fixed assets by activity

in € millions	HOTELS Business & Leisure	HOTELS Economy	HOTELS Economy United States	SERVICES	Travel Agencies	Casinos	IC & PR	Onboard Train Services	Holdings and Other	2000	1999	1998
Intangible assets	21	18	379	43	29	2	4	27	58	581	530	457
Goodwill	425	118	575	53	244	211	33	14	239	1,911	1,684	1,247
Property, plant and equipment	1,676	1,158	1,551	37	42	69	39	33	92	4,696	4,518	3,458
Sub-total	**2,122**	**1,294**	**2,505**	**133**	**315**	**282**	**76**	**74**	**389**	**7,188**	**6,732**	**5,162**
Long-term loans	174	13	3	-	1	-	2	-	100	294	280	243
Investment in associated	235	16	-	-	5	-	1	-	45	303	204	152
Other financial assets	69	6	49	4	8	-	1	1	39	176	163	333
Total 2000	**2,600**	**1,329**	**2,557**	**137**	**329**	**282**	**80**	**75**	**573**	**7,961**	**-**	**-**
Total 1999	**2,425**	**1,190**	**2,386**	**136**	**309**	**174**	**121**	**87**	**551**	**-**	**7,379**	**-**
Total 1998	**1,929**	**1,001**	**1,434**	**122**	**311**	**166**	**102**	**139**	**686**	**-**	**-**	**5,890**

At December 31, 2000, fixed assets include € 3,120 million in hotel real estate, as compared to € 3,066 million at December 31, 1999.

Note 17.2. Geographical breakdown of net fixed assets

in € millions	France	Europe (excl. France)	North America	Latin America	Other countries	Worldwide Structures	2000	1999
Intangible assets	24	42	404	12	3	96	581	530
Goodwill	605	139	578	61	175	353	1,911	1,684
Property, plant and equipment	1,303	1,142	1,874	136	155	86	4,696	4,518
Total 2000	**1,932**	**1,324**	**2,855**	**209**	**333**	**535**	**7,188**	**-**
Total 1999	**1,809**	**1,140**	**2,712**	**159**	**383**	**529**	**-**	**6,732**

Note 17.3. Return On Capital Employed (ROCE)

Return On Capital Employed (ROCE) is a key management tool used internally by the Group to measure the performance of the various activities it controls. It is also a key indicator of the profitability of assets which are either non-consolidated or accounted for by the equity method.

It is calculated on the basis of aggregate amounts derived from the consolidated financial statements:

- return: for each activity, total of EBITDA and financial revenues (dividends and financial income) generated by unconsolidated assets, plus share in net income of associated equity companies;
- capital employed: for each activity, total value of fixed assets, based on their average gross value during the year, plus working capital requirements.

ROCE is calculated as ratio between the EBITDA and the average capital employed during the period. At December 31, 2000, ROCE amounts to 11.7% compared to 11.2% at December 31, 1999. Excluding hotels under development (capital employed without EBITDA), the ROCE would be 12.1% et 11.6% at December 31, 2000 and December 31, 1999, respectively.

Finally, the inclusion of employee profit-sharing under personnel expenses (according to new accounting method CRCO2, see note 1.K) has a negative impact of 0.2% on the ROCE. Excluding this, the ROCE amounts 11.9% at December 31, 2000 (+0.7% compared to December 31, 1999).

in € millions	1998	1999	2000
Capital employed at December 31, 2000	8,615	10,470	11,276
Adjustments *prorata temporis* on capital employed (1)	48	(674)	(280)
Translation adjustments on capital employed (2)	37	(39)	220
Capital employed	**8,699**	**9,757**	**11,214**
EBDIT	949	1,082	1,275
Financial interest on external loans and dividends	15	12	15
Net income of companies accounted for by the Equity Method (EM), Group share	12	15	25
Other adjustments	(6)	(13)	0
EBITDA	**970**	**1,096**	**1,315**
ROCE (EBITDA / Capital employed)	**11.2%**	**11.2%**	**11.7%**

(1) In calculating the ROCE, the capital employed is considered prorata temporis within the EBITDA. Thus, no capital employed would be held for an acquisition implemented 31 December and no EBITDA would be taken into account in the income statement.

(2) The capital employed is converted to the average exchange rate so that it is comparable to the EBITDA.

Return on capital employed over a 12-month rolling period (ratio of these two factors) breaks down as follows:

Activities	1998	1999	2000
HOTELS	**11.5%**	**11.4%**	**11.9%**
Business and Leisure	11.5%	10.3%	11.0% (*)
Economy Hotels	14.2%	14.3%	14.6% (**)
Economy Hotels United States (***)	9.7%	10.9%	11.4%
SERVICES	**21.3%**	**23.5%**	**19.7%**
Other activities			
Travel Agencies	5.4%	3.8%	5.0%
Casinos	17.0%	16.9%	16.9%
Restaurants	15.8%	13.7%	14.7%
Onboard Train Services	4.9%	4.6%	13.6%
Other and associated equity companies	6.0%	6.5%	2.2%
Total Group	**11.2%**	**11.2%**	**11.7%**

(*) 11.2% and 11.8% excluding hotels under development in 1999 and 2000 respectively.
(**) 14.8% and 15.6% excluding hotels under development in 1999 and 2000 respectively.
(***) Including Red Roof Inns since July 1, 1999.

note 18 Other receivables and payables

in € millions	1998	1999	2000
Deferred tax credit	110	112	126
Other receivables (1)	412	493	501
Gross other receivables	**522**	**605**	**627**
Provision	(23)	(21)	(13)
Net other receivables	**499**	**584**	**614**
Deferred tax liability	118	172	217
Other payables (2)	672	859	937
Gross other payables	**790**	**1,031**	**1,154**

(1) At December 31, 2000, it included:
- VAT receivables for € 155 million;
- tax receivables for € 22 million;
- employee organization receivables for € 11 million;
- other debtors for € 313 million.

(2) At December 31, 2000, it included:
- personnel and employee organization payables for € 346 million;
- tax payables for € 100 million;
- VAT payables for € 74 million;
- corporate tax payables for € 62 million;
- other payables for € 355 million.

note 19 Fully diluted share capital

At December 31, 2000, Accor shares amounted to 198,324,605. The average number of shares outstanding during 2000 was 196,002,275.
In addition, 4,201,272 options to subscribe to Accor shares, representing 2.11% of the total capital, reserved to Group personnel, were outstanding at December 31,2000:

- 94,000 stock options exercisable from August 1997 through August 2001 at € 18.81 per share;
- 139,950 stock options exercisable from October 2000 through October 2001 at € 13.23 per share;
- 485,000 stock options exercisable from January 1999 through January 2005 at € 15.46 per share;
- 1,375,000 stock options exercisable from January 2003 through January 2006 at € 32.47 per share;
- 757,322 stock options exercisable (Stock Saving Warrants) from December 2003 through December 2007 at € 43.40 per share;
- 600,000 stock options exercisable from January 2004 through January 2007 at € 33.95 per share;
- 750,000 stock options exercisable from March 2005 through March 2008 at € 37.00 per share.

On this basis, the average fully diluted number of shares outstanding at December 31, 2000 is 197,067,918.

Consequently, fully diluted earnings per share is calculated as follows:

in €	1998	1999	2000
Net income, Group share (in millions)	297	352	447
Fully diluted number of shares (in thousands)	184,067	185,544	197,067
Fully diluted earnings per share (in thousands)	1.62	1.89	2.27

Following December 31, 2000, 2,000,000 stock-options reserved for the personnel were issued at € 40.58 per share.

note 20 Changes in minority interests

in € millions	
December 31, 1998	**175**
Income from minority interest for the period	24
Dividends paid to minority interests	(33)
Translation adjustments	(12)
Other changes	31
December 31, 1999	**185**
Income from minority interest for the period	28
Dividends paid to minority interests	(24)
Translation adjustments	(3)
Other changes	(46)
December 31, 2000	**141**

note 21 Provisions for risks

Variations

in € millions	
December 31, 1998	**519**
Additions to scope of consolidation	9
Allocation to/(reversal of) current provisions (*)	48
Translation adjustments	6
Other changes	22
December 31, 1999	**604**
Additions to scope of consolidation	9
Change of method	41
Allocation to/(reversal of) current provisions (*)	(11)
Translation adjustments	5
Other changes	(39)
December 31, 2000	**609**

(*) Breakdown of allocation to and recapture of provisions:
1999: allocation: € 148 million
recapture: € - 100 million
2000: allocation: € 143 million
recapture: € - 154 million

At December 31, 2000, net provisions for risks comprise € 53 million in provisions for retirement benefits and pension funds, € 9 million in provisions for self-insurance, provisions for charges totaling € 124 million relative to costs for reorganization and reengineering of the Group's various activities and costs related to the transition to the Euro, € 236 million in provisions for identifiable commercial, tax and social risks in excess of € 0.76 million each, and € 51 million in provisions for miscellaneous risks and expenses less than € 0.76 million each. In addition, provisions for risks include € 136 million in provisions on asset realization premiums.

note 22 Repackaged perpetual subordinated floating rate notes (TSDI)

In December 1990, Accor issued € 762 million in Repackaged Perpetual Subordinated Floating Rate Notes (Titres Subordonnés à Durée Indéterminée).

Concurrently, Accor paid a third-party special-vehicle company the sum of € 170 million in return for:

- that company's agreement to repurchase the notes from their holders 15 years after their issuance;
- and to relinquish all rights to principal or interest on these notes from that time onwards.

The notes issue generated net proceeds of € 592 million, recorded as a liability as of the issue date.

Since the notes are subordinated, Accor may temporarily suspend semi-annual payments of interest and principal in the event of exceptional financial difficulties. In this case, accrued interest would be capitalized.

The notes carry a market-based variable interest rate for a 15-year period. The swap transaction enabling principal repayment to be fixed while leaving the after-tax interest rate variable (based on market rates) was the object of an investment reimbursed in February 2000 (see Note 16).

Taxes are spread over the life of the issue, in proportion to financial expense incurred.

The validity of the accounting treatment of this issue was confirmed by the French tax authorities in early 1993.

note 23 Convertible and exchangeable bonds

Convertible bonds

In May 1991, Accor issued € 307 million in the form of 2,100,000 convertible bonds with par value of € 146.35 and annual yield of 6.75%, convertible into 1.15 Accor share each and redeemable with a premium of € 14.64 each in January 2000. The repayment premium is accounted for as a financial expense taken over the life of the issue. At December 31, 1999, following conversion of bonds into shares, the remaining portion of the borrowing was € 291 million. At December 31, 2000, almost all bonds were converted into shares (€ 288 million).

Exchangeable bonds

In March 1999, Accor has issued convertible bonds exchangeable into Compass shares for an amount of € 434 million in the form of 433,484 bonds of € 1,000 par value, bearing interest at 1%, and exchangeable into Compass shares on the basis of 70.8215 Compass shares per bond beginning in March 2002. Holders of the bonds will have the option to either exchange them for Compass shares or be redeemed in cash at par.

