Financial Statements

2001

ACCOR

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Business Review

With 147,000 employees in 140 countries, Accor is the European leader and a global operator in its two core businesses, **Hotels** and **Services**, as well as in such related lines of business as travel agencies, casinos, restaurants and onboard train services.

Hotels

Accor is the world's third largest hospitality group, according to the MKG Conseil hotel database (May 2001 figures), with 3,654 properties and 415,769 rooms in 84 countries at December 31, 2001. Our unique position in the global hospitality industry is based on a presence across all market segments, from economy lodging to luxury hotels. We are a leading operator in the economy segment, with the Ibis, Etap Hotel, Formule 1, Red Roof Inns and Motel 6 chains, as well as in business and leisure hotels through the Sofitel, Novotel and Mercure chains, the Coralia (resorts), Atria (conference centers) and Thalassa (spas) brands, and Parthenon (flat hotels) in Brazil.

Our unique positioning is also derived from the global presence of our brands, which express our expertise around the world. According to the MKG Conseil database (February 2002 figures), we are the largest hospitality group in Europe, with a network of 202,128 rooms accounting for 49% of the room base at December 31, 2001. Another 32% of our rooms are offered in North America, while Latin America accounts for 4%, Africa and the Middle East 4% and the Asia-Pacific region 11%.

Geographical breakdown of the hotel portfolio at December 31, 2001

	France		Europe (excl. France)		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	41	*6,954*	31	*5,519*	8	*2,632*	11	*2,032*	21	*4,069*	39	*8,411*	151	*29,617*
Novotel	125	*15,947*	113	*18,930*	6	*1,834*	14	*1,884*	13	*2,160*	70	*17,125*	341	*57,880*
Mercure	296	*27,277*	174	*22,130*	-	-	83	*8,814*	23	*2,988*	79	*11,218*	655	*72,427*
Ibis	327	*28,877*	210	*25,395*	-	-	15	*1,871*	12	*1,357*	19	*3,371*	583	*60,871*
Etap Hotel	172	*12,722*	63	*5,048*	-	-	-	-	-	-	1	*120*	236	*17,890*
Formule 1	284	*21,179*	42	*3,020*	-	-	1	*300*	24	*1,667*	12	*993*	363	*27,159*
Red Roof Inns	-	-	-	-	360	*39,563*	-	-	-	-	-	-	360	*39,563*
Motel 6	-	-	-	-	852	*90,276*	-	-	-	-	-	-	852	*90,276*
Other	16	*1,835*	42	*7,295*	1	*242*	-	-	23	*3,348*	31	*7,366*	113	*20,086*
Total	**1,261**	***114,791***	**675**	***87,337***	**1,227**	***134,547***	**124**	***14,901***	**116**	***15,589***	**251**	***48,604***	**3,654**	***415,769***
Total in %	35%	*28%*	18%	*21%*	34%	*32%*	3%	*4%*	3%	*4%*	7%	*11%*	100%	*100%*

A third aspect of our unique positioning concerns the diversity of our type of operation. Most hotels are operated directly, with 65% of rooms being owned or leased, while another 19% are operated under management contracts and 16% are franchised.

We believe that supporting our global brand presence across all market segments, with appropriate type of operation, is critical to maintaining a balanced hotel portfolio capable of mitigating cyclical exposure.

Breakdown of the hotel portfolio by type of operation at December 31, 2001

	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	26	*3,849*	39	*8,877*	77	*14,538*	9	*2,353*	151	*29,617*	*7%*
Novotel	65	*9,324*	142	*21,368*	95	*21,495*	39	*5,693*	341	*57,880*	*14%*
Mercure	63	*7,414*	198	*25,835*	219	*25,015*	175	*14,163*	655	*72,427*	*17%*
Ibis	139	*15,278*	210	*25,879*	54	*6,858*	180	*12,856*	583	*60,871*	*15%*
Etap Hotel	72	*5,224*	85	*6,774*	6	*559*	73	*5,333*	236	*17,890*	*4%*
Formule 1	218	*15,948*	131	*10,255*	3	*231*	11	*725*	363	*27,159*	*7%*
Red Roof Inns	102	*12,294*	158	*18,040*	-	-	100	*9,229*	360	*39,563*	*10%*
Motel 6	229	*25,546*	492	*56,019*	1	*59*	130	*8,652*	852	*90,276*	*22%*
Other	7	*1,473*	10	*1,411*	57	*10,501*	39	*6,701*	113	*20,086*	*4%*
Total	**921**	***96,350***	**1,465**	***174,458***	**512**	***79,256***	**756**	***65,705***	3,654	*415,769*	*100%*
Total in %	25%	*23%*	40%	*42%*	14%	*19%*	21%	*16%*	100%	*100%*	

Services

Accor is the world's leading issuer of service vouchers for public and private sector employees. Present in 31 countries with 13 million daily users, Accor Services counted 345,000 corporate customers and 1,000,000 affiliates at December 31, 2001. Its product range provides employers with efficient solutions for being employee-friendly, while reducing their operating costs.

The business' core product is Ticket Restaurant, the meal voucher created in the late sixties to enable employers who did not have staff restaurant to offer employees a subsidized lunch. Since then, the voucher principle has been extended to a broad array of services, which are today delivered by five product families:

• Food Vouchers offer a flexible, cost-effective alternative to in-house canteens or cafeterias (Ticket Restaurant, Ticket Alimentation, Luncheon Vouchers).

• Personal Assistance and Services contribute to employee well-being by facilitating support programs (Ticket Emploi Domicile, Familylife Solutions, Americare) or childcare services (Childcare Vouchers).

• Expense Management offers practical solutions to manage employee business expenses, in particular those related to company cars (Ticket Car, Ticket Combustible) and uniform cleaning (Clean Way).

• Public Sector Services improve the effectiveness of public assistance programs, by helping people purchase basic necessities and providing transportation for jobseekers.

• Incentives/Events cover a variety of employee incentive and award programs (Top Premium, Suprême Award, Incentive House).

The service voucher principle works as follows. Companies or institutions purchase vouchers from Accor at face value plus a service commission. They then sell the vouchers on to their employees at a price lower than face value and, in most countries, benefit from a tax rebate, whose amount varies according to local legislation (€4.60 in France since January 1, 2002). The employee spends the vouchers at face value at affiliated restaurants or service providers, which redeem the vouchers for the face value less a refund commission. Between the time Accor is paid the value of the vouchers sold and the time it repays the affiliate, the funds are invested and generate interest income, which, in addition to the service and refund fees, constitutes the business' revenue.

Service vouchers have demonstrated their economic and social usefulness in both developed and emerging markets. Since 1995, Accor Services has been transitioning the vouchers from paper to magnetic strip or smart cards, which are easier to use, more secure and less costly to manage. At year-end 2001, there were nearly 885,000 users of Accor Services cards, primarily in Brazil, Argentina, France, Sweden and Italy.

Other activities

Travel agencies

Through its 50% interest in Carlson Wagonlit Travel, Accor is the world's second largest provider of business travel services, in terms of traffic booked. The joint venture was created in January 1997 by the merger of Accor's travel services business and US-based Carlson Companies, following on from the business agreement signed in 1994. It operates in 140 countries worldwide, advising large international companies and organizations of all sizes on implementation of their travel policies and management of their business travel expenses. Growth is being driven by new technologies and high-value added services, with a B2B portal offering customers direct access to information, online booking and travel expense statistics.

Casinos

France's third largest casino operator, Accor is committed to becoming a European leader in this business with its financial partner, Colony Capital. As part of this strategy, Colony Capital plans to acquire, in the course of first-half 2002, a 50% interest in Accor Casinos, with Accor retaining responsibility for the company's management. The transaction will further enhance Accor Casinos' credibility with local authorities, while strengthening the company's financial resources to drive successful implementation of its strategic vision. As of December 31, 2001, Accor managed a total of 16 casinos, including one in Belgium and another in Malta. Two new concessions were recently awarded in Switzerland.

Restaurants

Accor is active in all segments of the gourmet food industry through its Lenôtre subsidiary. As our world famous luxury brand, Lenôtre provides premium catering services and manages a chain of 40 boutiques in eight countries, including Germany, the United States, Japan, South Korea and Kuwait. In France, the company operates eight boutiques, manages three prestigious restaurants in Paris, including Pré Catalan and Pavillon de l'Elysée, and trains nearly 3,000 food service professionals in its school every year. It currently boasts ten employees awarded Meilleur Ouvrier de France status, a wine steward who was elected the World's Best Sommelier in 2000, and a portfolio of more than 30,000 recipes. In 2001, synergies between Lenôtre and our hotel restaurants were actively developed throughout the year. The Restaurants business also includes managed food services in Italy through the Gemeaz Cusin subsidiary and in Brazil as part of a joint venture with Britain's Compass.

Onboard train services

Accor is the European leader in food services onboard trains, via its Compagnie des Wagons-Lits subsidiary. The company is especially active on railways in Southern and Northern Europe, where it helps enhance the travel experience with dining and sleeping car services.

Employees of managed activities

	1999	2000	2001
Hotels	**90,546**	**101,317**	**102,067**
Services	**3,548**	**3,933**	**3,449**
Other activities			
Travel agencies	7,015	7,702	8,083
Casinos	1,123	1,448	1,802
Restaurants	19,811	22,557	20,805
Onboard train services	4,816	5,130	5,115
Other	1,991	3,260	5,427
Total	**128,850**	**145,347**	**146,748**

Analysis of 2001 Results

Despite a challenging market environment, Accor reported sustained growth in its financial results in 2001, demonstrating the effectiveness of the strategy implemented in recent years.

Business volume

Business volume corresponds to revenues from all businesses managed by Accor. The total includes revenues generated by subsidiaries, revenues of hotels managed under contract, the total face value of service vouchers issued by the Group, the total face value of tickets issued by the travel agencies (50% in the case of Carlson Wagonlit Travel) and managed food services revenues. Activity volume totaled €20,775 million in 2001, virtually unchanged from the previous year's €20,767 million.

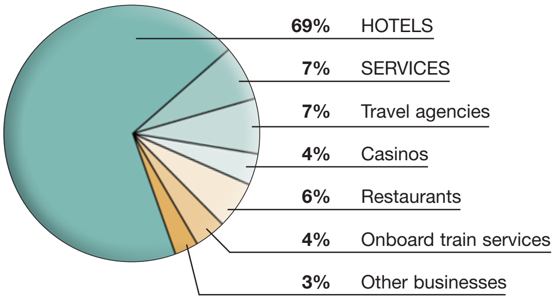
Consolidated sales

Consolidated sales rose 4.0% in 2001, to €7,290 million from €7,007 million the year before.