At December 31, 2000, the merger of Granada Plc and Compass Plc had not led to any changes in the exchange ratio of the bonds exchangeable into Compass shares (70.8215 Compass-Granada Plc for each exchangeable bond).

After the end of 2000, Granada-Compass announced the demerger of its media activities (Granada Plc) and its food service and lodging activities (Compass Plc). Following the demerger, Accor has called a general meeting of holders of exchangeable bonds to approve the exchange of Accor exchangeable bonds for 70.8215 Granada Plc shares and 70.8215 Compass Plc shares, up to March 2002.

note 24 Total long-term debt (excluding TSDI)

in € millions	Actual interest rate 1998	%	Actual interest rate 1999	%	Actual interest rate 2000	%
EURO	**1,903**	***4.88***	**1,854**	***4.21***	**1,680**	***4.35***
US Dollar	322	*6.21*	1,238	*6.27*	1,325	*6.76*
Swiss Franc	13	*5.14*	12	*5.13*	12	*5.16*
Pound Sterling	136	*6.73*	-	-	-	-
Canadian Dollar	25	*5.53*	17	*5.57*	14	*5.90*
Australian Dollar	113	*4.84*	199	*5.47*	234	*6.29*
Japanese Yen	6	*1.33*	20	*0.42*	8	*1.12*
Swedish Crown	-	-	22	*4.28*	15	*4.34*
Other currencies	18	-	14	-	24	-
Sub-total, all currencies	**2,536**	***5.19***	**3,376**	***5.06***	**3,312**	***5.51***
Capital leases	331	-	268	-	246	-
Short-term financial debt and due to banks	398	-	531	-	560	-
Total debt	**3,265**	**-**	**4,175**	**-**	**4,118**	**-**

Data are given after interest rate and currency swaps.

in € millions	1998	1999	2000
Long-term financial debt	2,090	2,997	3,397
Short-term financial debt and due to banks	1,175	1,178	721
Total debt	**3,265**	**4,175**	**4,118**

Debt maturity is as follows:

in € millions	1998	1999	2000
Year N+1	1,214	1,222	722
Year N+2	497	692	1,172*
Year N+3	150	1,193	340
Year N+4	381	262	132
Year N+5	277	128	1,335
Year N+6	113	283	313
Beyond	633	395	104
Total long-term debt	**3,265**	**4,175**	**4,118**

* Of which € 434 million in convertible bonds.

As of December 31, 2000, Accor could draw on several unutilized confirmed credit lines with maturities of over one year, for a total of € 1,217 million, expiring between March 2002 and August 2006. Short-term financing (Commercial Paper programs), which the Group expects to renew, have been reclassified as long-term debt for a total of € 1,207 million.

in € millions	Fixed-Rate Debt			Variable-Rate Debt			Total Debt	
	Amount	Rate	Fixed Debt	Amount	Rate	Variable Debt	Amount	Rate
December 1998*	1,178	5.92%	46%	1,358	4.56%	54%	2,536	5.19%
December 1999*	1,522	4.37%	45%	1,854	5.62%	55%	3,376	5.06%
December 2000	1,676	4.78%	51%	1,636	6.26%	49%	3,312	5.51%

At December 31, 2000, fixed-rate indebtedness is primarily denominated in € (70%) and US dollar (29%).
Variable interest-rate debt was primarily denominated in USD (51%), € (31%) and AUD (14%).

* These rates incorporate the remuneration effects of the Repackaged Perpetual Subordinated Floating Rate Notes (TSDI), the Special Reserve Fund (Italy) and Deposits and Guarantees. The adjusted data of 1998, 1999 are therefore comparable to the data published in 2000.

note 25 Net indebtedness

in € millions	1998	1999	2000
Repackaged perpetual subordinated floating rate notes	402	363	270
Convertible bonds	307	291	-
Exchangeable bonds	-	434	434
Other long-term debt	1,176	1,667	2,477
Capital leases	205	242	216
Short-term financial debt	867	831	251
Due to banks	308	347	470
Total financial debt	**3,265**	**4,175**	**4,118**
Financial receivables related to Europcar (Note 1.G.)	(415)	-	-
Short-term loans	(58)	(138)	(79)
Marketable securities	(491)	(619)	(792)
Cash and equivalents	(445)	(488)	(599)
Receivables related to assets sales	(22)	(265)	(102)
Net financial debt	**1,834**	**2,665**	**2,546**
Net financial debt at beginning of the period	**2,640**	**1,834**	**2,665**
Changes in long-term debt	(898)	617	468
Changes in short-term net financial debt	9	(247)	(681)
Other structural and currency changes (1)	(7)	289	(70)
Change in receivables related to assets sales	90	172	164
Total changes for the period	**(806)**	**831**	**(119)**
Net financial debt at end of the period	**1,834**	**2,665**	**2,546**

(1) Long-term debt.

note 26 Payroll

Total payroll amounted to € 2,058 million in 1999 and to € 2,388 at December 31, 2000. From now on, it includes employee profit-sharing (see Note 1.K)

Fees paid by various Group companies to Members of the Supervisory Board amounted to € 0.521 million of which, € 0.251 million paid by Accor SA.

note 27 Litigation

Several associates of companies managing under mandate Formule 1 hotels in France have filed claims in professional courts (*Conseils de Prud'hommes* of Evry and Paris) against Group subsidiaries operating these units, in order to obtain the re-qualification of their contracts from management contracts to employment contracts.

The above mentioned professional courts have stated that they are qualified to hear these claims, and the Paris Appeals Court in a December 21, 2000 ruling has confirmed this statement in the case of the Paris *Conseil de Prud'hommes*. Consequently, the Paris *Conseil de Prud'hommes* should imminently issue an initial ruling regarding the amount of compensation claimed by the plaintiffs.

The Group subsidiaries have filed suit to obtain the cassation of the Paris Appeals Court ruling.

The 2000 consolidated financial statements take into account the Group's financial valuation of the risk associated to these claims.

note 28 Off-balance sheet commitments and contingencies as of December 31, 2000

- Guarantees on loans and overdrafts totaled € 30 million.
- Accor and IFIL have amended their agreement of December 5, 1991 regarding their joint subsidiary Sifalberghi and concerning Accor's commitment to purchase from IFIL 25% of Sifalberghi.

IFIL now benefits from the following commitments:

IFIL may exercise an option between July 1, 1999 and December 31, 2005. The price of this option will be based on a formula taking into account net book value, unrealized capital gains on the real estate portfolio, and goodwill.

This commitment was valued at € 33 million at December 31, 2000.

- The minority shareholder in Accor Casinos has been granted by the Accor Group a put option, exercisable from November 1, 1997 through October 31, 2000, for its remaining 35% interest in Accor Casinos. The strike price of this put option is based on future profits (EBITDA multiple minus indebtedness). On November 6, 2000, Accor has exercised its call option – available for a period running from November 1, 2000 through October 31, 2003 – to acquire the 35% interest in Accor Casinos not previously owned by the Group, for an amount of € 69 million (see Note 2.B.6).
- As part of a rental contract related to approximately 70 motels for a period of 5 years, the Group is committed – if it decides to exercise neither its option to renew the lease nor its option to purchase the motels, and if the landlord decides to sell the properties – to reimburse the landlord the difference between the selling price and the initial price of the properties. This guarantee is limited to a maximum of 80% of this difference.
  As part of the restructuring of this leasing transaction, finalized in the early weeks of 2001, Accor has been released of this commitment.
- As part of a 10-year management contract relative to the Mercure Sydney Railway Square hotel, opened at the fourth quarter of 1998, Accor has granted the owner of the property a put option, exercisable after January 1, 2004, to acquire the hotel property for € 46 million. Construction costs borne by the owner will total approximately € 63 million.
- Other commitments given total € 44 million.

note 29 **Main subsidiaries and consolidated financial investments at December 31, 2000**

France

☐ SOFITEL INT.	100.00%
☐ SIHN	100.00%
☐ PIH	100.00%
☐ MIH	100.00%
☐ S.E.H.S.	97.70%
☐ HOT. NICE CENTRE (1) (*)	45.00%
☐ S.P.F.H. (*)	100.00%
● FINANC. COURT (1) (*)	20.00%
● LENOTRE	98.59%
▲ S.E.A.V.T (2)	49.74%
✻ ACCOR CASINO SA	100.00%
✻ SFPTH SA	99.48%
✻ DEVIMCO	99.97%
✻ Accor Réservation Service	99.84%
✻ S.H.C.D. (1)	34.90%
✻ Académie Accor	100.00%
☐ ✻ Frantour SA	100.00%
▲ Go Voyages (1) (*)	38.50%
✻ RESTAUPRO (*)	99.96%
✻ FRENCH LINE DIFF (1) (*)	41.87%

Europe

Austria	
☐ Accor GmbH	100.00%
Belgium	
☐ Accor Hôtels Belgium	98.36%
☐ Sofitel Belgium	98.54%
☐ Accoordination	99.11%
■ Accor T.R.B.	100.00%
▲ W.L. Tourisme (2)	49.74%
✻ CIWLT	99.48%
Denmark	
▲ World Tourist (2)	49.74%
☐ Accor Hôtels Denmark	100.00%
Germany	
☐ Accor Hôtellerie DTC	100.00%
■ ACS Deutschland	95.00%
☐ Accor H. Mercure Mgt (*)	50.97%
Greece	
☐ SH Athènes Centre (1)	41.82%
Hungary	
☐ Pannonia	74.60%
■ Incentive House (*)	99.61%
Italy	
☐ Sagar	99.48%
● ■ Gemeaz	94.64%
☐ Sifalberghi	72.62%
✻ Scapa Italia	97.00%
◆ Treno (*)	99.48%
☐ Famosa Immobiliaria (*)	72.62%
☐ Notteri Resort (*)	86.31%
The Netherlands	
☐ Novotel Nederland	100.00%
☐ Nhere BV	100.00%
☐ MMH	100.00%
☐ Postiljon	100.00%
Poland	
☐ Orbis (1) (*)	20.00%
Portugal	
■ ESA	94.50%
Spain	
☐ Novotel Espagne	100.00%
▲ Viajes Ecuador (2)	49.74%
Sweden	
■ Rikskuponger	99.90%
☐ Good Morning Hotels	100.00%
Switzerland	
☐ Novotel International	100.00%
United Kingdom	
☐ Accor UK Business & Leisure	100.00%
☐ Accor UK Economy hotel Ltd	100.00%
▲ WLT Travel UK (2)	49.74%
■ Luncheon vouchers	99.78%

Latin America

Argentina	
■ Servicios Ticket	85.00%
Brazil	
☐ H.A.B. SA	70.94%
● ■ T.S. do Brasil	49.99%
✻ DALKIA (*)	49.99%
Mexico	
▲ WLT Mexicana	99.48%
■ Accor Servicios Emp.	93.50%
Chile	
■ TR Chili (*)	60.27%

Asia-Pacific

☐ AAPC : Accor Asia Pacific Corp.	100.00%
☐ TAHL	36.11%
▲ HQ Asia (2) (*)	49.74%

Other countries

☐ Saudi Hotels Management (*)	60.00%

North America

Canada	
☐ Group Accor of Canada	99.97%
▲ Carlson Canada (2)	49.74%
United States	
☐ Accor North America	100.00%
☐ IBL Ltd	99.59%
☐ Miotel	100.00%
☐ Red Roof Inns	99.59%
☐ Accor Lodging North Am.	100.00%
▲ Carlson USA (2)	49.74%

Africa

Ivory Coast	
☐ Société Abidjanaise	74.92%
Senegal	
☐ SPHU	92.89%
Zimbabwe	
☐ Rainbow Tourism (1) (*)	35.00%

(1) Associated equity company.
(2) Company consolidated through proportional integration.
(*) Companies entering the scope of consolidation in 2000.
NB 1: Percentage indicates Group interest.
NB 2: A comprehensive list of consolidated subsidiaries and equity holdings is available to Company Shareholders upon request.