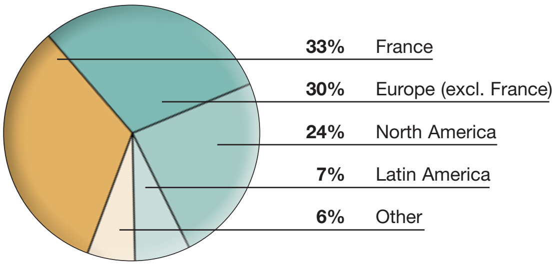
Business volume by activity

in € millions	1999	2000	2001	% change 2001/2000
HOTELS	**4,735**	**6,156**	**6,341**	**+3.0%**
Business and leisure	3,016	3,926	3,978	+1.3%
Economy	813	938	1,045	+11.4%
Economy US	906	1,292	1,318	+2.0%
SERVICES	**5,615**	**6,956**	**7,477**	**+7.5%**
Other activities				
Travel agencies	4,988	5,950	5,346	-10.2%
Casinos	185	243	302	+24.4%
Restaurants	489	542	482	-11.1%
Onboard train services	330	333	267	-19.7%
Car rental	396	-	-	-
Other	508	587	560	-4.6%
Total	**17,246**	**20,767**	**20,775**	**+0.04%**

2001 sales by activity



2001 sales by region



The increase broke down as follows:

- Like-for-like: +2.5%
- Expansion: +5.8%
- Currency effect: -0.7%
- Disposals (mainly Courtepaille): -3.5%

Sales by activity

in € millions	1999	2000	2001	% change 2001/2000
HOTELS	**3,747**	**4,739**	**5,052**	**+6.6%**
Business and leisure	2,052	2,525	2,704	+7.0%
Economy	793	922	1,022	+11.3%
Economy US	902	1,292	1,326	+2.6%
SERVICES	**361**	**437**	**498**	**+14.0%**
Other activities				
Travel agencies	434	531	499	-5.9%
Casinos	185	243	302	+24.6%
Restaurants	489	542	472	-13.1%
Onboard train services	330	333	277	-16.4%
Car rental	396	-	-	-
Other	163	182	190	+2.4%
Total	**6,105**	**7,007**	**7,290**	**+4.0%**

Hotels

Occupancy rates and revenue per available room (RevPAR) grew at a satisfactory rate in all segments, despite the extremely difficult market conditions. Including the contribution of newly-opened and newly-acquired properties, total hotel revenues expanded 6.6% to €5,052 million.

RevPAR, defined as occupancy times average room rate, rose sharply in the Economy segment in Europe, reflecting an increase in average room rates.

Breakdown of cumulative RevPAR at December 31, 2001 by hotel segment

Hotels	Occupancy rate (%)	Occupancy rate (change in points)	Average room rate (% change)	RevPAR (% change)
Business and leisure Europe	65.2%	-2.0	+3.9%	+0.9%
Economy Europe	75.2%	-0.3	+6.1%	+5.7%
Economy US	66.4%	-0.3	-1.4%	-1.8%

Cumulative RevPAR at December 31, 2001 by market

(in local currency)	Number of rooms (directly-operated and managed)	Occupancy rate (% change)	Occupancy rate (change in points)	Average room rate (% change)	RevPAR (% change)
France	81,859	72.0%	-1.0	+4.9%	+3.5%
Germany	28,428	65.8%	-2.0	+2.6%	-0.5% (1)
United Kingdom	8,009	73.1%	+1.2	-1.8%	-0.2% (2)
Netherlands	5,173	75.4%	-2.2	+3.0%	+0.1%
Belgium	5,067	69.7%	-1.4	+2.7%	+0.6%
Italy	3,174	66.9%	+0.7	+5.5%	+6.6%
Hungary	3,169	60.5%	-4.5	-2.5%	-9.3%
United States (business and leisure)	3,110	62.0%	-6.0	-6.2%	-14.5%

(1) Excluding expansion: -0.1%
(2) Excluding expansion: +1.9%

In the **Business and Leisure Hotels** segment (Sofitel, Novotel, Mercure), RevPAR edged up 0.9% in Europe, while total revenues climbed 7.0% to €2,704 million. Like-for-like growth stood at 1.0%, with business development initiatives increasing revenues by 8.4% and changes in exchange rates trimming 0.6% from the total.

RevPAR held up extremely well in the **Europe Economy Hotels** segment (Ibis, Etap Hotel and Formule 1), rising 5.7%. Revenues totaled €1,022 million, an increase of 11.3%. Like-for-like growth came to 4.7%, with business development adding 7.8%.

In the **Economy Hotels US** segment (Accor Economy Lodging), which includes the Motel 6 and Red Roof Inns chains, RevPAR contracted by 1.8%, reflecting the impact of the economic downturn and the events of September 11. Revenues expanded 2.6% to €1,326 million, as the 2.4% like-for-like decline was offset by 4.1% growth generated by business development and a 3.0% positive impact of the stronger dollar against the euro.

Services

Services revenues totaled €498 million in 2001, up 14.0% on the previous year. Like-for-like growth was an even higher 18.4%. Changes in exchange rates had a negative impact of 5.5%, primarily due to the decline in the Brazilian real.

The business performed extremely well in several countries, including France and Italy where issued volumes continued to grow. Performance in Latin America was also driven by higher volumes, notably in Venezuela where issued volumes rose sharply during the year. In Brazil, revenues expanded 14.0% like-for-like.

Other activities

Travel agencies

The travel agencies issued €10,692 million worth of tickets in 2001, down 10.2% on 2000. Revenues, corresponding to ticket sale, car rental and hotel booking commissions, service fees and margins on vacation package sales, contracted by 5.9% to €499 million.

Casinos

Accor Casinos revenues amounted to €302 million, up 24.6% on a reported basis and 9.8% like-for-like.

Restaurants

Restaurant revenues declined 13.1% to €472 million, primarily as a result of the disposal of Courtepaille in December 2000.

Onboard train services

Onboard train services revenues contracted by 16.4% to €277 million, following the December 2000 disposal of the technical service workshops in Belgium and Italy. Excluding the effect of these divestments, revenues grew 6.7% year-on-year.

Ebitdar

Ebitdar (earnings before interest, tax, depreciation, amortization and rental expense) represents a key performance indicator. In 2001, it improved by €80 million to €1,971 million, from €1,891 million the previous year. The 4.2% increase broke down as follows:

- Like-for-like:	+1.1%
- Expansion:	+4.6%
- Currency effect:	+0.3%
- Disposals (mainly Courtepaille):	-1.8%

Ebitdar by activity

in € millions	1999	2000	2001	% change 2001/2000
HOTELS	**1,221**	**1,557**	**1,631**	**+4.8%**
Business and leisure	542	677	727	+7.6%
Economy	297	346	387	+11.8%
Economy US	382	534	517	-3.3%
SERVICES	**141**	**146**	**206**	**+40.3%**
Other activities				
Travel agencies	36	50	36	-26.1%
Casinos	37	50	58	+15.1%
Restaurants	40	50	31	-38.3%
Onboard train services	13	32	13	-57.8%
Car rental	60	-	-	-
Other businesses and headquarters	12	6	- 4	N/S
Total	**1,560**	**1,891**	**1,971**	**+4.2%**

Ebit

Ebit, corresponding to Ebitdar less depreciation, amortization of intangible assets other than goodwill and rental expenses, amounted to €830 million in 2001 versus €847 million the previous year.

in € millions	1999	2000	2001	% change 2001/2000
Ebitdar	**1,560**	**1,891**	**1,971**	**+4.2%**
Rental expenses	(478)	(616)	(698)	-
Depreciation, amortization and provisions	(359)	(428)	(443)	-
Ebit	**723**	**847**	**830**	**-2.0%**

Profit before tax

Profit before tax, corresponding to Ebit less net interest expense plus income from companies accounted for by the equity method, edged up 0.9% to €758 million.

in € millions	1999	2000	2001	% change 2001/2000
Net interest expense	(143)	(121)	(92)	-
Income from companies accounted for by the equity method	15	25	20	-
Profit before tax	**595**	**751**	**758**	**+0.9%**

The 0.9% increase in profit before tax broke down as follows:

- Like-for-like: +4.4%
- Expansion: -1.2%
- Currency effect: -0.7%
- Disposals (mainly Courtepaille): -1.6%

Net interest expense amounted to €92 million, after taking into account €42 million in non-interest revenues, including €28 million worth of exchange gains, primarily realized on capital transactions in the United States.

Income from companies accounted for by the equity method totalled €20 million versus €25 million in 2000. This item corresponds mainly to the contribution of 35%-owned SHCD (Société des Hôtels et Casino de Deauville) and 25%-owned Orbis in Poland.

Net income, Group share

in € millions	1999	2000	2001	% change 2001/2000
Profit before tax	**595**	**751**	**758**	**+0.9%**
Gains and losses on disposals of hotel properties	18	19	29	-
Gains and losses on disposals of other assets	(29)	23	66	-
Amortization of goodwill	(68)	(96)	(102)	-
Income taxes	(222)	(256)	(246)	-
Exceptional items (net of tax)	82	35	-	-
Minority interests	(24)	(28)	(31)	-
Net income, Group share	**352**	**447**	**474**	**+6.0%**

Gains and losses on disposals of hotel properties, corresponding to sales carried out in the normal course of managing the hotel portfolio, totaled €29 million in 2001 compared with €19 million the previous year. Sales of hotel buildings in Europe netted gains of €23 million, while sales of non-strategic hotels (buildings and business) generated a further €10 million.

Gains and losses on disposals of other assets, in the amount of €66 million, include a €60 million gain on the sale of Compass shares and a €9 million gain on the sale of a 6% stake in Accor Casinos.

Income taxes came to €246 million. The effective tax rate (expressed as a percentage of income before exceptional items and tax) stood at 31.3% versus 33.2% in 2000.

After deducting minority interests of €31 million, **net income, Group share**, came to €474 million, an increase of 6% on 2000.

Earnings per share rose 5.3% to €2.40, based on the weighted average number of shares outstanding in 2001 (197,042,325 shares).

Cash flow

in € millions	1999	2000	2001	% change 2001/2000
Operating cash flow	778	984	1,005	+2.1%
Renovation and maintenance expenditures	(431)	(422)	(405)	-
Free cash flow	347	562	600	+6.8%

Free cash flow increased 6.8% to €600 million. In 2001, development expenditures totaled €923 million and the proceeds of asset disposals amounted to €535 million, as follows:

Development expenditures, in € millions	
Hotels	669
Casinos	65
Tourism	38
Other	151
Total	**923**

Asset disposals, in € millions	
Hotel properties	357
Other	178
Total	**535**

Financial ratios

Gearing ratio

With shareholders' equity of €4,279 million and net debt of €2,849 million, the gearing ratio held more or less firm at 67% versus 64% at year-end 2000.

Adjusted operating cash flow/adjusted net debt

Adjusted operating cash flow corresponds to operating cash flow after adding back two-thirds of rental expenses. Based on the method used by the main rating agencies, the ratio of adjusted operating cash flow to adjusted net debt (net debt plus five times annual rental expenses) stood at 22.9% in 2001 compared with 23.4% in 2000.

Interest cover

Adjusted interest cover (corresponding to Ebitdar expressed as a multiple of interest expense plus one-third of rental expenses) improved to x 5.4 from x 5.1 in 2000.

Return on capital employed

Return on capital employed (ROCE), corresponding to Ebitdar expressed as a percentage of fixed assets at cost plus working capital, stood at 11.5% in 2001 versus 11.7% the previous year.

Excluding hotels under construction, ROCE stood at 11.9% versus 12.1%.
ROCE broke down as follows:

"ROCE" (Return On Capital Employed) by activity

	1999	2000	2001
HOTELS	**11.4%**	**11.9%**	**11.3%**
Business and leisure	10.3%	11.0%	10.5%
Economy	14.3%	14.6%	15.3%
Economy US	10.9%	11.4%	10.0%
SERVICES	**23.5%**	**19.7%**	**25.8%**
Other activities			
Travel agencies	3.8%	5.0%	3.0%
Casinos	16.9%	16.9%	16.6%
Restaurants	13.7%	14.7%	11.9%
Onboard train services	4.6%	13.6%	7.5%
Consolidated ROCE	**11.2%**	**11.7%**	**11.5%**

Value creation

Economic value added is calculated as follows:
(ROCE after tax – weighted average cost of capital) x capital employed.

Based on ROCE after tax of 9.0%, a weighted average cost of capital of 6.6% and capital employed of €11.7 billion, the economic value added (EVA) created by Accor totaled €291 million in 2001 versus €265 million in 2000.

Milestones

1967

• **Paul Dubrule** and **Gérard Pélisson** create SIEH.

• First **Novotel** hotel opens in Lille.

1974

• First **Ibis** hotel opens in Bordeaux.

• Acquisition of Courtepaille.

1975

• Acquisition of **Mercure**.

1976

• Operations are organized in Brazil.

1980

• Acquisition of **Sofitel** (43 hotels and two spa centers).

1981

• Initial public offering of SIEH shares on the Paris Bourse.

1982

• Acquisition of Jacques Borel International, European leader in managed food services (Générale de Restauration) and concession restaurants (Café Route, L'Arche), and world leader in the issuance of meal vouchers (**Ticket Restaurant**), with 165 million vouchers a year distributed in 8 countries.

1983

• Creation of **Accor** following the merger of Novotel SIEH Group and Jacques Borel International.

1985

• Creation of **Formule 1**, a new hospitality concept based on particularly innovative construction and management techniques.

• Creation of **Accor Academy**, France's first corporate university for service activities.

• Acquisition of **Lenôtre**, which owns and manages deluxe caterer boutiques, gourmet restaurants and a cooking school.

1988

• 100 new hotels and 250 restaurants are opened during the year, for an average of one a day.

1989

• Formule 1 expands outside France, with two properties in Belgium.

• Alliance formed with Groupe Lucien Barrière to develop hotel-casino complexes.

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

1990

• Acquisition of the **Motel 6** chain in the United States, comprising 550 properties. With its global brands, Accor becomes the world's leading hospitality group, in terms of hotels owned or managed (excluding franchises).

1991

• Successful public offer for **Compagnie Internationale des Wagons-Lits et du Tourisme**, which is active in hotels (Pullman, Etap, PLM, Altea, Arcade), car rental (Europcar), onboard train services (Wagons-Lits), travel agencies (Wagonlit Travel), managed food services (Eurest) and highway restaurants (Relais Autoroute).

1993

• Accor Asia Pacific Corp. is created by the merger of Accor's Asia-Pacific businesses with Quality Pacific Corp.

• Interest acquired in the Pannonia chain (24 hotels), as part of Hungary's privatization program.

• Launch of the **Coralia** brand for resort hotels.

1994

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

1995

• Eurest is sold to Compass, making Accor the largest shareholder in the world's leading food services company.

• Expansion of the service vouchers business helps to double the market in three years, to 10 million users a day.

• Disposal of 80% of the concession restaurants business.

• Introduction of an extensive training and communication program to improve **environmental protection**.

1996

• Accor becomes the market leader in the Asia-Pacific region, with 144 hotels in 16 countries and 56 projects under construction.

• Management of the Ibis, Etap Hotel and Formule 1 chains is consolidated within Sphere International.

• Launch of the "**Compliment Card**" in partnership with American Express.

1997

• Accor changes its corporate governance system. Paul Dubrule and Gérard Pélisson become Co-Chairmen of the Supervisory Board, while **Jean-Marc Espalioux** is appointed Chairman of the Management Board.
The "**Accor 2000**" project is launched in a commitment to revitalizing growth and deploying breakthrough technology.

• Carlson and Wagonlit Travel merge to form Carlson Wagonlit Travel, owned equally by Accor and Carlson Companies.

• Public offer made for all outstanding shares of Accor Asia Pacific Corp.

• Acquisition of a majority interest in SPIC, renamed **Accor Casinos**.

• Partial disposal of the interest in Compass.

• Disposal of the remaining investments in concession restaurants.

1998

• Bid for Accor Asia Pacific Corp. successfully completed, making the company a wholly-owned Accor subsidiary.

• Acquisition of the Dutch hotel chain Postiljon.

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

• Development of new partnerships, with Air France, French National Railways, American Express, Crédit Lyonnais, Danone, France Telecom, Cegetel and others.

1999

• The hotel network grows by 22% with 639 new properties, partly due to the acquisition of **Red Roof Inns** in the United States.

• Deployment of the Internet strategy.

2000

• Accor, official partner of France's National Olympics Committee, is present for the Olympic Games in Sydney.

• 254 new hotels, including 12 Sofitel properties, are opened during the year.

• Launch of **accorhotels.com**

• Brand logos are redesigned to highlight the Accor name, raising international visibility and public awareness.

• The **Meal Service Card** is introduced in China.

• Accor sells 80% of Courtepaille restaurants.

2001

• Faster development of global brand awareness and visibility through the launch of an advertising campaign based on a consistent visual identity and advertising architecture.

• Broader presence in the Chinese hospitality market in partnership with Zenith Hotel International and Beijing Tourism Group.

• Sustained development of the Services business in the fast growing market for employee assistance programs, with the acquisition of Employee Advisory Resource Ltd. in the United Kingdom.

• **Suitehotel** launched in Europe.

• Accor improves its rating with **Arese**, a European social and environmental rating agency, while its stock is included in the **ASPI Eurozone** and **FTSE4Good** socially responsible indexes.

Outlook and Strategy

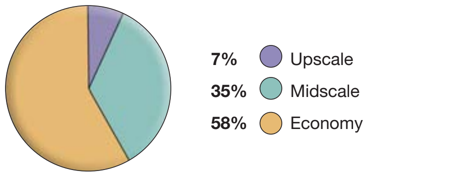
Hotels

The effectiveness of the Accor business model was amply demonstrated in last year's difficult environment, when the travel and tourism industry was adversely affected in the second half by the economic slowdown in the United States and the tragic events of September 11. It should deliver even better results once the economy starts to pick up since the businesses that hit hardest by the slowdown will be the first to benefit from the recovery.

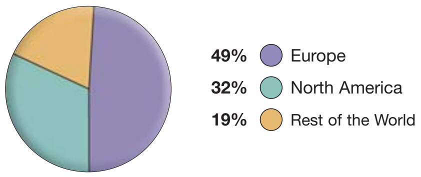
The model focuses on striking a balance between both the various geographic sources of revenue and the different businesses' sensitivity to economic cycles. A similar balance is maintained between directly-operated hotels, where we invest our own capital, and businesses not requiring any capital investment (franchise operations and hotels managed under contract), allowing risks to be managed more effectively.

A well-balanced hotel portfolio

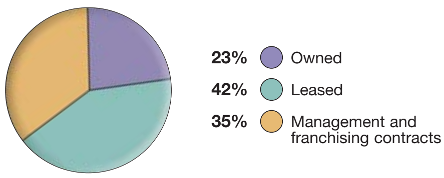
▶ Range of Accor brands adapted to each market segment



▶ Global presence fitting with worldwide demand

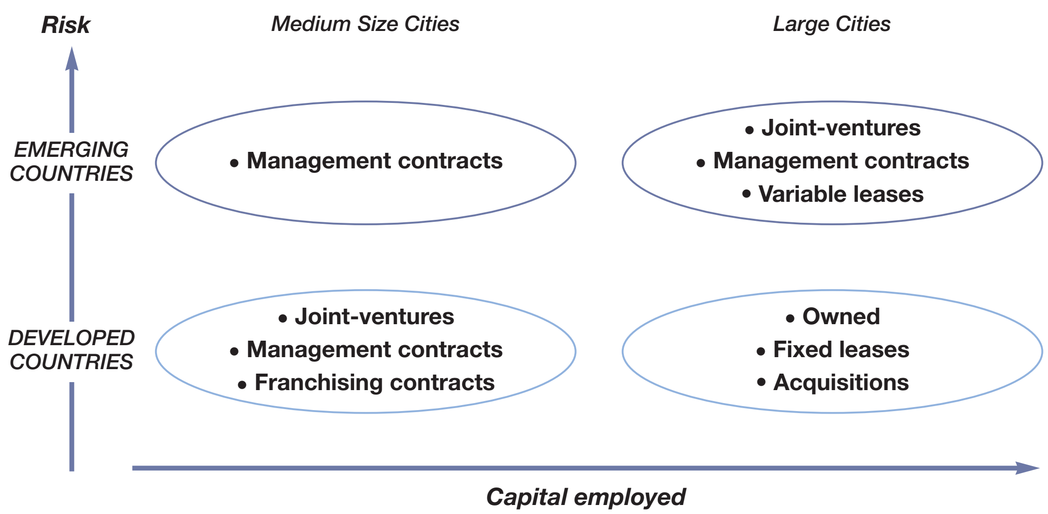


▶ Various types of operation



The related financial strategy, which focuses on raising appropriate forms of financing, helps to support business growth. It is designed to maximize shareholder value, notably by increasing earnings per share, while keeping risks to a minimum and maintaining financial ratios at appropriate levels.