☐ Hotels	▲ Travel Agencies	◆ Onboard Train Services
■ Services	● Restaurants	✻ Other Services

Parent Company

COMBINED GENERAL MEETING DRAFT RESOLUTIONS

Resolutions pertaining to the ordinary agenda

The voting of these resolutions is subject to the quorum and majority conditions defined for Ordinary Meetings.

First resolution

Approval of reports and accounts for financial year 2000

After hearing the readings of the Management Board's report, the observations of the Supervisory Board, the Statutory Auditors' report and the oral explanations provided, the General Meeting has fully approved the Management Board's report and the financial statements for the financial year ended December 31, 2000, as presented.

The Meeting has approved the operations described by these statements as well as the management acts accomplished by the Management Board during the financial year.

Second resolution

Approval of regulated conventions

After hearing the reading of the Statutory Auditor's special report on the conventions referred to in Article L 225-86 of the French Commercial Code, the General Meeting has approved the said conventions as well as the performance of previously approved conventions.

Third resolution

Appropriation of financial year 2000 earnings

The General Meeting, on the Management Board proposal, has decided to appropriate the profits of:

	€	FRF
Financial year 2000 amounting to:	406,384,946.18	2,665,710,501.44
To which has been added:		
The profit carried forward of	347,326,720.89	2,278,313,938.58
Representing a total cash of	**753,711,667.07**	**4,944,024,440.02**
- to the legal reserve	1,948,714.32	12,782,728.00
- to the dividend	198,324,605.00	1,300,924,129.22
- to the advanced statement of account to be deducted	47,692,760.35	312,844,000.00
- to the account carried forward, the balance of	505,745,587.41	3,317,473,582.80

The dividend paid to the 198,324,605 shares of the capital entitled to dividend on January 1, 2000 has been fixed at € 1.00 (i.e., FRF 6.56) per share, plus a tax credit of € 0.50 (i.e. FRF 3.28) representing an overall revenue of € 1.50 (i.e. FRF 9.84) per share. The dividend will be paid on Thursday June 14, 2001.

The General Meeting has given formal notice that in respect of the previous three years, the following dividends per share were paid:

	1997		1998		1999	
	FRF	€	FRF	€	FRF	€
Dividende payé	4.60	0.70	5.25	0.80	5.90	0.90
Impôt payé	2.30	0.35	2.62	0.40	2.95	0.45
Revenu global	6.90	1.05	7.87	1.20	8.85	1.35

Fourth resolution

Renewal of the mandate of BNP-Paribas as member of the Supervisory Board

The General Meeting has renewed the mandate of BNP-Paribas as member of the Supervisory Board for a period of six years which will expire at the General Meeting that will be convened to approve the financial statements of fiscal year 2006.

Fifth resolution

Renewal of the mandate of IFIL Finanziaria di Participazioni Spa as member of the Supervisory Board

The General Meeting has renewed the mandate of IFIL Finanziaria di Participazioni Spa as member of the Supervisory Board for a period of six years which will expire at the General Meeting that will be convened to approve the financial statements of fiscal year 2006.

Sixth resolution

Renewal of the mandate of Mr. Maurice Simond as member of the Supervisory Board

The General Meeting has renewed the mandate of Mr. Maurice SIMOND member of the Supervisory Board for a period of six years which will expire at the General Meeting that will be convened to approve the financial statements of fiscal year 2006.

Seventh resolution

Renewal of the mandate of Société Générale as member of the Supervisory Board

The General Meeting has renewed the mandate of Société Générale as member of the Supervisory Board for a period of six years which will expire at the General Meeting that will be convened to approve the financial statements of fiscal year 2006.

Eighth resolution

Renewal of Cabinet Barbier Frinault & Autres mandate as Statutory Auditors

The General Meeting has renewed the mandate of Cabinet Barbier Frinault as Statutory Auditors for a period of six years. The firm's functions will expire at the General Meeting that will be convened to approve the financial statements of fiscal year 2006.

Ninth resolution

Renewal of the mandate of a Substitute statutory Auditor

The General Meeting has renewed the mandate of Mr. Christian Chiarasini as Substitute Auditor for Cabinet Barbier Frinault et Autres for a period of six years. His functions will expire at the General Meeting that will be convened to approve the financial statements of fiscal year 2006.

Tenth resolution

Renewal of the mandate of Cabinet Deloitte, Touche, Tohmatsu – Audit as Statutory Auditors

The General Meeting has renewed the mandate of Cabinet Deloitte, Touche, Tohmatsu – Audit as Statutory Auditors for a period of six years. The firm's functions will expire at the General Meeting that will be convened to approve the financial statements of fiscal year 2006.

Eleventh resolution

Appointment of a Substitute Statutory Auditor

The General Meeting has appointed the Company BEAS to replace Mr. Olivier Azières as substitute auditor of Cabinet Deloitte Touche Tohmatsu – Audit for a period of six financial years. The functions of BEAS will expire at the General Meeting that will be convened to approve the financial statements of fiscal year 2006.

Twelfth resolution

Setting the amount of the Supervisory Board Members' fees

The General Meeting has decided, until further discussions by it, to allocate an annual sum of € 276,000 (i.e. FRF 1,810,441.32) to the Supervisory Board, as members' fees.

Thirteenth resolution

Authorization to be given to the Management Board to trade in Company shares

After hearing the reading of the Management Board report and acknowledging the elements in the prospectus approved by the Commission des Opérations de Bourse, the General Meeting authorizes the Management Board, pursuant to the provisions of Article L 225-209 of the French Commercial Code, to buy back the Company's shares.

The acquisition, sale or transfer of these shares may be carried out by any means whatsoever on the market or over the counter. These means include the utilization of any derivative financial instrument negotiated on a regulated or over-the-counter market, including sale or attribution of any sale option.

The maximum purchase price has been set at € 60 and the minimum selling price at € 35.

In the event of a new equity issue by way of capitalization of reserves and allocation of bonus shares or in the event of a share split or consolidation, the prices indicated above will be adjusted by a multiplier coefficient equal to the ratio between the number of shares comprising the capital before the transaction and the number after the transaction.

In application of article 179-1 of the decree of March 23, 1967 on commercial companies, the Meeting has set at 13 million the maximum number of shares that could be acquired by virtue of the present authorization corresponding to a maximum sum of € 780 million, on the basis of a maximum unit purchase price of € 60 authorized above.
The acquisition of shares, regardless of the terms, may be carried out for the following main reasons:

- Optimize the Company's asset and financial management,
- Control the Company's stock quote,
- Cancel the shares and particularly the number of shares corresponding to shares created or that could be created by exercising stock options attributed to Group employees, and by new equity issues reserved for only those employees participating in a company savings plan,
- Grant purchase options to employees and the Company and/or Group employees and executives,
- Allocate the shares under employee profit-sharing schemes,
- Reassign shares for payment or swapping, mainly in the context of mergers and acquisitions,
- Allocate shares on the occasion of the exercise of securities cum rights which entitle holders to the Company's existing shares through redemption, conversion, swapping, presentation of a coupon or any other manner,
- Foster the settlement of crossed shareholdings.

The shares thus acquired may be kept, sold or transferred. They may also be cancelled in compliance with the terms of the authorization provided for by the twenty-first resolution.
The present authorization is given for a maximum period of eighteen months. It cancels and replaces that previously given to the Management Board by the fourth resolution of the Combined General Meeting of May 30, 2000.
Full powers have been given to the Management Board, with the option to delegate, to ensure the performance of the present authorization.

Resolutions pertaining to the special agenda

The voting of these resolutions is subject to the quorum and majority conditions defined for Special Meetings.

Fourteenth resolution

Spin-off to Accor Services France

After hearing the Management Board report and the Split-up auditors' report, after taking cognizance of the draft spin-off treaty on March 30, 2001, under which ACCOR would hand over to Accor Services France, a French law public limited company (société anonyme) with a capital of € 640,000, headquartered at 2, rue de la Mare Neuve 91000 Evry, registered under number 393 365 135 RCS Evry, all the assets and liabilities, securities and bonds, without exception nor reserve of its independent service tickets issuing business in France, in exchange for the takeover of the corresponding liability and in consideration of the attribution to Accor of 23,800,000 fully paid shares with a nominal value of 16 euros each, to be created by Accor Services France as new equity issue, the said shares being created with an overall share premium of € 30,296,784.85 and entitled to dividend on January 1, 2001, the Shareholders' Meeting approves this spin-off, the stipulated contribution, and its evaluation and remuneration, and grants the Management Board, with the option of delegating, the most extensive powers for the purpose of fully carrying out the spin-off agreement.
The Shareholders' Meeting has taken cognizance of the fact that the spin-off that is the subject of the present resolution will be implemented after the Accor Services France Special Shareholders' Meeting, convened to approve this spin-off and deciding on the capital increase carried out to remunerate it.
The Meeting will maintain its decision if the spin-off is carried out no later than June 30, 2001.