Allocation of resources



The policy concerning rental expenses consists of paying fixed rentals, wherever possible, in developed countries and for hotels in the economy and mid-price ranges, to mirror the overall stability of the related revenues. In emerging countries and for premium hotels, variable rentals may be negotiated, to take account of the generally more volatile revenue streams.
One of the drivers of profitable growth is the sustained development of the hotel base. In 2002 and subsequent years, we plan to add around 25,000 rooms per year, excluding acquisitions. This fast pace will be underpinned by our ability to integrate the new projects into existing chains, benefitting from sales, marketing and distribution processes, using common resources in terms of construction techniques and centralized purchasing systems.

2002 expected organic growth: 224 hotels (25,116 rooms)

Sofitel	Novotel	Mercure
14 hotels	**22 hotels**	**42 hotels**
Montreal, Washington D.C., Chicago, Buenos Aires, London, Venice, Marseilles, Shanghai, Marrakech, Sydney…	*Berlin, Krakow, Budapest, Turin, Barcelona, Seville, Wellington…*	*São Paolo, Porto Alegre, Berlin, Hamburg, Rome, Bangkok, Kuta Bali…*

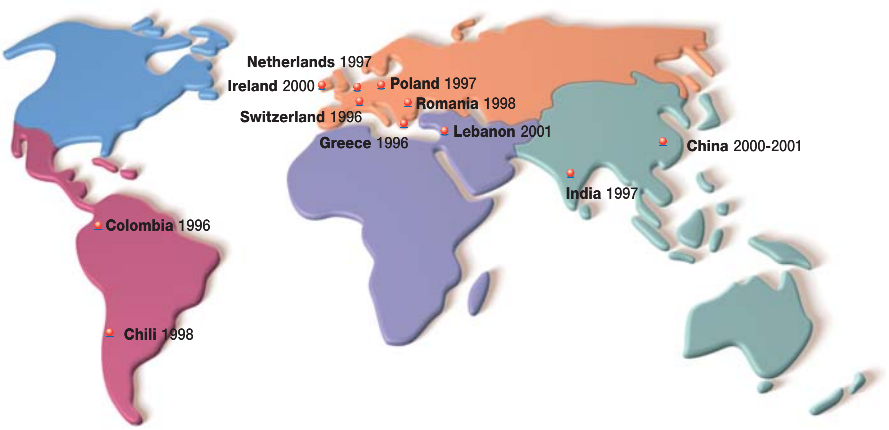
Ibis	**55 hotels**
Etap	**45 hotels**
Motel 6	**25 hotels**
Formule 1	**9 hotels**
Red Roof Inns	**7 hotels**

Services

Expansion in the Services business is being led by a strategy with three facets. First, every year, we enter new geographic markets, such as China in 2000 (Beijing) and 2001 (Shanghai) and Lebanon in 2001. Second, new products are being developed for marketing alongside the traditional offering. And third, products are being extended to new customers, such as government workers in France and Italy.

Services: new markets, new products, new clients

▶ New markets



▶ New products

Represent 19% of sales in 2001 vs. 0.5% in 1996

Clean Way · Incentive · People Care

▶ New clients

Opening of Ticket Restaurant to public institutions and government workers in France and Italy.

Ticket Restaurant · Ticket Alimentação

Sensitivity Assumptions and Analysis
for 2002

The 2002 budget is based on certain assumptions concerning the rate of growth in revenues per available room (RevPAR), future interest rates and exchange rates. The RevPAR growth assumptions are based on the anticipated return to more normal market conditions as of the second half of 2002 and a certain improvement in the US economy, followed by a recovery in Europe.

These assumptions have been tested by performing sensitivity analysis to measure the impact of a change in assumptions on profit before tax.

For 2002, it has been assumed that RevPAR will increase by 2.4% in the business and leisure hotels segment in Europe, 3.6% in the economy hotel segment in Europe and 0.3% in the economy hotel segment in the United States. The impact on profit before tax of a one point increase or decrease in actual growth rates compared to these assumptions would be €14 million, €9 million and €11 million respectively.

2002 budget assumptions

RevPAR	**Q1 02**	**Q2 02**	**Q3 02**	**Q4 02**	**2002**
Business and leisure Europe	-4.7%	-0.2%	+5.0%	+9.1%	**+2.4%**
Europe economy hotels	+3.3%	+3.8%	+3.6%	+3.8%	**+3.6%**
US economy hotels	-5.9%	-1.4%	+3.6%	+4.8%	**+0.3%**

Budget assumptions for the Services business are based on 10.2% growth in like-for-like issuing volume.

Interest rate assumptions, for 3-month floating rates, are 3.25% for borrowings in euros and 2.45% for borrowings in dollars. The impact on profit before tax of a 50 basis point increase or decrease in these rates would be €3 million for euro-denominated debt and €4 million for borrowings in dollars.

Lastly, the budget has been prepared on the basis of a euro/dollar exchange rate of $0.95. The impact on profit before tax of a 5-cent increase or decrease in the exchange rate would be €6 million.

2002 budget assumptions		Sensitivity analysis	
Interest rate (3 month floating rate)		**Impact on PBT of 50 basis point change in interest rates**	
• Europe	3.25%	• Euro debt	€3.0 M
• USA	2.45%	• US debt	€4.0 M
Foreign currency		**Impact on PBT of 5 cents change in currency**	
• EUR / USD	$0.95		€6.0 M

Risk Factors

Interest rate and currency risks

A variety of financial instruments, including swaps, caps and forward purchases and sales of foreign currencies, are used to manage interest rate and currency risks arising in the normal course of business. Risk management policies are based on three core principles: protection, liquidity and cost-effectiveness. Interest rate and currency risks are managed by the Group Treasury and Financing unit of the Group Finance and Investments department. Financial instruments are used to support Group investment, financing and hedging policies, to help manage debt and to minimize risks on commercial transactions.

Investment policy

When the Accor SA parent company invests directly or indirectly in a foreign subsidiary, the investment is generally made in the subsidiary's local currency. These are very long-term positions and consequently the currency risk is not hedged.

Short-term financing

Being an internationally-recognized signature allows Accor to raise various forms of short-term financing on the markets, through "billets de trésorerie" (commercial paper) programs in France, euro commercial paper programs on the London market and commercial paper programs in the United States.
From time to time, we also take advantage of market opportunities by raising short-term financing in a given currency and at a given rate of interest and then using a swap to convert the facility into the currency and interest rate required to finance our business needs. This use of swaps represents an effective method of reducing our borrowing costs.

Hedging of interest rate risks

Group borrowings include both fixed rate debt and floating rate debt indexed to the Libor, the Euribor or other benchmarks. Target breakdowns between fixed and floating rate debt are determined currency by currency, giving due regard to anticipated trends in interest rates. Changes in the composition of debt, due to new borrowings and the repayment of existing borrowings, are monitored in relation to these targets.
The targets are reviewed at regular intervals and new targets are set for future periods by senior management. The related financing strategy is implemented by Group Treasury and Financing.
The most commonly-used instruments are interest rate swaps. The contracts are entered into with banks that have high-quality credit ratings. The contracts are based on the model recommended by the French Banking Association (AFB), which is consistent with the models used internationally.

Hedging of currency risks

Currency risk hedging primarily concerns the travel agency business and is based on identified underlyings (outstanding invoices). Hedges generally consist of forward purchases and sales of foreign currencies.
There is little need to hedge currency risks in our other businesses because the volume of intercompany transactions in foreign currencies is limited and revenues are denominated in the same currency as the related costs.

In summary, Accor does not conduct any trading transactions and has no plans to develop this type of activity. Neither the Company nor the Group has any open currency or interest rate positions that would be likely to expose the Group to significant risks.

Legal risks

Accor and its subsidiaries have operations in a large number of countries and are subject to local regulations governing their hotel, restaurant, service voucher, travel agency, tour operator and casino businesses. They are therefore required to comply with local standards and to obtain the necessary licenses and permits for their businesses. For example, in each country:

• The hotel businesses are required to comply with the regulations applicable to establishments open to the public.

• The service offer has to be tailored to local tax and labor laws and other legal requirements governing the issue of service vouchers.

• Licenses and permits have to be obtained from the local authorities to conduct the travel agency business or to operate casinos.

Details of directly-operated owned and leased hotels and hotels managed under contract are provided on page 3.

Information concerning recent or current claims and litigation that may have a material impact on the Group's financial position or results is provided in note 31 to the consolidated financial statements (page 58).

Environmental risks

Potential environmental risks in the hotel business mainly concern the risk of explosion due to the storage of gas in the hotels or nearby, the malfunction of a PCB transformer, the risk of land pollution by waste water or by a ruptured evacuation pipe and the risk of fire.

Accor's management teams and technical staff perform regular controls and the probability of these risks occurring is therefore very limited.

Insurance – risk coverage

Our businesses are conducted in a very large number of locations throughout the world and the loss of one facility would not materially affect the Group's financial condition.

Insurance policies adequately cover the potential losses that would be incurred by even the largest of the Group's hotels, including the rebuilding cost and operating losses, as well as any liability or compensation claims.

Under the Group's global insurance program, routine risks are largely self-insured, with all Group units sharing the related costs. Risks that are not self-insured are covered by internationally-recognized insurance companies.

The Risk Management department performs regular audits and appraisals of insurable risks, to ensure that they are adequately covered on a cost-effective basis, taking into account conditions in the insurance market.

The long-term insurance program offers significant protection to the Group:

• The program has limited the impact on 2002 insurance costs of the rate increases applied in the insurance and reinsurance markets following the events of September 2001.

• Accor will also continue to be covered against the risk of terrorist attacks on the Group's facilities, without any material curtailment of its coverage or any significant increase in premiums.