Fifteenth resolution

Authorization to be given to the Management Board to issue securities granting immediate and/or future access to shares that are or will be issued in the context of the capital increase, with maintenance of pre-emptive share rights

After hearing the Management Board's report and the statutory auditor's special report, and pursuant to the provisions of paragraph 3 of Article L 225-129 of the French Commercial Code, the Shareholders' Meeting:

1. Hereby delegates to the Management Board the necessary powers for carrying out, in one or several transactions, in the proportion and at periods it deems fit, in France and abroad, the issue of shares, warrants and more generally, all securities which give instant or ultimate access to the Company's shares;

2. Has decided that the nominal amount of the capital increase that could be carried out immediately and/or ultimately by virtue of the present proxy, may not exceed € 200 million, and this amount may be increased by the nominal value of additional shares to be issued to preserve the rights of holders of securities that give right to Company shares, in accordance with applicable regulations;

3. Has further decided that, the nominal amount of debt securities giving access to shares and that could be issued by virtue of the present proxy, shall not exceed € 2 billion or the equivalent value of this amount in the event of an issue in another currency;

4. Has decided that the shareholders may, under conditions defined by law, exercise their pre-emptive share right as of right. Further, the Management Board will have the option of granting shareholders the right to subscribe for securities in excess of the number they are entitled to as of right, proportionally to their share rights and, whatever the case might be, within the limit of their requests.
If the subscriptions as of right, and where applicable, subscriptions for excess shares, do not completely absorb an issue of securities, the Management Board may, in an order to be specified, use one and/or other of the options below:
- restrict the issue to the amount of subscriptions on condition that the latter reach at least three fourths of the decided issue,
- freely distribute all or part of the unsubscribed securities,
- offer the public all or part of the unsubscribed securities;

5. Has decided that any issue of the Company's stock warrants that could be carried out, may take place either by offering subscriptions under the conditions defined above, or by bonus shares to the holders of old shares;

6. Has acknowledged and decided that, as the case may be, this proxy will entail as of right, waiver of shareholders' pre-emptive rights to shares to which these securities entitle them, in favour of holders of securities giving future access to Company shares likely to be issued;

7. Has decided that the Management Board will have full powers with the option of sub delegating to its Chairman under applicable legal conditions, to implement this proxy, primarily for the purpose of determining the dates and terms of issues as well as the form and the characteristics of the securities to be created, fix the price and terms of issues, define the amounts to be issued, fix the interest-bearing date albeit retroactive, of the securities to be issued and where applicable, their terms of redemption, suspend if necessary, the Company's exercise of stock dividend rights attached to securities to be issued for a period that may not exceed three months, fix the terms under which, where applicable, the rights of holders of securities which ultimately give access to Company shares may be preserved in compliance with legal provisions and regulations, proceed, if necessary to deducting from the share premium or premiums particularly charges incurred by issues, and generally take all steps and conclude all agreements required for properly completing the issues planned and ascertain the capital increases resulting from any issue carried out by the use of this proxy, and amend the By-laws accordingly.
In the event of the issue of debt securities, the Management Board will be fully empowered to decide on their subordinated nature or otherwise, fix the interest rate, their term, the fixed or floating redemption price, with or without premium, the terms of amortization depending on market conditions and the conditions under which these securities will entitle them to the Company's shares;

8. Has decided that the present proxy cancels the effect of any prior proxy relative to the immediate and/or future issue of the Company's shares with maintenance of pre-emptive share right.
The proxy hereby granted to the Management Board is valid for a period of twenty-six months beginning from the present Meeting. The Management Board may use the proxy with the prior authorization of the Supervisory Board in compliance with Article 15 of the By-laws.

Sixteenth resolution

Authorization to be given to the Management Board to issue securities giving immediate and/or future access to shares that are or will be issued as new equity issue without pre-emptive share rights

After acknowledging the Management Board report and the special statutory auditor's report and in accordance with the provisions of paragraph 3 of Article L 225-129 of the French Commercial Code, the General Meeting:

1. Has delegated to the Management Board the necessary powers for proceeding by means of a public issue in one or several operations, in the proportion and at the periods that it shall deem fit, both in France and abroad, to the issue of shares, share rights and more generally of any securities that entitle the holders immediate and/or future access to the Group's shares;

2. Has decided that the nominal amount of the capital increase that could be carried out immediately and/or in the future pursuant to the present proxy may not exceed € 150 million;

3. Has decided that the capital increase may result from the exercise of a stock dividend right, by conversion, swapping, redemption, presentation of a coupon, or in any other manner, resulting from any security issued by any company in which the Company holds, directly or indirectly, more than half of the capital, with the agreement of the latter;

4. Has decided that the nominal amount of debt securities giving access to the capital and that could be issued pursuant to the present proxy, will be a maximum of € 1 billion or the equivalent value of this amount in the event of issue in another currency;

5. Has decided to eliminate the shareholders' pre-emptive rights to the securities to be issued, on the understanding that the Management Board may grant shareholders a share priority option to all or part of the issue, during the period and under the terms that it will decide.
This share priority will not result in the creation of negotiable rights;

6. Has decided that if the subscriptions of shareholders and the public do not fully absorb the complete issue of securities, the Management Board may use, in the order that it will determine, one and/or other of the options below:
- restrict the issue to the amount of subscriptions on condition that the latter reach at least three fourths of the decided issue,
- freely distribute all or part of the unsubscribed securities;

7. Has acknowledged and decided that, as the case may be, this proxy will entail as of right, waiver of shareholders' pre-emptive rights to shares to which these securities entitle them, in favour of holders of securities giving future access to Company shares likely to be issued;

8. Has decided that, in the event of the immediate or future issue of shares for cash, the amount due to or supposed to be due to the Company for each of the shares issued under the present proxy, will be equal to at least the average of the Company's first stock quote recorded during ten consecutive trading days chosen from the twenty preceding the day of the beginning of the issue of the aforementioned securities, after correction , where applicable, of this average to factor in the difference of the dividend date, on the understanding that in case of the issue of the Company's stock warrants, the sum received by the Company at the time of exercising the warrants will be factored into this calculation;

9. Has decided that the Management Board may, within the limit of the overall amount of the capital increase defined in 2 above, proceed to any capital increase by issuing shares for property in order to pay for the securities contributed to a takeover bid, as provided by and subject to the reserves set forth in Article L 225-148 of the French Commercial Code;

10. Has decided that the Management Board will have full powers with the option of sub-delegating to its Chairman under applicable legal conditions, to implement the present proxy, primarily for the purpose of determining the dates and terms of issues as well as the form and the characteristics of the securities to be created, fix the price and terms of issues, define the amounts to be issued, fix the right-to-dividend date, albeit retroactive, of the securities to be issued, and where applicable, their terms of redemption, suspend if necessary, the Company's exercise of stock dividend rights attached to securities to be issued for a period that may not exceed three months, fix the terms under which, where applicable, the rights of holders of

securities which ultimately give access to Company shares may be preserved in compliance with legal provisions and regulations, proceed, if necessary to deducting from the share premium or premiums particularly charges incurred by issues, and generally take all the steps and conclude all agreements required for properly completing the issues planned and ascertain the capital increases resulting from any issue carried out by the use of this proxy and amend the By-laws accordingly.
In the event of the issue of debt securities, the Management Board will be fully empowered to decide on their subordinated nature or not, fix the interest rate, their term, the fixed or floating redemption price, with or without premium, the terms of amortization depending on market conditions and the conditions under which these securities will entitle bearers to the Company's shares;

11. Has decided that the present proxy cancels the effect of any prior proxy relative to the immediate and/or future issue of the Company's shares without pre-emptive share right.
The proxy hereby granted to the Management Board is valid for a period of twenty-six months beginning from the present Meeting. The Management Board may use the proxy with the prior authorization of the Supervisory Board in compliance with Article 15 of the By-laws.

Seventeenth resolution

Authorization to be given to the Management Board to increase the issued capital by capitalization of reserves, profits, premiums or other items that may be capitalized.

The General Meeting, after acknowledging the Management Board report:

1. Has delegated to the Management Board the necessary powers for increasing the issued capital in one or several operations, in the proportion and at the periods that it shall deem fit, by capitalization of reserves, profits, premiums or other items that may be capitalized, either by combining it with a capital increase in cash carried out pursuant to the fifteenth resolution, and in the form of bonus share rights or increase of the nominal value of existing shares, or by combining the two operations;

2. Has decided that the nominal amount of the capital increase that could be carried out pursuant to the present proxy may not exceed € 200 million;

3. Has decided that the Management Board will have full powers with the right to sub-delegate to its chairman, in the conditions set by law, to implement the present proxy primarily for:
- defining all the terms and conditions of authorized transactions, not least to fix the amount and nature of reserves and premiums to be capitalized, fix the number of new shares to be issued or by how much the nominal value of the existing shares comprising the issued capital will be increased, set the date, albeit retroactive, from which the new shares will be entitled to dividends, or on which the new nominal value will be effective, and proceed, if necessary, to any deductions from the share premium or premiums and especially deductions of costs incurred by the issue,
- deciding, as the case may be, and notwithstanding the provisions of article L 225-149 of the French Commercial Code, that the rights forming a split number will not be negotiable and that the corresponding shares will be sold, the sums from the sale being allocated to right holders no later than 30 days after the date on which the whole number of granted shares is registered on their account,
- taking all the necessary measures and concluding all agreements to ensure the proper completion of the operation(s) planned and, generally, do everything necessary, accomplish all acts and formalities aimed at finalizing the capital increase or increases that may be carried out pursuant to the present proxy in addition to proceeding to the amendment of the By-laws accordingly;

4. Has decided that the present proxy cancels the effect of any prior proxy relative to the increase of the issued capital by capitalization of reserves, profits, premiums or other items that may be capitalized.
The proxy hereby granted to the Management Board is valid for a period of twenty-six months beginning from the present General Meeting. The Management Board may use the proxy with the prior authorization of the Supervisory Board in compliance with Article 15 of the By-laws.

Eighteenth resolution

Limitation of the overall amount of the authorizations for immediate and/or future capital increase

After acknowledging the Management Board's report, subsequent to the voting of the fifteenth, sixteenth and seventeenth resolutions, the General Meeting has decided to fix the maximum nominal amount of the immediate and/or future capital increases, that could be carried out under the authorizations granted by the foregoing resolutions, at € 30 million, with the proviso that, the said € 30 million may be increased by the nominal value of the additional shares to be issued to preserve the rights of bearers of securities entitling the holders to the Company's shares, will be added to this nominal amount, in compliance with the law.

Nineteenth resolution

Authorization given to the Management Board to issue stock options

After hearing the reading of the Statutory Auditors' special report, the General Meeting authorizes the Management Board to grant to certain members of staff and/or certain corporate executives, options entitling them to stock warrants for the new equity issue, in the conditions defined in articles L 225-177 to L 225-185 of the French Commercial Code.

The Management Board will use the present proxy with the prior authorization of the Supervisory Board in compliance with Article 15 of the By-laws.

The stock options will be granted under the conditions below:

- The term of the authorisation given to the Management Board has been fixed at thirty eight months as from the day of the present Meeting and the Management Board may use this authorisation once or several times.
- The option schemes will be valid for five to ten years beginning from the date on which the Management Board decision was taken.
- The options may be exercised at the earliest from the beginning of the second year following the attribution date and until the expiry date of the option scheme.
- The total number of stock options taken up and not yet exercised is limited to 5% of the share capital.
- The subscription price of each of the schemes will be fixed by the Management Board and may not be less than 80% of the average of the prices quoted at the twenty trading sessions preceding the Management Board decision. In application of Articles 174-8 et seq. of the decree of March 23 1967, the price may be modified if the Company carries out financial operations requiring an adjustment of the option price, the number of shares in the scheme being also adjusted so that the total subscription price remains constant.
- Staff members and/or corporate executives who own part of the issued capital equal to or exceeding the legal limit may not benefit from options pursuant to the present authorisation.
- The options may be granted to some of the Company's staff members and/or executives and to those of affiliated companies in the conditions laid down by Article L 225-180 of the French Commercial Code.

The General Meeting grants full powers to the Management Board to determine the other terms of the options, set the conditions under which the options will be granted, define the list of beneficiaries, set the time and the periods for exercising options and selling the resulting shares, provide for the option of temporarily suspending the exercise of options for a maximum period of three months in the event of financial operations entailing the exercise of shares cum right.

The Management Board may also implement all other new legal provisions that may occur during the term of the present authorization and application of which would not require the express decision of the General Meeting.