Ownership, Compensation and Directorships

Ownership structure

To the best of the Company's knowledge, as of December 31, 2001, no shareholder owned more than 5% of Accor's capital stock.

Employee share ownership

As of December 31, 2001, 1,574,170 Accor shares were held by employees, directly or indirectly through Employee Stock Ownership Programs, representing 0.79% of the Company's capital stock at that date.

Management compensation

The total compensation and benefits paid to officers of the Company by Accor SA and the various Group companies were as follows: Chairman of the Management Board: Jean-Marc Espalioux €1,679,579; Members of the Management Board: Sven Boinet €637,744; Benjamin Cohen €906,823; John du Monceau €848,884; Paul Dubrule €1,023,997; Chairman of the Supervisory Board: Gérard Pélisson €1,031,933; Members of the Supervisory Board: BNP Paribas €14,613; Isabelle Bouillot €27,701; CDC Participations €21,705; Etienne Davignon €33,697; Renaud d'Elissagaray €30,065; Jean-Marie Fourier €21,705; IFIL €16,977; Jérôme Seydoux €30,065; Maurice Simond €21,705; Société Générale €19,341.

The amounts disclosed for the Chairman and members of the Management Board correspond to the fixed and variable compensation paid to them in respect of 2001. The amounts disclosed for the Chairman and members of the Supervisory Board correspond to the compensation paid to them during 2001.

Functions of the members of the Supervisory Board and Management Board, and other directorships held in 2001

Co-Chairmen and Founders

Paul DUBRULE

Member of the Management Board of Accor.
Director of: Sogébail, Publications du Nouvel Economiste, Crédit Commercial de France, Cetelem

Gérard PÉLISSON

Chairman of the Supervisory Board of Accor.
Vice-Chairman of the Supervisory Board of Ohada.com
Member of the Supervisory Boards of Billon Mayor et Cie, Lenôtre.
Director of Publications du Nouvel Economiste, Société d'Investissements Fonciers de Provence, Société Française d'Etudes de Développement et d'investissement, Société du Golf du Médoc Pian.
Permanent representative of VTP 6 on the Board of Banque Transatlantique and of Accor on the Board of Société Foncière du Golf.

Management Board

Jean-Marc ESPALIOUX

Chairman of the Management Board of Accor.
Member of the Supervisory Board of Vivendi Environnement.
Director of Air France, Vivendi Universal, Fiat France.
Chairman and Chief Executive Officer of Accor.com.

Sven BOINET

Member of the Management Board of Accor.
Chairman of the Board of Directors of Accor Casinos.
Chairman and Chief Executive Officer of S.A.D.T Carnac and IBL.
Director of Société des Hôtels et Casino de Deauville (SHCD), Ifop, SA du Dinard Golf.
Permanent representative of Accor on the Boards of Accor Afrique, Accor.com, Société de Gestion du Press Club de France.
Permanent representative of IBL on the Board of SPIM, of PIH on the Board of SEORIM and of Saminvest on the Board of Go Voyages.

Benjamin COHEN
Member of the Management Board of Accor.
Permanent representative of Accor on the Supervisory Boards of Financière Courtepaille, Lenôtre.
Permanent representative of Accor on the Board of: Société des Hôtels et Casino de Deauville, Accor Casinos, Accor Services France, Devimco, IBL, Seorim, SFPIE, STI, UTH, SACT.
Permanent representative of Compagnie Internationale des Wagons-Lits et du Tourisme on the Board of WL Diffusion.
Permanent representative of Saminvest on the Board of Accor.com, of Sodetis on the Board of Go Voyages and of SPIF on the Board of Société de Gestion du Press Club de France.
Chairman of Custom Publishing France.

John du MONCEAU
Member of the Management Board of Accor.
Director of Europcar International.
Chairman and Chief Executive Officer of Accor Services France.
Permanent representative of Accor Reservation Services on the Board of Accor.com.

Supervisory Board

Étienne DAVIGNON
Vice-Chairman of the Supervisory Board of Accor.
Director of Suez, Pechiney.
Directorships outside France:
In Belgium: Chairman of Compagnie Internationale des Wagons-Lits et du Tourisme and Sibeka, Vice-Chairman of Société Générale de Belgique, Petrofina, Tractebel, Fortis, Umicore, Director of Compagnie Maritime Belge, Sidmar, Sofina, Solvay, Recticel, Biac.
Director of Gilead Sciences, IDG (U.S.A), Member of the Supervisory Board of BASF (Germany), Director of Anglo American (United Kingdom), Vice-Chairman of Arbed (Luxembourg).

BNP-PARIBAS
Director of: ACFI, AGF Actions, Airinvest, ANSA, Antin Bail (SNC), Antin Gestion, Assurance Médiforce, Assuvie, B*Capital, Banque Financière Cardif, Banque Franco-Roumaine, Banque Franco-Yougoslave, Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire, Banque Internationale pour le Commerce et l'Industrie du Gabon, Banque Internationale pour le Commerce et l'Industrie de la Guinée, Banque Internationale pour le Commerce, l'Industrie et l'Agriculture du Burkina, BNP Emergis, BNP Obli-Associations, BNP-Paribas Épargne Entreprise-BNP 2°, BNP-Paribas Equities France, BNP-Paribas Développement, BNP-Paribas Guadeloupe, BNP-Immobilier, BNP-Paribas Martinique, BNP-Paribas Nouvelle Calédonie, Banque Togolaise pour le Commerce et l'Industrie, Bolloré Shangai Dialectric, Caisse de Refinancement pour l'Habitat, Compagnie Saint-Honoré de Construction et de Participations "Cicopim", Cofinoga, Comith, Cie Monégasque de Banque, Cie d'Investissement de Paris-CIP, Cie Financière de la Côte-d'Ivoire "Cofinci", Consortium Auxiliaire de Participations, Crédit Logement Assurance, Crédit Llogement, Cyber-comm, Euroterme, Finaero, Finance Recouvrement, Financière Centrale d'Investissements, Finextel, Finogest, Finship, Foncière Ruris, Forêts Gestion, France Garantie, Frankopar, Frasecur, France Titrisation, Groupe Gascogne S.A., GCPS L.L.C., Gerfonds, Gessienne de Participation, Gimages II, Gimages III, Gimages IV, Gimages V, Gimages VI, Industelec Ile-de-France, Industélec Ouest, Industelec Sud, Institut de Télémarketing, Investexport, Kléber Japaquant, Kléber Quatamerica, Jovacienne de Participation, Médiforce, Natio Consultants, Natio Retraite, Natio Vie, Obligations Convertibles, Paricomi, Parifergie, Parking de la Poterne, Powernext, President Investment Trust Corp., Prominnofi, Projenor, Promo Résidences, Ste de Promotion et de Participations pour la Coopération Économique, "Proparco", Renault, Saint Christoly Bordeaux, Safadeco, Sociéte Francaise Auxiliaire, SAEM de Rénovation et d'Aménagement Urbain de Montigny-lès-Metz, "S.A.M.I.R.A.N.", Shipinvest, Sebadour, Sécuri-Taux, Segece, S.E.M. Zone Épinal Mirecourt, S.E.M. de la Garenne-Colombes, S.E.M. Grenoble 2000, S.E.M. Immobilière de la Porte des Alpes "SEMIPA", S.E.M. de la Ville de Paris-Semavip, Servicio de Compensaciòn y Liquidaciòn de Valores, Setic, Sicav Balinvest, Sicav Étoile Pacifique, Société d'Investissements et de Réalisations Techniques "SIRT", Société Immobilière du 36 av. de l'Opéra, Sorex Métropole, Ste de Gestion du Fonds de Garantie de l'Accession Sociale à la Propriété-S.G.F.G.A.S., Studio Images 8, Sofinergie 4, Sofinergie 5, Sogrim, Sometrar, SPS RE, Trésor-Real, Union de Crédit pour le Bâtiment, UCB Entreprises.
Membre du Conseil de Surveillance de: Accor, Banque Cortal, BNP Paribas Securities Service, BNP-Paribas Private Equities, Cie Interprofessionnelle de Placements Financiers-CIPF, Compagnie Laitière Européenne, Elso Magyar Koncesszios Autopalya, Ezus, Gobtp, Insavalor, Locindus, Natio Habitations 3, Robertet SA.

Isabelle BOUILLOT
President of the Management Board, Central Functions Director of CDC Finance-CDC IXIS.
Chairman of the Supervisory Board of CDC-IXIS Capital Market, CDC IXIS Financial Guaranty Holding.
Vice-Chairman of the Supervisory Board of CDC IXIS Asset Management and member of the Supervisory Board of Accor and CNP Assurances.
Director of Compagnie de Saint-Gobain, Caisse des Dépots Développement C3D, Société Immobilière du Théâtre des Champs-Elysées (until July 2001).
Permanent representative of CDC Finance-CDC IXIS on the Supervisory Board of CDC IXIS Italia Holding, Sogeposte, CDC IXIS Securities, CDC IXIS Private Capital Management, CDC IXIS Immo.
Permanent representative of CDC Finance-CDC IXIS on the Board of CDC IXIS Private Equity, Foncière des Pimonts, Anatol Invest., Spid.
Permanent representative of CDC on the Supervisory Board of CNCE and on the Board of Directors of Solstice.

Directorships outside France:
Chairman of CDC IXIS North America (USA), Director of CDC IXIS AM US Corporation (USA), Chairman of the Board of Directors of Société de Gestion de CDC Euro Obligations (Luxembourg).

CDC – PARTICIPATIONS
Member of the Supervisory Board of Accor (until June 8, 2001).
Director of Canal Plus, CDC Equity Financial Services, CDC Equity Capital International, Eco-Services Capital, Electropar France, Euro-environnement France, Fondinvest 1, Fondinvest 2, Ife Fund, Ife Fund (Parts A), Saf Environnement, Sodetraf, Sopartif.

Renaud d'ELISSAGARAY
Member of the Supervisory Board of Accor.
Chairman and Chief Executive Officer of Société des Garages de St Germain en Laye and Director of Arca-Banque du Pays Basque.
Legal Manager of SARL Finances-Conseil and permanent representative of SARL Finances Conseil on the Board of Unigestion, Atout-Europe and Indocam Actions Euro "Sicav" investment funds.

Jean-Marie FOURIER
Member of the Supervisory Board of Accor until May 29, 2001.
No other directorships.

IFIL, Finanziaria di Participazioni SPA
Member of the a Supervisory Board of Accor.
No other directorships.

Franck RIBOUD
Chairman and Chief Executive Officer of Groupe Danone.
Chairman of the Board of Directors of Compagnie Gervais Danone, Generale Biscuit.
Member of the Supervisory Board of Accor (since July 3, 2001).
Director of Danone Finance, Renault, Eurazeo.
Permanent representative of Compagnie Gervais Danone on the Board of Danone (France), Société des Eaux de Volvic and permanent representative of Groupe Danone on the Board of Lu France.
Directorships outside France: Chairman of Danone Asia Pte Limited, Director of ABI Holdings Limited, Associated Biscuits International Ltd, Scottish and Newcastle Plc, Danone SA Espagne, Wadia Bsn India Limited, Clover Holdings Limited, Strauss Diary Ltd, Ona.

Jérôme SEYDOUX
Chairman and Chief Executive Officer of Pathé Distribution, Pathé Image Production, Pathé Renn Production, Société Holding de la Chaine Comédie.
Chairman of the Supervisory Board of Pathé, Le Cezanne and Vice-Chairman of the Supervisory Board of Compagnie du Mont-Blanc.
Member of the Supervisory Board of Accor, Blondeau et Associés.
Director of Chargeurs, Compagnie Deutsch, Groupe Danone.
Permanent representative of Pathé on the Board of Pricel, S.P.C.S., S.E.C.C. – Comédie, Arena Films and permanent representative of Pathé Renn Production on the Board of Ciné B.
Permanent representative of Pathé, legal manager of Pathé Finance and C+ P.
Legal manager of JMS Films, Ojej, Pathé Image, Sojer.

Maurice SIMOND
Member of the Supervisory Board of Accor.
No other directorships.

SOCIÉTE GÉNÉRALE
Member of the Supervisory Board of: Accor, Ezus, Lyxor Asset Management, SG Algérie, Siparex Croissance.
Director of: Answork, Bank Muscat Al Ahli Al Omani, Banque Franco-Roumaine, Barep, Barep Asset Management, BFV-Société Générale, Bremany, Caisse Refinancement Hypothécaire, Cérip Export, CGL, Cie Générale d'affacturage, Cipcom, Cirra, Cofiroute, Cominif, Crédit logement, Crédit Logement Assurance, Dong Feng Citroën Automobile, ECS, Euro MTS Ltd, Ezepart, Fimat International Banque SA, Fimatex SA, Garages Sout. Haussmann, Genefim, Genefinance, Genegis I, Genegis II, Geninfo, Interoblig, Intersélection France, Investima, MTS – Marché de Titres-France, MTS Amsterdam NV, MTS Belgium SA, MTS Portugal, Société du Nouveau Marché, Novespace, Odiprom, OTC Deriv. Ltd, OTC Deriv. Net Ltd, Pareli, Paris Titrisation, Partifa, Pervalor, Printemps Réassurance SA, Pronerg, Salvepar, Scope-OCT, Segece, SFCC, SG de Banques au Burkina, SG de Banques au Cameroun, SG de Banques au sénégal, SG de Banques en Côte d'Ivoire, SG de Banques en Guinée, SG de Banques Guinée Équatoriale, SG Énergie, SG Tchadienne de Banque, SGAM, SGAM Première Associa SICAV, SGFF, SGFGAS, SGLEB, SIGB, SILIC, SNPE, Société Fonciere de Touraine, Socogefi, Sofrantem, Soge Europe Actions, Soge Monde Oblig, Sogebail, Sogefinance, Sogefontenay, Sogenal Court Terme, Sogépargne, Sogesector Immobilier SICAV, Sogeservice, Sogevalor, Sogexcel, Soginfo, Soginnove, Soginter, Soginvest, Soparsico, Super Twin Dragons Ltd, TF1, Unigrains, Vertical Trade SA.
Gérant de: Club Kyriel, Fimat SNC, Sogefinancement.

Report of the Supervisory Board
to the Annual Shareholders' Meeting

We reviewed the 2001 financial statements and the Management Board's report on March 5, 2002. The results for the year bear testimony to the Group's resilience in the face of an unprecedented crisis in the travel and tourism industry accompanied by a broadbased economic slowdown. The Management Board, under the guidance of its Chairman, is following an effective strategy that has delivered a dynamic growth in the Services business, created a unique position in the hospitality industry with a well-balanced hotel portfolio, and provided access to diversified sources of financing.

We consider that after seven successive years of double-digit growth, last year's increase in earnings, even though it was limited, represents a remarkable achievement under the current circumstances, particularly in comparison with our international competitors.

The Management Board is recommending a 5% increase in the dividend to €1.05 per share, representing €1.575 including the (avoir fiscal) tax credit.

We support this recommendation.

We also invite shareholders to approve the other resolutions submitted at the Annual Meeting.

Consolidated Financial Statements

Auditors' Report on the Consolidated Financial Statements

For the year ended December 31, 2001

In accordance with the terms of our appointment at the Annual Meeting, we have audited the consolidated financial statements of Accor, prepared in euros for the year ended December 31, 2001, as attached to this report.

These financial statements have been prepared by the Management Board. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with professional standards applied in France. These standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management in preparing the financial statements, as well as the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements have been properly prepared in accordance with accounting principles generally accepted in France and give a true and fair view of the assets and liabilities, financial position and results of the consolidated companies.

In addition, we have verified the information given in the Management Board Report. We are satisfied that this information is fairly stated and agrees with the consolidated financial statements.

Neuilly, March 6, 2002

The Statutory Auditors

Barbier Frinault & Autres
Arthur Andersen

Deloitte Touche Tohmatsu – Audit

Members of the Versailles Chamber of Auditors

Christian Chochon

Alain Pons

The Independent Accountants

Deloitte Touche Tohmatsu

Consolidated income statements

in € millions	Notes	1999	2000	2001
Revenues		**6,044**	**6,946**	**7,218**
Other operating revenues		61	62	72
Consolidated sales	3	**6,105**	**7,007**	**7,290**
Operating expenses		(4,545)	(5,117)	(5,319)
Ebitdar	4	**1,560**	**1,891**	**1,971**
Rental expense	5	(478)	(616)	(698)
Ebitda		**1,082**	**1,275**	**1,273**
Depreciation and operating provision expense	6	(359)	(428)	(443)
Ebit	7	**723**	**847**	**830**
Financial income (expense), net	8	(143)	(121)	(92)
Net income from associated equity companies, Group share	9	15	25	20
Profit before tax		**595**	**751**	**758**
Result from management of hotel portfolio	10	18	19	29
Result from management of other assets	11	(29)	23	66
Goodwill amortization		(68)	(96)	(102)
Income tax	12	(222)	(256)	(246)
Exceptional items (net of tax)	13	82	35	-
Minority interests	23	(24)	(28)	(31)
Consolidated net income, Group share		**352**	**447**	**474**
Average number of shares outstanding (in thousands)	22	**181,280**	**196,002**	**197,042**
Earnings per share (in €)		**1.94**	**2.28**	**2.40**
Net income per share, fully diluted (in €)	22	**1.89**	**2.27**	**2.39**
Dividend per share (in €)		**0.90**	**1.00**	**1.05** (1)

(1) Subject to approval by the Shareholders' Meeting.

Consolidated balance sheets

assets (at December 31)

in € millions	Notes	1999	2000	2001
Goodwill	14	**1,684**	**1,911**	**1,879**
Intangible fixed assets	15	**530**	**581**	**533**
Property, plant and equipment	16	**4,518**	**4,696**	**5,026**
Long-term loans	17	280	294	334
Investments in associated equity companies	18	204	303	266
Other financial assets	19	163	176	282
Total financial assets		**647**	**773**	**882**
Total fixed assets	20	**7,379**	**7,961**	**8,320**
Inventories		78	85	89
Trade accounts receivables		1,052	1,201	1,218
Other receivables	21	803	876	926
Service vouchers reserve funds		230	259	305
Receivables on short-term assets disposals	28	265	102	101
Short-term loans	28	138	79	47
Marketable securities	28	619	792	830
Cash and equivalents	28	488	599	264
Total current assets		**3,673**	**3,993**	**3,780**
Total assets		**11,052**	**11,954**	**12,100**

Consolidated balance sheets

liabilities and shareholders' equity (at December 31)

in € millions	Notes	1999	2000	2001
Share capital		556	591	592
Additional paid-in capital		1,655	1,894	1,892
Reserves (retained earnings)		627	724	926
Translation adjustments		89	187	255
Net income for the year		352	447	474
Total shareholders' equity	22	**3,279**	**3,843**	**4,139**
Minority interests	23	185	141	140
Total shareholders' equity and minority interests		**3,464**	**3,984**	**4,279**
Provisions for risks and charges	24	604	609	537
Repackaged Perpetual Subordinated Floating Rate Notes (TSDI)	25	363	270	214
Convertible bonds	26	291	-	-
Exchangeable bonds	26	434	434	-
Other long-term debt	28	1,667	2,477	3,007
Capital leases	28	242	216	220
Total long-term debt	27	**2,997**	**3,397**	**3,441**
Total non-current liabilities and shareholders' equity		**7,065**	**7,990**	**8,257**
Trade accounts payable		584	677	683
Other payables	21	1,083	1,241	1,064
Service vouchers in circulation		1,142	1,325	1,446
Short-term debt	28	831	251	537
Bank overdrafts	28	347	470	113
Total current liabilities		**3,987**	**3,964**	**3,843**
Total liabilities and shareholders' equity		**11,052**	**11,954**	**12,100**