This authorization includes express waiving of shareholders' pre-emptive share rights to shares that will be issued as and when the options are exercised, in favour of beneficiaries of options.

The present authorization replaces that given to the Management Board by the Combined General Meeting of January 7, 1997.

Twentyth resolution

Authorization given to the Management Board to issue stock purchase options

After hearing the reading of the Statutory Auditors' special report, the General Meeting authorizes the Management Board, pursuant to L 225-179 to L 225-185 of the French Commercial Code, to grant to certain staff members and/or corporate executives, options giving right to the purchase of shares derived from a takeover prior to the opening of the scheme, by the Company itself, in the conditions laid down by Articles L 225-208 and L 225-209 of the French Commercial Code.

The Management Board will use the present proxy with the prior authorization of the Supervisory Board in compliance with Article 15 of the By-laws.

The stock purchase options will be granted under the conditions below:

- The term of the authorisation given to the Management Board has been fixed at thirty eight months as from the day of the present Meeting and the Management Board may use this authorisation once or several times.
- Option schemes will be valid for three to six years beginning from the date on which the Management Board decision was taken.
- The options may be exercised at the earliest from the beginning of the second ear following the attribution date and until the expiry date of the option scheme.
- The total number of stock purchase options opened and not yet exercised will not entitle the bearer to the purchase of a number of shares exceeding 5% of the issued capital.
- The Management Board shall fix the share purchase price for the options beneficiaries. This price may not be less than 80% of the average purchase price of shares held by the Company pursuant to articles L 225-208 and L225-209. In application of articles 174-8 et seq. of the decree of March 23 1967, the price may be amended if the Company proceeds to financial operations requiring an adjustment of the option price, the number of shares in the option also being adjusted to ensure that the total purchase price remains constant.
- Staff members and/or corporate executives who own part of the issued capital equal to or exceeding the legal limit may not benefit from options pursuant to the present authorisation.
- The options may be granted to some of the Company's staff members and/or executives and to those of affiliated companies in the conditions fixed in article L 225-180 of the French Commercial Code.

The General Meeting grants full powers to the Management Board to determine the other terms of the options, define the list of beneficiaries, set the conditions under which the options will be granted, set the time and the periods for exercising options and selling the resulting shares, and provide for the option of temporarily suspending the exercise of options for a maximum period of three months in the event of financial operations entailing the exercise of shares cum right.

The Management Board may implement all new statutory provisions that may occur during the term of the present authorization and application of which would not require the express decision of the General Meeting.

The present authorization replaces that given to the Management Board by the Combined General Meeting of January 7, 1997.

Twenty-first resolution

Authorization to be given to the Management Board to proceed to the issue of shares and/or other securities that give access to the Company's capital, reserved to employees participating in the Employee Savings Plan or in the Accor Group Voluntary Employee Partnership Savings Plan

After acknowledging the Management Board report and the Statutory Auditors' special report, pursuant to the provisions of Articles L. 443-1 et seq. of the Labor Code relative to employee shareholding schemes and article L 225-138 of the French Commercial Code, the General Meeting:

1. Authorizes the Management Board to issue, in one or several operations, shares and/or any other securities giving access to the capital, within a maximum period of five years as from the day of the present Meeting for the benefit of employees of the Company and French or foreign companies affiliated to it within the meaning of article L 225-180 of the French Commercial Code, insofar as those employees are members of the employee savings plan or a Group Accor voluntary employee partnership savings plan.

2. Authorises the Management Board, in the context of this capital increase of increases, to grant bonus shares or other securities giving access to the capital, within the limits provided for in article 443-5 paragraph 4 of the Labor Code.

3. Has decided that the total number of shares that could be issued in application of the present resolution and any prior resolution with the same purpose, may not exceed 2% of the issued capital on the day of the Management Board decision.

4. Has decided that the issue price of new shares may neither be higher than the average of prices quoted on the stock exchange during the 20 trading days preceding the day of the Management Board's decision setting the date of the opening of subscriptions, nor less than this average minus the maximum discount provided for by applicable law on the day of the Management Board decision, and that the characteristics of the other securities will be defined in the conditions set by applicable regulations.

5. Has acknowledged that these decisions result in waiving shareholders' pre-emptive share rights in favour of employees for whom the capital increase is reserved.

6. Has granted full powers to the Management Board mainly for:
- Determining the companies whose employees are entitled to benefit from the subscription offer;
- Deciding that the subscriptions may be carried out via a mutual fund or directly, granting a deadline to the employees for the payment of the securities;
- Setting the terms and conditions of membership of the employees savings plan or the voluntary employee savings partnership plan, drawing up or amending the regulation;
- Setting the opening and closing dates for the subscription and the securities issue price;
- Defining the number of new shares to be issued;
- Ascertaining the capital increases carried out;
- Accomplishing directly or through a representative all operations and formalities;
- Amending the Company's By-laws accordingly, and more generally, doing everything useful and necessary in the context of applicable laws and regulations.

The Management Board may use this proxy with the prior authorization of the Supervisory Board in compliance with Article 15 of the By-laws.
This proxy cancels the effect of the non-performed parts of the proxy granted to the Management Board by the fifteenth resolution of the Combined General Meeting of May 27 1999.

Twenty-second resolution

Authorization to be given to the Management Board to reduce the issued capital by cancellation of shares

After acknowledging the Management Board report and the special report of the Statutory Auditors, the General Meeting authorizes the Management Board:
- To cancel the shares acquired for the purpose of implementing the authorisations given by the thirteenth resolution within the limit of 10% of the capital per period of twenty four months and to correlatively reduce the issued capital by deducting the difference between the redemption value of cancelled securities and their nominal value from the available premiums and reserves,
- To proceed to such reduction, to acknowledge the capital reduction or reductions following the cancelling operations authorised herein, to amend the By-laws accordingly, and more generally, to accomplish all the required formalities.

The present authorization has been given for a maximum period of eighteen months. It cancels and replaces that previously given to the Management Board by the fifth resolution of Combined General Meeting of May 30, 2000.
It may be implemented by the Management Board with the prior authorization of the Supervisory Board in compliance with article 15 of the of the By-laws.

Twenty-third resolution

Amendment of article 22 of the By-laws

After acknowledging the Management Board's report, the General Meeting has decided to introduce in the By-laws, the possibility for shareholders to vote be represented at a distance and/or by all means of remote transmission in accordance with statutory provisions and applicable regulations.
Consequently, paragraph 1 of article 22 of the By-laws will henceforth read as follows:

Article 22 – Holding the Meeting (paragraph 1)

"All shareholders shall have the right to participate in General Meetings or to be represented under applicable statutory conditions. Shareholders may vote by mail pursuant to Article L 225-107 of the French Commercial Code. *The postal vote and proxy form may be sent to the Company or the financial body authorized for the management of the shareholder's securities, either on paper, or, by decision of the Management Board published in the notice to convene, by remote transmission, under conditions laid down by law and by applicable legal regulations. In addition, if the Management Board so decides at the time the Meeting is convened, shall be considered as present for the purpose of calculating the quorum and the majority, those shareholders who participate in the Meeting by video conference or by electronic means under the conditions and under the terms defined by law and applicable regulations."*

The last sentence of the 1st paragraph becomes the first sentence of the 2nd paragraph, the wording of which remains unchanged, and is presented as follows:

Article 22 – Holding the Meeting (paragraph 2)

"Each share gives right to one vote, except in the case where the voting right is regulated by law. A voting right that is twice that granted to other shares, considering the percentage of the issued capital that it represents, is allocated to all fully paid shares with the proviso that the bearer can prove at least two years of registration of shares in the name of the same Shareholder."

Twenty-fourth resolution

Authorization to be given to the Management Board, in the event of a takeover bid or offer, to make use of the authorizations for capital increases not reserved for specifically-named beneficiaries

The General Meeting, having acknowledged the Management Board report, has expressly authorized the Management Board to use in the conditions defined by law, the capital increase authorizations provided for in the fifteenth, sixteenth, and seventeenth resolutions in the event of takeover bids or offers concerning the Company's securities, on condition that the capital increase is not reserved to specifically-named beneficiaries. This authorization is valid from today and until the date the General Meeting convened to approve the accounts of the current financial year is held. The Management Board may use the proxy with the prior authorization of the Supervisory Board in compliance with Article 15 of the By-laws.
This authorization may however, only be used to allow the acquisition operations to be carried out.

Twenty-fifth resolution

Proxy for formalities

The General Meeting has granted full powers to the bearer of an original copy, excerpt, or a copy of the minutes of this Meeting to carry out all necessary formalities and filing procedures.

General Information

GENERAL INFORMATION

Information regarding the Company

Registered Name
Accor

Registered Office
2, rue de la Mare-Neuve - 91000 Évry

Legal status
Public Limited Company governed by Articles L 225-57 to L 225-93 of the French Commercial Code.

Legislation
Public Limited Company incorporated under the legislation of the Republic of France.

Incorporation and Expiration Date
The Company was incorporated April 22, 1960, for 99 years, expiring April 22, 2059, except extension or early dissolution.

Objects (see Article 3 of the by-laws)
The Company was established to enter in the following activities for its own account, on behalf of third parties, or jointly with third parties:

- the ownership, financing, and management, directly, indirectly, or within specified mandates of restaurants, bars, hotels of all nature and categories and, more generally, any establishment related to restauration, lodging, tourism, leisure, and services;
- the economic, financial, and technical review of projects and, generally, all services related to the development, organization and management of above-mentioned establishments, including all actions related to their construction or consulting services thereupon;
- the review and provision of services aimed at facilitating the supply of meals to employees at corporations and other organizations;
- the creation of any new company and acquisition of interests operating in any business and by any means;
- all civilian, commercial, industrial, financial, securities, and real estate transactions related to the above and all similar or related activities in France and other countries.

Trade Register Identification
602 036 444 RCS Évry
Code APE: 551A

Place Where the Legal Documents Regarding the Company May Be Consulted
The legal documents regarding the Company, including by-laws, balance sheets, statements of income, Management Board's report to the Shareholders' Meetings, Statutory Auditors' report, and inventories, may be consulted upon request at Tour Maine-Montparnasse - 33, avenue du Maine - 75755 Paris Cedex 15 - France.

Fiscal Year
The company's fiscal year begins on January 1 and ends on December 31.

Statutory Appropriation of Profits
Profits available for distribution consist of net income for the year, minus net losses from prior years and transfers to reserves for the year, in accordance with French law, plus retained earnings from prior years.
Profits available for distribution are appropriated upon decision of the Annual General Shareholders' Meeting, which may also decide to deduct/allocate funds from/to reserves.

General Shareholders' Meetings
Participation to General Shareholders' Meetings
(see Article 21 of the by-laws)
General Shareholders' Meetings are called pursuant to regulation in force.
In accordance with Article 136 or the decree of March 23, 1967, the right to participate or be represented at the Meetings requires shareholders to register their shares with the Company five days prior to the Meeting or the deposit, within five days of the Meeting, of certificates of deposit issued by their bank, financial institution, or brokerage house holding the shares, at a location indicated on the invitation.
The Meetings are held at the Company's registered offices or any other location indicated on the invitations.

Proceedings of the Shareholders' Meetings

(see Article 22 of the by-laws)

All shareholders have the right to participate or be represented at the General Shareholders' Meetings, within the conditions set by law. They may vote by proxy in accordance with Article 225-107 of the French Commercial Code. Each share equals one vote, except when otherwise dictated by regulation in force.

Double voting rights are granted to fully-paid shares registered for at least two years by the same shareholder.

In the case of share capital increases by incorporation of reserves, profits, or paid-in surplus, bonus registered shares distributed to registered shareholders enjoying double voting rights are similarly granted double voting rights.

Registered shares transformed into bearer shares or sold to a different holder lose their double voting rights. However, transfer through inheritance, liquidation of marital assets or transfers to a spouse or direct parent do not result in the loss of rights or registered status. The merger of the Company has no impact on double voting-rights, provided that the by-laws of the acquiring company allow for their exercise.

When shares are held in usufruct, voting rights are granted to the usufructuary in Ordinary and Extraordinary Shareholders' Meetings.

Meetings are chaired by the Chairman of the Supervisory Board, the Vice Chairman, or in their absence, a member of the Supervisory Board mandated by the Board. Otherwise, the Board elects its own Chairman.

The function of Scrutineer of the Meeting is fulfilled by the two shareholders present at the Meeting and representing the largest number of voting rights. The Bureau thus formed names a Secretary which does not need to be a shareholder.

A participant list is maintained pursuant to regulation in force.

Copies or extracts from the Meeting minutes are certified by the Chairman of the Supervisory Board, the Vice Chairman, or the Meeting Secretary.

The Ordinary and Extraordinary Shareholders' Meetings meeting quorum and majority requirements exercise the powers granted by law.

Statutory thresholds

(see By-laws – Article 9)

Any shareholder holding directly or indirectly, individually or as part of a group, a number of shares representing 1% of the capital must inform the Company by certified letter with return receipt, sent to the attention of the Head Office, within five business days after the date of trading or conclusion of any agreement that causes the threshold to be crossed.

With this 1% threshold, any increase of 0.5% or decrease of 1% in the number of shares held must be reported.

These rules also apply to securities giving potential access to capital, as well as to voting rights attached to the shares or other securities. Mutual fund management companies must conform to Article 9 of the By-laws for the entirety of shares or voting rights held through the funds they manage.

The posting requirements and penalties are regulated pursuant to French law (Article L 233-14 of the French Commercial Code).

In addition, in the case of non-compliance with reporting requirements, and upon request of one or several shareholders holding 3% of voting rights, the voting rights exceeding the threshold which should have been reported, may not be exercised or delegated by the negligent shareholder to any shareholder meeting for a period of two years following the date of regularization of the notification.

The company may make use of legal conditions relative to the identification of holders of securities giving access to voting rights, either immediately or potentially.

Information regarding Share Capital

Capital

At December 31, 2000, the Company's Share Capital amounted to € 594,973,815, comprised of 198,324,605 shares of € 3 par value each, fully paid-up and all of the same category.

Shareholders may elect to hold their shares in registered of bearer form.

Shares are freely transferable within legal and regulatory limits.

The transfer of shares, regardless of price and modalities, is made by transfer of accounts pursuant to regulation in force.

Authorization to Sell and Purchase Shares in the Open Market

The General Shareholders' Meeting of May 30, 2000 authorized the Management Board to buy of sell Accor shares in the Open Market for a period expiring at the following General Shareholders's Meeting, approving the 2000 Financial Statements.

The maximum purchase price may not exceed € 60 and the minimum selling price may not be below € 25 per share.

The maximum number of shares is at the most equal to 13 million shares.

The Company used this authorization in 2000 (see page 25).

Securities Convertible into Equity

Share Options Reserved to Group Employees

At December 31, 2000, 4,201,272 share options were outstanding. Should all these options be exercised, the total number of Accor shares outstanding would amount to 202,525,877.

Changes in Share Capital

Year	Capital Increase in the Past 6 Years	Amount of changes in capital (in €) Nominal	Premium	Share Capital (in €)	Total Number of Shares
1995	Conversion of 30 US Dollar-Denominated Bonds Issued in 1994	17,958	6,309	380,611,214	24,966,459
	Exercice of Share Options at FRF 508 (€ 77.44) Each	2,744	11,196	380,613,958	24,966,639
	Dividend Payment in Share Form at a Price of FRF 555 (€ 84.61) Each	9,447,449	42,985,891	390,061,406	25,586,351
	CIWLT Public Exchange Offer	50,757,900	191,189,819	440,819,307	28,915,851
1996	Conversion of 51 Bonds Issued in 1991	823	6,241	440,820,130	28,915,905
	Exercise of Share Options at FRF 617 (€ 94.06) Each	7,622	39,408	440,827,752	28,916,405
	Exercise of Share Options at FRF 508 (€ 77.44) Each	604,476	2,466,260	441,432,228	28,956,056
	Exercise of Share Options at FRF 590 (€ 89.94) Each	15,245	74,700	441,447,473	28,957,056
	Dividend Payment in Share Form at a price of FRF 633 (€ 96.50) Each	11,026,241	58,769,865	452,473,714	29,680,330
	Exchange of IBL Shares	52,394,501	130,446,220	504,868,215	33,117,184
1997	Conversion of 557 Bonds Issued in 1991	9,787	71,925	504,878,003	33,117,826
	Exercise of Share Options at FRF 617 (€ 94.06) Each	246,967	1,276,821	505,124,970	33,134,026
	Exercise of Share Options at FRF 508 (€ 77.44) Each	3,927,544	16,024,380	509,052,514	33,391,656
	Exercise of Share Options at FRF 590 (€ 89.94) Each	1,722,674	8,441,102	510,775,188	33,504,656
	Exchange of Sphere Shares	35,791,386	73,922,264	546,566,574	35,852,417
1998	Conversion of 320 Bonds Issued in 1991	5,671	42,012	546,572,245	35,852,789
	Exercise of Share Options at FRF 490 (€ 74.70) Each	261,603	1,020,250	546,833,847	35,869,949
	Exercise of Share Options at FRF 617 (€ 94.06) Each	684,496	3,538,845	547,518,343	35,914,849
	Exercise of Share Options at FRF 1,065 (€ 162.35) Each	38,112	367,783	547,556,456	35,917,349
	Exercise of Share Options at FRF 590 (€ 89.94) Each	3,409,522	16,706,659	550,965,978	36,140,999
1999	Conversion of Accor Share Capital into Euros	(8,850,993)	8,850,993	542,114,985	–
	Conversion of 108,390 Bonds Issued in 1991	1,869,906	13,991,347	543,984,891	36,265,659
	Exercise of Share Options at FRF 490 (€ 74.70) Each	528,000	2,101,441	544,512,891	36,300,859
	Exercise of Share Options at FRF 507 (€ 77.29) Each	1,050,000	4,360,416	545,562,891	36,370,859
	Exercise of Share Options at FRF 617 (€ 94.06) Each	1,624,500	8,562,311	547,187,391	36,479,159
	Subscription Reserved to Employees at € 194	987,510	11,784,286	548,174,901	36,544,993
	Payment of Assets	8,271,045	294,258,604	556,445,946	37,096,396
	Five-for-One Split of Par Value (€ 15 from € 3)	–	–	–	185,481,982
2000	Conversion of 1,964,670 Bonds Issued in 1991	33,890,949	253,650,965	590,336,895	196,778,965
	Exercise of Share Options at FRF 86,8 (€ 13.23) Each	1,636,770	5,582,790	591,973,665	197,324,555
	Exercise of Share Options at FRF 101,4 (€ 15.46) Each	495,000	2,055,625	592,468,665	197,489,555
	Exercise of Share Options at FRF 123,4 (€ 18.81) Each	169,500	893,390	592,638,165	197,546,055
	Exercise of Share Options at FRF 213 (€ 32.47) Each	37,500	368,395	592,675,665	197,558,555
	Subscription Reserved to Employees at € 35,83	2,298,150	25,149,421	594,973,815	198,324,605

N.B. There is no option to purchase. All the options are options to subscribe. The Company owns 1,428,731 of its shares as of March 31, 2001.

Breakdown of Share Capital and Voting Rights

Shareholders at October 10, 2000

	Number of Shares	Number of Voting Rights	% of Share Capital	% of Voting Rights
Caisse des Dépôts et Consignations Group	7,308,796	13,846,451	3.7%	6.5%
Founders	6,527,542	11,844,117	3.3%	5.5%
Worms & Cie (IFIL Group)	2,377,640	4,755,280	1.2%	2.2%
Société Générale Group	1,585,214	1,585,714	0.8%	0.7%
BNP Paribas Group	1,227,224	1,454,304	0.6%	1.1%
Other Shareholders	177,752,549	180,584,385	90.4%	84.0%
Total	**196,778,965**	**215,070,251**	**100%**	**100%**

Source : Euroclear France (SICOVAM)

Other Shareholders

- According to a survey conducted on October 10, 2000 by Sicovam with intermediaries holding over 200,000 shares on behalf of their clients, there are approximately 205,000 Accor shareholders. Other shareholders than Members of the Supervisory Board are as follows: Individual Shareholders 17.0%, French Institutional Investors 32.4% (including 19.4% for Mutual Funds), International Institutional Investors 40.8%.
- Members of the Management Board together own 2,922,547 Accor shares (ie 1.49% of Accor Share Capital) and 5,073,259 voting rights (ie 2.36% of total voting rights) at October 10, 2000.
- Employees own 1,404,574 Accor shares (ie 0.7% of Accor Share Capital at December 31, 2000) in the scope of the Employee Ownership Programs.
- To the best of the Company's knowledge, no single shareholder holds 1% or more of the share capital or voting rights, directly or undirectly.
- There are no alliances at shareholders acting jointly.
- To the best of the Company's knowledge, the shareholder structure did not encounter significant changes as of December 31, 2000, with the exception of the Société Générale which owns 1.6% of Accor Share Capital (3,254,444 shares and 3,254,944 voting rights).

Changes in Shareholders

	1998 (1)		1999 (2)		2000 (3)	
	% Share capital	% Voting rights	% Share capital	% Voting rights	% Share capital	% Voting rights
Caisse des Dépôts et Consignations Group	5.5%	9.6%	5.5%	9.6%	3.7%	6.5%
Founders	3.5%	4.5%	3.5%	5.8%	3.3%	5.5%
IFIL Group (and Worms & Cie)	1.3%	2.4%	1.3%	2.4%	1.2%	2.2%
Société Générale Group	2.2%	2.0%	1.8%	1.7%	0.8%	0.7%
BNP Paribas Group	0.7%	1.3%	0.7%	1.3%	0.6%	1.1%

(1) At November 12, 1998.
(2) At March 31, 1999.
(3) At October 10, 2000.

To the best of our knowledge, no individual or entity, independantly or jointly, exercises or can exercise control over Accor, directly or indirectly.

Listed Securities

The Accor shares trade on the Premier Marché of Euronext Paris S.A. (code 12040).
ADR (American Depositary Receipts) are traded on the US OTC market (Code ACRFY, CUSIP 00435F 101).