Consolidated statements of cash flows

in € millions	Notes	1999	2000	2001
Ebitda		1,082	1,275	1,273
Finance (including financial provisions)		(143)	(121)	(92)
Income tax (including tax provisions)		(206)	(170)	(161)
Cancellation of financial and tax provisions		35	(6)	(21)
Dividends from associated equity companies		10	6	6
Consolidated cash flow from operations	29	**778**	**984**	**1,005**
Investments for renovation and maintenance (1)		(431)	(422)	(405)
Free cash flow		**347**	**562**	**600**
New capital and technology expenditure (2)		(2,680)	(1,251)	(923)
Proceeds from asset disposals (excluding Europcar) (3)		1,428	843	535
Net impact of the sale of Europcar (4)		440	-	-
Decrease/(increase) in working capital (5)		14	116	(115)
Non-operating gains (losses)		(72)	(56)	(36)
Net sources/(uses) from operations		**(523)**	**214**	**61**
Dividends (6)		(218)	(248)	(271)
Capital increase/(decrease) (7)		101	274	(1)
Currency translation adjustments on fixed assets and shareholders' equity (8)		(243)	(97)	(93)
Changes in the scope of consolidation on provisions and minority interests (9)		52	(24)	2
Decrease/(increase) in net indebtedness	28	**(831)**	**119**	**(302)**
Net indebtedness (beginning of the period)		(1,834)	(2,665)	(2,547)
Net indebtedness (end of the period)		(2,665)	(2,547)	(2,849)
Decrease/(increase) in net indebtedness	28	**(831)**	**119**	**(302)**
Cash flow from operating activities (see note 28)		**719**	**1,044**	**854**
Cash flow from investing activities (1) + (2) + (3) + (4)		**(1,243)**	**(830)**	**(793)**
Cash flow from financing activities (6) + (7)		**(117)**	**26**	**(272)**
Net effect of exchange rate and scope changes (8) + (9)		**(190)**	**(121)**	**(91)**
Decrease/(increase) in net indebtedness		**(831)**	**119**	**(302)**

Changes in consolidated shareholders' equity
(before minority interests)

in € millions	Number of outstanding shares	Capital	Additional paid-in capital	Cumulative translation adjustment (1)	Reserves (retained earnings)	Consolidated shareholders' equity
At December 31, 1999	**185,481,982**	**556**	**1,655**	**89**	**979**	**3,279**
Impact of change in accounting method (2)					(30)	(30)
Capital increases:						
• conversions of bonds	11,296,983	34	254			288
• exercise of stock options	779,590	2	9			11
• Treasury shares	(1,282,070)	(4)	(48)			(52)
- through merger/transfer of assets						
- through employee subscription	766,050	3	24			27
Dividend					(225)	(225)
Changes in cumulative translation adjustments				98		98
Net income					447	447
At December 21, 2000	**197,042,535**	**591**	**1,894**	**187**	**1,171**	**3,843**
Capital increases:						
• conversions of bonds						
• exercise of stock options	568,810	2	7			9
• treasury shares	(246,661)	(1)	(9)			(10)
- through merger/transfer of assets						
- through employee subscription						
Dividend					(245)	(245)
Changes in cumulative translation adjustments				68		68
Net income					474	474
At December 31, 2001	**197,364,684**	**592**	**1,892**	**255**	**1,400**	**4,139**

(1) including €-18 million for the Euro countries on December 31, 1999
including €-17 million for the Euro countries on December 31, 2000
including €-14 million for the Euro countries on December 31, 2001
(2) see Note 1 on Accounting Principles

The change in translation adjustments between 1999 and 2000, and between 2000 and 2001, primarily stems from the impact on the Group's North American assets - mainly the Motel 6 and Red Roof Inn chains - of the higher or lower US dollar exchange rate relative to the Euro. The **US Dollar versus Euro** exchange rates used were, respectively:

- 1.0046 on December 1999
- 0.9305 on December 2000
- 0.8813 on December 2001.

Key management ratios

	Notes	1999	2000	2001
Gearing	a	77.0%	64.0%	67.0%
FFO / Net debt restated	b	21.0%	23.4%	22.9%
Financial Charge Cover adjusted by Ebitdar	c	x 4.6	x 5.1	x 5.4
Return on Capital Employed	d	11.2%	11.7%	11.5%
Economic Value (in € millions)	e	224	265	291

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 restated. 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 divestments, prorated on the basis of their impact in the income statement. For example, proceeds generated by a divestments 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.

Note d: Return on Capital Employed, or ROCE, is defined on page 31.

Note e: Economic Value Added (EVA)

The calculation of Economic Value Added at the end of December 1999, December 2000 and December 2001 was established as follows:

	1999	2000	2001
Cost of equity[1]	8.74%	8.60%	9.05%
Cost of debt after tax	3.39%	3.68%	2.85%
Equity/Debt Ratio			
- Equity	56.18%	61.01%	60.03%
- Debt	43.82%	38.99%	39.97%
WACC[2]	**6.39%**	**6.68%**	**6.5%**
ROCE net of Income Tax[3]	**8.69%**	**9.04%**	**9.06%**
Capital employed (see ROCE note) (in € millions)	**9,757**	**11,214**	**11,689**
EVA[4] (in € millions)	**224**	**265**	**291**

(1) The Beta used in calculating the Cost of Equity during 1999, 2000 and 2001 is 0.9, 0.9 and 1.0 respectively.

(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 December 31, 2001, the data are as follows:

Ebitda	:	€1,340 M (see ROCE Note)	Tax Rate	:	31.3%	(see Note 12.2)
Amortization and provisions	:	€443 M	Capital employed	:	€11,689 M	(see ROCE Note)

(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 1999, 2000 and 2001 is €20 M, €27 M and €28 M.

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 aggregated amounts derived from the consolidated financial statements:
- Ebitda: 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.
On December 31, 2001, ROCE amounts to 11.5% compared to 11.7% on December 31, 200
Excluding hotels under development (capital employed without Ebitda), the ROCE would be 11.9% and 12.1% on December 31, 2001 and December 31, 2000, respectively.
Finally, the inclusion of employee profit-sharing under personnel expenses (see Note 1.J.) had a negative impact of 0.2% on the ROCE in 2000. Excluding this, the ROCE amounted to 11.9% on December 31, 2000 (+0.7% compared to December 31, 1999).

in € millions	1999	2000	2001
Capital employed at December 31	10,470	11,276	12,020
Adjustments *prorata temporis* on capital employed (1)	(674)	(280)	(355)
Translation adjustments on capital employed (2)	(39)	220	24
Capital employed	**9,757**	**11,216**	**11,689**
EBDIT	1,082	1,275	1,273
Financial interest on external loans and dividends	12	15	47
Net income of companies accounted for by the Equity Method (EM), Group share	15	25	20
Other adjustments	(13)	-	-
Ebitda	**1,096**	**1,315**	**1,340**
ROCE (Ebitda/Capital employed)	**11.2%**	**11.7%**	**11.5%**

(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 on December 31, and no Ebitda would be taken into account in the income statement.
(2) The capital employed is converted at the average exchange rate in order to be comparable to the Ebitda.

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

	1999	2000	2001
HOTELS	**11.4%**	**11.9%**	**11.3%**
Business and Leisure	10.3%	11.0%	10.5% *
Economy	14.3%	14.6%	15.3% **
Economy US	10.9%	11.4%	10.0%
SERVICES	**23.5%**	**19.7%**	**25.8%**
Other activities			
Travel Agencies	3.8%	5.0%	3.0%
Casinos	16.9%	16.9%	16.6%
Restaurants	13.7%	14.7%	11.9%
On-board Train Services	4.6%	13.6%	7.5%
Other	6.5%	2.2%	1.4%
Total Group	**11.2%**	**11.7%**	**11.5%**

* 11.8% and 11.5% excluding hotels under development in 2000 and 2001 respectively.
** 15.6% and 16.1% excluding hotels under development in 2000 and 2001 respectively.

Notes to the consolidated financial statements

note 1 Accounting principles

The Consolidated Financial Statements of Accor Group are established in accordance with French generally accepted accounting principles. The Règlement 99-02 of the *Comité de Règlementation Comptable* (new French consolidation methodology) has been applied with effect from January 1st, 2000.
In conformity with new French regulation, the impact in changes of accounting methods has been posted to shareholders' equity as of January 1st, 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 allowed by new French regulation, those that are closest to international accounting practices (capitalization of contracts defined as capital leases; 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 and then amortized according to the rules applicable for such assets. The balance is recorded as goodwill in the consolidated balance sheet.
Goodwill are amortized on a period according to their estimated life, market conditions and the nature of the activities involved, within the maximum 40 years limits. The amortization schedule takes into account operating hypothesis and perspectives followed by the acquisition.
If all these facts are evolving in a defavorable way, the amortization schedule can be reviewed and an exceptional amortization may be posted.
The residual difference is recorded as an asset in the Balance Sheet, under the category "goodwill".

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

C. Translation of financial statements prepared in foreign currencies

Foreign-currency denominated balance sheet items are translated into euros 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 euros at historical rates. Other income statement items are translated at the monthly historical average rate following the transaction. Translation differences resulting from the application of this method are incorporated in the Financial Income (Expense) in the income statement.

D. Immobilisations

D.1. Intangible fixed assets

Intangible fixed assets are recorded at cost.
Start-up costs are written off over a maximum period of five years.
Lease rights are usually amortized according to the underlying lease life.
As part of business combinations, the Group recognises intangible assets. The value of such assets is mainly based on reports issued by independent experts and grounds for each activity on specific criteria allowing a follow-up for the future.
• Identified brands are valued according to a multicriteria method, taking into account their awareness and their profitability.
• Market shares on services and on-board services activities represent investments realized to enforce an economical position and are valued according to forecasted turnover and profitability.
• Brands and market shares are not amortized. They are regularly assessed specially when events may affect their value. If the fair value -assessed according to the valuation criteria used for acquisition purpose- is lower than their net booked value on a long term basis, a provision is booked for the difference.

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. Within this frame, the Group uses the definition of financial leases as given in the International Accounting Standard (IAS 17).

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. 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 instalments over the life of the contract. Future rental charges are detailed in Note 5.

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 by independent experts to reflect market values, 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 Ebitda 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 10).

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 to market value assets held for disposal.

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. Marketable securities

Marketable securities are recorded at the lower of historical cost and market value.

H. 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 “other receivables”.

I. Prepaid expenses

Prepaid expenses correspond to expenses paid during a given period but related to the following periods.
Prepaid expenses are included in "other receivables".

J. Personnel expenses

Personnel expenses include all sums paid by the Company to its salaried employees, with employee profit-sharing. Employee profit-sharing – totaling € 16 million in 1999 – was included in result from management of other assets. Since 2000, employee profit-sharing has been included under personnel expenses, for € 17 million.

K. 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 country 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 on 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 hypothesis 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 on January 1, 2000, the Group also took into account assets held to cover these commitments, based on their market value as of that date.
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 on January 1, 2000, calculated according to this method, and the provision included in the financial statements as of that date, taking into account corresponding deferred taxes.
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.

** "Comité de la Réglementation Comptable"*

L. Translation of financial statements denominated in foreign currencies

For each Group entity, transactions denominated in a currency other than the Group's 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.