The Accor exchangeable notes 1% - 2002 into Compass shares trade on the Luxembourg Stock Exchange (codes : Sicovam 49227, ISIN FR 0000492274, Euroclear/Cedelbank 009544844).

Shareholder services, including transfers and dividend payments are provided by:
Société Générale - 32, rue du Champ de Tir - BP 81236 - 44312 Nantes cédex 3 - France.

Accor Share and Dividend

	Number of Shares	Dividend paid to the Year (in €)			Ex-Dividend	Paid	Share Price (in €)			Dividend Yield based on share price at Dec. 31
		Net	Tax Credit	Gross			+high	+low	at Dec. 31	
1995	144,579,255	0.60	0.30	0.90	14 juin 96	19 juillet 96	20.74	15.88	19.34	4.73%
1996	165,585,920	0.60	0.30	0.90	13 juin 97	13 juin 97	24.46	18.48	20.04	4.57%
1997	179,262,085	0.70	0.35	1.05	15 juin 98	15 juin 98	36.38	19.24	34.12	3.08%
1998	180,704,995	0.80	0.40	1.20	14 juin 99	14 juin 99	54.42	27.48	36.90	3.25%
1999	185,481,982	0.90	0.45	1.35	14 juin 00	14 juin 00	50.36	34.40	47.97	2.81%
2000 (1)	198,324,605	1.00	0.50	1.50	14 juin 01	14 juin 01	51.00	35.39	45.00	3.33%

(1) proposed.

The Management Board proposes to pay a Dividend Per Share of € 1.00 net and of € 1.50 including “Avoir fiscal” tax credit, to each of the 198,324,605 shares eligible for the 2000 Dividend.
No interim dividend has been paid. Dividend payment is done by Euroclear France (Sicovam).
Dividend payments which have not been claimed within five years are subject to prescription as defined by law.

Share Price and Exchanged Volumes

Share Price in €	Average Price	+High	+Low	Number of Exchanged
1999				
October	41.80	44.30	39.80	14,413,160
November	43.62	47.76	41.30	19,452,100
December	46.22	48.07	44.44	25,348,745
2000				
January	44.50	49.20	39.95	17,428,196
February	39.87	44.00	35.39	21,818,603
March	38.30	41.89	35.50	22,420,701
April	41.97	43.70	39.65	11,867,140
May	44.34	48.10	40.50	15,607,746
June	43.54	46.00	41.05	14,763,222
July	44.78	46.85	41.75	11,381,784
August	47.48	48.80	45.86	11,105,632
September	45.71	51.00	41.25	16,638,125
October	43.80	47.75	40.16	13,836,566
November	46.22	47.75	42.85	11,893,518
December	42.67	45.45	40.46	11,477,062
2001				
January	47.39	50.00	41.81	18,089,408
February	46.29	49.00	41.75	16,166,786
March	44.75	48.60	41.75	21,376,000

Management - Corporate Governance

In line with corporate governance principles, Accor is administred by a five-member Management Board responsible for Group management, and
a Supervisory Board responsible for overseeing Group management.
The Supervisory Board is comprised of eleven members, including six representatives of major shareholders, and five independant members. The functioning of the Supervisory Board is governed through an internal charter which defines the rights and responsabilities of its members.
Relationships between the Supervisory Board and Management Board are ruled through an other internal charter.
A Compensation Committee and an Audit Committee complete this organization.

Co-Chairmen and Co-Founders

Paul Dubrule, born on July 6, 1934 in Tourcoing (France).
Graduate of the School of Economic and Social Sciences, University of Geneva.
Co-Founder and Co-Chairman of the Novotel chain (1963) with Gérard Pélisson, Co-Chairman and CEO of the Novotel S.I.E.H. Group (1971-1983), Co-Chairman and CEO of Accor Group (1983-1997), Founding Co-Chairman of the Accor Group.
Paul Dubrule is also Senator of Seine-et-Marne (France), President of Entreprise et Progrès and Co-Founder of the World Travel and Tourism Council (WTTC).

Gérard Pélisson, born on February 9, 1932 in Lyon (France).
Engineering degree, Ecole Centrale des Arts et Manufactures, Paris, and Master of Science in Industrial Management, Massachusetts Institute of Technology (USA).
Co-Founder and Co-Chairman of the Novotel chain (1963), with Paul Dubrule, Co-Chairman and CEO of the Novotel S.I.E.H. Group (1971-1983), Co-Chairman and CEO of the Accor Group (1983-1997), founding Co-Chairman of the Accor Group.
Gérard Pélisson is also President of the Council of French Investment in Africa (CIAN), President of the Union of French Citizens Abroad (UFE), Chairman and Co-Founder of the Brillat-Savarin Foundation, Co-Founder and Vice-Chairman of the World Travel and Tourism Council (WTTC) and President of the Ecole Superieure de Commerce of Lyon (1990-1996).

Management Board

Jean-Marc Espalioux, Chairman, born on March 18,1952.
Advanced Degree from the Paris Institute of Political Science and graduate of the Ecole Nationale d'Administration, Paris (1978).
Inspecteur des Finances at the French Ministry of Finance from 1978 to 1982.
Joined the Compagnie Générale des Eaux (now Vivendi Universal) in 1984, where he became CFO in 1987, Member of the Executive Comittee (1994) and General Deputy Director in 1996.
Administrator of Accor since 1988, chosen by the Co-Founders, Paul Dubrule and Gérard Pélisson, to become the Chairman of the Management Board on January 7, 1997.
Jean-Marc Espalioux is also Administrator of Vivendi and Fiat France, Member of the Supervisory Board and Chairman of the Audit Committee of Vivendi Environnement.

Sven Boinet, born on April 11, 1953 in Saint-Brieuc (France).
Engineering Degree "Ecole Centrale", Paris and Master of Science in Economic & Regional Planning, Stanford University (USA).
Engineer for Schlumberger Ltd (1979-1981), Engineer & Project Manager for Coflexip (1981-1983), and Senior Consultant for SRI International (1983-1987), Director of the Accor Chairmen's Office (november 1987-December 1989), Vice-President of Accor in charge of Tourism (January 1990-August 1992), Executive Vice-President of the Accor Group since September 1, 1992, in charge of Hotels since October 1994, Member of the Management Board since january 7, 1997, in charge of Hotels.

Benjamin Cohen, born on April 29, 1939 in Castres (Tarn - France).
Graduate of the Ecole des Hautes Etudes Commerciales (1961).
Manager of Public Catering at Jacques Borel International (Conversion of the Cafés Biard) (1964-1968), President of the Society for Tourist Promotion of Motorways (1969-1972), Member of the Management Comittee and CEO of the Jacques Borel International Group (since 1975), Vice-Chairman and CEO of the Compagnie des Hotels Jacques Borel (1972-1975), Member of the Board and CEO (1975-1977), then Chairman and CEO of Sofitel (since 1977) and the Union Touristique et Hôtelière (U.T.H.) (1979-1985), Executive Vice-President in charge of International Business for the Novotel Group (S.I.E.H.) (Société d'Investissement et d'Exploitation Hôtelière) (1982-1983), Executive Vice-President of Hotels and Member of the Management Committee of the Accor Group from 1983 to 1988, Chairman

of Croisières Paquet from 1987 to 1994, Managing Director of the Accor Group from 1989 to 1992, Executive Vice-President of the Accor Group from 1992 to 1997.
Benjamin Cohen is Member of the Accor Management Board in charge of Finance and Participations, since January 7, 1997.

John Du Monceau, born on April 6, 1938 in Mortsel (Belgium). Degree in Commercial and Maritime Science, Saint-Ignace College, Antwerp (Belgium).
Various responsibilities in food product marketing for Unilever in Belgium (1961-1973), Managing Director of the subsidiary Jacques Borel International in Belgium (1973-1977); Managing Director of Ticket Restaurant in France (1978-1983). For Accor, successive assignments since 1983: Managing Director in charge of Service Vouchers, Executive Vice-President in charge of Service Vouchers and Eurest.
John Du Monceau is Member of the Accor Management Board in charge of Services and Human Resources since January 7, 1997.

Paul Dubrule

Secretary of the Management Board

Pierre Todorov

Supervisory Board

- Chairman: Gérard Pélisson
- Vice-Chairman: Etienne Davignon*, Chairman of Société Générale de Belgique, Member of the Board since May 16, 1990; Etienne Davignon, 68-years old, is a Director of Pechiney, of ICL (Great Britain), and a Member of Supervisory Boards of Suez-Lyonnaise des Eaux and BASF (Germany). He holds 648 Accor shares.
- BNP, Member of the Board since May 16, 1990, represented by Baudouin Prot, C.E.O. of BNP; Baudouin Prot, 50-years old, is a Director of Pechiney and Member of the Supervisory Board of Pinault-Printemps-Redoute. He holds 500 Accor shares.
- Isabelle Bouillot, Chairman of the Management Board of CDC IXIS, Member of the Board since February 14, 1996; Isabelle Bouillot, 52-years old, is a Director of Saint-Gobain and La Poste, and a Member of the Supervisory Board of Caisse Centrale des Caisses d'Epargne. She holds 500 Accor shares.
- CDC Participations, Member of the Board since June 28, 1983, represented by Willy Stricker, Chairman and C.E.O. of CDC IXIS Private Equity; Willy Stricker, 58-years old, is a Member of the Supervisory Board of Club Méditerranée, a Permanent Representative of CDC Participations on the Board of Directors of Canal+ and a Director of Vinci.
- Renaud d'Elissagaray* is Member of the Board since January 7, 1997 (he was before a censor since January 27, 1988); Renaud d'Elissagaray, 68-years old, former Member of the Management Board of Banque Louis Dreyfus, is a Director of Arca-Banque du Pays Basque and various investment companies including Indocam France Europe. He holds 773 Accor shares.
- Jean-Marie Fourier*, 79-years old, Honorary C.E.O. of Thomson, Member of the Board since January 7, 1997 (he was before a censor since June 28, 1983); Jean-Marie Fourier has also responsabilities within associations and Ile de France Region Administration. He holds 540 Accor shares.
- IFIL Finanziaria di Participazioni SpA, Member of the Board since December 15, 1992, represented by Gabriele Galateri di Genola, Managing Director and C.E.O. of IFIL ; Gabriele Galateri di Genola, 53-years old, is a Member of the Supervisory Board of Worms & Cie, Director of Fiat (Italy), and Non-Executive Director of Arjo Wiggins Appleton Plc (Great-Britain).
- Jérôme Seydoux*, Chairman and C.E.O. of Pathé, Member of the Board since January 7, 1997; Jérôme Seydoux, 66-years old, is a Director of Chargeurs and Danone. He holds 1,000 Accor shares.
- Maurice Simond*, 69-years old, Former Group Director of IBM Europe, Member of the Board since January 7, 1997 (he was before a censor since June 28, 1983). He holds 34,540 Accor shares.
- Société Générale, Member of the Board since June 28, 1983, represented by Patrick Duverger, C.E.O. of Société Générale; Patrick Duverger, 62-years old, is a permanent representative of Société Générale on the Board of Directors of TF1. He holds 250 Accor shares.

* Independant Members.

Secretary of the Supervisory Board

Pierre Todorov

Meetings of the Supervisory Board and the Management Board

At Accor, an ongoing, balanced dialogue has been established between the Supervisory Board and the Management Board. Over the course of 2000, the Supervisory Board held five formal meetings, in January, March, May, July, and September. Underscoring the importance of Supervisory Board member attendance at meetings, 50% of Directors' fees granted by Accor SA will henceforth be based on attendance records.
Each quarter, the Management Board presents a detailed report on operations that allows the Supervisory Board to fully carry out its mission.

In addition, the Supervisory Board authorizes, on the basis detailed, comprehensive information, all significant investments and strategic operations.

An **Internal Regulation** complementing the By-laws specifies the rules of the Supervisory Board's internal functioning and defines the rights and responsibilities of its members.

A second internal regulation specifies the Management Board internal functioning as well as its relationship with the Supervisory Board and with the subsidiaries and operational entities of the Group. This internal regulation also defines the ethical standards that members of the Management Board are expected to respect and enforce.

Board Committees

In compliance with principles of Corporate Governance, Accor has, for several years, established permanent specialized Committees of the Supervisory Board.

The **Compensation Committee** comprises three members: the Chairman of the Supervisory Board, Mr. Gérard Pélisson, and two Independant Members, Messrs. Etienne Davignon and Jérôme Seydoux, who is the Chairman.

The Compensation Committee makes recommendations to the Supervisory Board regarding the Remuneration of the Group's Executive Officers, as well as management of Stock Option Plans.

The **Audit Committee** comprises four members: the Chairman of the Supervisory Board, Mr. Gérard Pélisson, Mrs. Isabelle Bouillot, and two Independant Members, Mr. Etienne Davignon, who is the Chairman, and Mr. Renaud d'Elissagaray.

The Audit Committee is responsible for overseeing the reliability and consistency of the accounting methods adopted to establish the Group's Consolidated and Parent Company Financial Statements, as well as the effectiveness of internal procedures set up to collect and control financial information.

The Audit Committee also review the validity of the accounting treatment of material transactions. Its members may meet with Group Officers, Executives and Managers in charge of the establishment and control of the Financial Statements, including the Chairman of the Management Board and the Management Board Member in charge of Finance, as well as the Company Statutory Auditors.

Furthermore, during the course of 2000, the Audit Committee has particularly concentrated its attention on procedures put in place by the internal Audit Department in order to understand and approve them.

The Committee reports its finding to the Supervisory Board, bringing to the Board's attention any material information likely to require specific deliberation and review, so as to facilitate the conduct of the Board's oversight and control functions.

Both Committees had two meetings in 2000.

Executive Remuneration and Director's Fees

The Remuneration of Accor's Management Team, comprising the Management Board Members, the heads of major Group Functional Departments and the heads of Group Operating Divisions, is tied to improvements in the Group's financial performance through variable elements based on precise qualitative and quantitative criteria.

For Management Board Members – whose remuneration is set by the Supervisory Board upon recommendation from the Compensation Committee –, the variable portion of the remuneration can amount to up to 80% of fixed remuneration. For other members of the Management Team, variable remuneration can reach 40% of fixed remuneration.

In 2000, the total remuneration paid to the four Management Board Members and the heads of major Group Fonctional Departments – Volker Büring, Director of Human Resources; Jacques Charbit, Director of Communications; Thierry Gaches, Deputy Director of Internet; Christian Gary, Group Treasury Director; Eliane Rouyer, Director of Financial Communications; Jacques Stern, General Controller; Pierre Todorov, Corporate Secretary – amounted to € 5,913,206.

During the year, Supervisory Board Members received remuneration totaling € 1,242,759 including € 250,800 in Directors' fees paid by Accor SA and various Group companies.

No loan or guarantee have been granted to any of the Supervisory Board Member.

Stock Option Plans

Accor issues stock options to its Executive and Managers on a regular basis. In each year in which a stock option plan is launched, a specific group of beneficiaries is targeted: Executives, Top Management, Middle Operating Management.

Depending on the specific targeted group, the number of beneficiaries for each plan may vary from a few dozen to several hundred managers.

Stock options are not awarded systematically to a given category of managers, but reflect individual contribution, based on financial performance or personal achievement.

Since 1998, stock options have been issued for a period of eight years, and may not be exercised during the first five years of each plan. Options are issued at a 5% discount to the Accor share price at the time of the issue.

Whenever stock options are issued to the Management Board Members, the number of options attributed to each Member is set by the Supervisory Board upon recommendation from the Compensation Committee.

Plans issued in 1999 and 2000 are dedicated to Middle Operating Management, representing 650 and 900 Group's employees, respectively.

Stock Options Granted to Group Employees and Executives

Board Meeting Date	Total number of Exercisable Shares, (Including those Granted to Management Board Members*)	Number of Beneficiaries (Including Management Board Members*)	Issuance Date	Expiration Date	Exercise Price en €	Number of Stock Option Exercised in 2000 (Including Exercised Management Board Members)	Number of Stock Option Exercised at Dec. 31, 2000
Stock Option Plans issued by Accor							
01/08/95	1,000,000	160	01/08/97	01/08/01	18.81	56,500	906,000
07/01/97	1,000,000 (550,000)	25 (4)	07/01/99	07/01/05	15.46	165,000 (75,000)	515,000 (300,000)
07/01/98	1,400,000 (395,000)	242 (4)	07/01/03	07/01/06	32.47	12,500	25,000
06/01/99	600,000	650 (none)	06/01/04	06/01/07	33.95	0	0
30/03/00	750,000	900 (none)	30/03/05	30/03/08	37.00	0	0
04/01/01	2,000,000 (970,000)	32 (4)	04/01/04	04/01/09	40.58	0	0
Stock Savings Warrants Program (stock Options Plan issued by Accor in addition to the capital increase reserved to Accor employees)							
22/12/00	757,322 (6,000)	15,725 (4)	22/12/03	22/12/07	43.40	0	0
Stock Option Plans taken over by Accor following the Sphere International Merger							
31/10/96	685,540	83	31/10/00	31/10/01	13.23	545,590	545,590
Stock Option Plans issued by Subsidiaries							
Lenôtre							
30/04/96	2,700	3	30/04/96	30/04/01	170.70	0	0
25/10/96	600	1	25/10/96	25/10/01	170.70	0	0
Accor Casinos							
30/07/99	17,600	19	30/07/04	30/07/07	78.36	0	0

GENERAL INFORMATION

Officer Responsible for this Report

Jean-Marc Espalioux

Chairman of the Management Board and C.E.O.

Benjamin Cohen

Member of the Management Board in charge of Finance and Participations.

Statutory Auditors and Independent Accountants

Statutory Auditors

Barbier Frinault & Autres - Arthur Andersen

Christian Chochon

41, rue Ybry - 92576 Neuilly-sur-Seine - France

Appointed for six years by the June 16, 1995 Shareholders' Meeting.

Date of first mandate: June 16, 1995.

Deloitte, Touche, Tohmatsu - Audit

Alain Pons

185, avenue Charles de Gaulle

92200 Neuilly-sur-Seine - France

Appointed for six years by the June 16, 1995 Shareholders' Meeting.

Date of first mandate: June 16, 1995.

Alternate Auditors

Olivier Azières

185, avenue Charles de Gaulle

92200 Neuilly-sur-Seine - France

Appointed for five years by the June 4, 1996 Shareholders' Meeting.

Christian Chiarasini

41, rue Ybry - 92576 Neuilly-sur-Seine - France

Appointed for five years by the June 4, 1996 Shareholders' Meeting.

Independent Accountants

Deloitte Touche Tohmatsu

185, avenue Charles-de-Gaulle

92200 Neuilly-sur-Seine - France

Information Contacts

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Jacques Stern

General Controller

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Eliane Rouyer

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Tel.: +33 (0)1 45 38 86 26 - Fax : +33 (0)1 45 38 85 95

Accor is expanding its financial reporting to improve the quality of information furnished to all of its shareholders. Contact persons, disclosure documents, the web site and meetings are personalized depending on whether they are for individual or institutional investors so as to offer everyone the same level of information adapted to their own needs.

Shareholders contacts

The staff at the Investor Relations and Financial Communications Department are available to answer any questions. A voice server at 0811 01 02 03 (from France) provides general information on the Group, its current stock price and practical information for individual shareholders, all for the price of a local call. You may also be transferred to a shareholder relations representative.

Disclosure documents

Each shareholder may choose from a wide range of documents tailored to his own needs:

- the annual report is published in two forms. One describes the Group's businesses in an illustrated format and provides an abridged financial statement. The other is a disclosure document filed with the *Commission des Opérations de Bourse* (COB), France's securities regulator. It contains detailed financial statements and legal information,
- the Group's identity card provides a brief introduction to Accor along with illustrations. It is updated twice a year,
- twice a year, the Letter to the Shareholders is addressed personally to shareholders with at least 250 bearer shares and who are identified by the most recent annual survey performed by Accor for Euroclear France. It is also mailed to all shareholders registered on the company's books and to the members of the Accor Shareholders' Club. The letter is edited over the following month depending on the publications of the annual and interim results,
- Accor publishes in the French press all financial notices relating to its earning announcements, sales, minutes to the Annual Shareholders' Meetings or any other event likely to interest its shareholders. Furthermore, the press frequently reports on the Group.
- all of the notes recorded by the COB concerning Accor's financial operations are also available by request and are published in the press,
- Accor publishes in France's Legal Notices Bulletin all of the information relating to its earnings, sales, Annual Shareholders' Meetings, dividends, capital transactions, etc.
- the www.accor.com/finance web site can be reached directly or via accor.com and is dedicated to financial reporting. It was designed to be a practical tool and a real

database of financial information. It offers direct broadcasts and then video recordings of the presentations of the annual and interim results to analysts as well as of the Annual Shareholders' Meeting. You can download all the documents published by the Group or check Accor's current stock price. There is a schedule of events and publications, a shareholders' corner and the abridged or full financial statements.

Meetings

Accor arranges meetings with its shareholders all year long. It conducts roadshows in Europe, the United States and in Asia. It also hosts individual shareholders meetings outside of Paris (in collaboration with Euronext and the French Federation of Investment Clubs) and meetings with Investment Clubs. Accor also attends the Bourse "Actionaria" annual trade show, a special meeting place for individual shareholders and listed companies. Last 17th and 18th of November, Accor's booth received around 1,800 visitors. They especially appreciated the warm welcome extended to them as well as the documents provided and the answers to their questions.

COB

Pursuant to regulation 98-01, France's *Commission des Opérations de Bourse* registered this disclosure document on 27 April 2001 under number R.01 - 154. It may only be used to support a financial operation when accompanied by a transaction note approved by the *Commission des Opérations de Bourse*. This disclosure document was drawn up by the issuer and renders its signers liable. This registration was performed following a review of the pertinence and consistency of the information provided on the company's financial condition, but it does not carry the authentication of the accounting and financial items presented therein.

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