M. 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.
Deferred tax liabilities are included in the "Provisions for liabilities and charges".

N. Stock options

Some subsidiaries, mainly in the United States and in France, have a stock option policy for the employees. As these subsidiaries are not listed, the Group is committed to buy out the shares issued when the options would be exercised, at a price based on market values (generally an Ebitda multiple reduced by the net debt).
At every closing date, the Group values the impact that the stock option exercise would have on the consolidated net equity held by Group in these subsidiaries. The potential dilution effect is recorded as an expense in the "Result from management of other assets" and a provision for social commitment is booked in the balance sheet.
Stock options attributed by the parent company do not affect the consolidated net income. When the stock options are exercised, the Group records the shares issued as a capital increase according to the payments received from the employees.

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 Revenues

Revenues include all revenues from sales of products and services by consolidated companies related to their normal activities. They include:

- for 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 include financial income on the management of available funds generated by Services activities. Together, revenues and other operating revenues make up the consolidated sales.

P.3 Ebitdar

Ebitdar includes operating revenues and charges, reflecting management performance before rent, depreciation, financial income (expense), taxes and operating provision expense.

P.4 Profit before tax

The heading “Profit before tax” reflects results from operations and financing of the Group’s activities. It combines Ebit, financial income (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 includes 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 Result from management of other assets

Result from management of other assets includes 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.
Result from 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.7 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.8 Consolidated statements of cash flow

The consolidated statements of cash flow 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 capital gains or losses on asset sales;
- capital improvements, which cover maintenance and renovation of existing operating assets held on January 1st 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 Main events in the scope of consolidation

A. Disposals

A.1 Disposal of hotel properties

In 2000, the Group carried out the following disposals:

- 9 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.

In 2001, the Group carried out the following disposals:

- 62 Economy properties (Ibis, Etap and Formule1) in France, Sweden and Great-Britain, for total proceeds of €168 million;
- 9 US Economy Lodging properties for total proceeds of €21 million;
- 11 Business and Leisure properties (7 Novotel and 4 Mercure) for total proceeds of € 85 million.

A.2 Disposal of Courtepaille

In December 2000, Accor sold 80% of its Courtepaille public restaurant subsidiary to the Barclays Private Equity Investment Funds, associated to 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 13).
Courtepaille consolidated revenues, 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 Acquisition of 35% of Accor Casinos in November, 2000

In November 2000, Accor has exercised its call option on 35% of the capital of Accor Casinos held by SHCD (Société des Hôtels et Casino 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.2 Acquisition of 20% of Orbis in August, 2000 and 5% in 2001

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.
Orbis group, also active in travel and casinos, is the leading Polish hotel group, with 55 hotels (10,439 rooms) located in the country's 25 major cities. Following a renovation program, these hotels are operating under Accor Group brand names since 2001.
In 2001, the Group acquired an additional 5% share, raising its interest up to 25% for an amount of €12 million.

B.3 Tahl restructuring

At the end of 2000, Accor Asia Pacific, 100% Accor SA subsidiary, held 37.07% of real estate company Tahl, owner of 33 hotels. Moreover, Accor managed 22 hotels owned by Tahl.
Following a takeover bid launched in 2001 on Tahl by Australian investors, Accor Asia Pacific had to restructure its relationship with Tahl. The main items of this restructuring are:

- capital reduction of Tahl granted to all the shareholders (including Accor Asia Pacific for its 37.07% ownership),
- transfer of 18% of Tahl to the Australian investors who initiated the takeover bid; Accor Asia Pacific still holds 19.07%,
- switch of 22 contracts from management to rental contracts,
- loan of €35 million to Tahl.

These various operations impact the financial statements as follows:

- proceeds on the disposal of assets were booked for €26 million (which breaks down into capital reduction for €10 million and disposal of shares for €16 million),
- subsequently, non-disposed shares have been reclassified from "shares in associated equity companies" to "investment in unconsolidated companies" for €23 million,
- an increase occurred in the group revenues and Ebitdar by €65 million and €21.5 million respectively. The impact on Profit Before Tax has been limited to €2.5 million.

B.4 Other investments (external and internal growth)

Regarding external and internal growth, the Group opened or acquired 247 additional hotels (34,538 rooms) in 2001. Separately, 81 hotels (8,206 rooms) were closed during the period.

The Group's hotel portfolio per geographical area was as follows as of December 31, 2001:

Hotels	Ownership	Rental	Management	Franchise	Total hotels
France	411	349	104	397	1,261
Europe excluding France	135	375	57	108	675
North America	335	657	5	230	1,227
Latin America	16	8	92	8	124
Other Countries	24	76	253	14	367
Total	**921**	**1,465**	**511**	**757**	**3,654**
Total in %	25.2	40.1	14.0	20.7	100.0

The number of rooms per geographical area was as follows as of December 31, 2001:

Rooms	Ownership	Rental	Management	Franchise	Total rooms
France	35,180	40,723	9,511	29,377	114,791
Europe excluding France	16,924	46,424	8,298	15,691	87,337
North America	39,146	76,391	1,129	17,881	134,547
Latin America	2,237	1,599	10,324	741	14,901
Other Countries	2,863	9,321	49,994	2,015	64,193
Total	**96,350**	**174,458**	**79,256**	**65,705**	**415,769**
Total in %	23.2	42.0	19.1	15.8	100.0

note 3 Breakdown of consolidated sales by region and by activity

On December 31, 2001, operating revenues of entities which revenues (royalties) are not specific to a given region are presented under "worldwide structures".

in € millions	France	Europe (excl. France)	North America	Latin America	Other Countries	Worldwide structures	2001	2000
HOTELS	**1,677**	**1,371**	**1,518**	**81**	**304**	**101**	**5,052**	**4,739**
Business and Leisure	1,130	926	189	69	289	101	2,704	2,525
Economy	547	445	3	12	15	-	1,022	922
Economy US	-	-	1,326	-	-	-	1,326	1,292
SERVICES	**73**	**166**	**20**	**234**	**5**	**-**	**498**	**437**
Other activities								
Travel Agencies	67	196	176	33	15	13	500	531
Casinos	302	-	-	-	-	-	302	243
Restaurants	83	203	-	176	10	-	472	542
On-board Train Services	153	120	-	-	-	4	277	333
Holdings and other	65	99	-	13	3	9	189	182
December 31, 2001 total	**2,420**	**2,155**	**1,714**	**537**	**337**	**127**	**7,290**	
December 31, 2000 total	**2,360**	**2,035**	**1,731**	**517**	**258**	**104**		**7,007**

On December 31, 2001, consolidated sales amounted to €7,290 million, as compared to €7,007 million on December 31, 2000. This represents an increase by €283 million or 4%.

This increase breaks down as follows:

• Like-for-like growth	+2.5%
• Business development	+5.8%
• Currency impact	-0.7%
• Closing or disposal of activities	-3.5%
Revenues increase in 2001	**+4.0%**

Breakdown of consolidated sales by region

	Published Revenue	Revenue on Comparable basis
France	+2.5%	+4.5%
Europe (excluding France)	+5.9%	+4.1%
North America	-1.0%	-5.8%
Latin America	+3.9%	+15.3%
Other countries	+30.6%	+3.2%
Worldwide Structures	N/S	N/S
Variance	**+4.0%**	**+2.5%**

Breakdown of consolidated sales by activity

	Published Revenue	Revenue on Comparable basis
HOTELS		
Business and leisure	+7.0%	+1.0%
Economy	+10.8%	+4.7%
Economy US	+2.6%	-2.4%
SERVICES	**+14.0%**	**+18.4%**
Other activities		
Travel Agencies	-5.8%	-6.6%
Casinos	+24.3%	+9.8%
Restaurants	-12.9%	+7.5%
On-board Train Services	-16.8%	+6.7%
Holdings and others	N/S	N/S
Variance	**+4.0%**	**+2.5%**

note 4 Breakdown of Ebitdar by region and by activity

in € millions	France	Europe (excl. France)	North America	Latin America	Other Countries	Worldwide Structures[1]	2001	2000
HOTELS	**489**	**474**	**560**	**13**	**70**	**25**	**1,631**	**1,557**
Business and Leisure	315	298	43	11	65	(5)	727	677
Economy	174	176	-	2	5	30	387	346
Economy US	-	-	517	-	-	-	517	534
SERVICES	**34**	**89**	**5**	**91**	**(1)**	**(12)**	**206**	**146**
Other activities								
Travel Agencies	5	15	7	2	1	6	36	50
Casinos	58	-	-	-	-	-	58	50
Restaurants	7	15	-	8	1	-	31	50
On-board Train Services	6	6	-	-	-	1	13	32
Holdings and other	(8)	13	-	-	(3)	(6)	(4)	6
December 31, 2001 total	**591**	**612**	**572**	**114**	**68**	**14**	**1,971**	
December 31, 2000 total	**576**	**563**	**615**	**86**	**56**	**(5)**		**1,891**

(1) Ebitdar of entities which revenues (royalties) are not specific to a given region are presented under "worldwide structures".

On December 31, 2001, Ebitdar amounted to €1,971 million, compared to €1,891 million on December 31, 2000, which represents an increase by €80 million or 4.2%.
This growth breaks down as follows:

• Like-for-like growth	+1.1%
• Business development	+4.6%
• Closing or disposal of activities	+0.3%
• Currency impact	-1.8%
Breakdown of Ebitdar on 2001	**+4.2%**

Breakdown of Ebitdar by region

	Published Ebitdar	Ebitdar on Comparable basis
France	+2.6%	+4.2%
Europe (excluding France)	+8.7%	+4.8%
North America	-7.0%	-12.3%
Latin America	+32.6%	+39.3%
Other countries	+21.4%	-3.8%
Worldwide Structures	N/S	N/S
Variance	**+4.2%**	**+1.1%**

Breakdown of Ebitdar by activity

	Published Ebitdar	Ebitdar on Comparable basis
HOTELS		
Business and leisure	+7.4%	+3.1%
Economy	+11.8%	+5.9%
Economy US	-3.2%	-8.4%
SERVICES	**+41.1%**	**+43.5%**
Other activities		
Travel Agencies	-28.0%	-29.0%
Casinos	+16.0%	+5.4%
Restaurants	-38.0%	-6.7%
On-board Train Services	-59.4%	-51.0%
Holdings and others	N/S	N/S
Variance	**+4.2%**	**+1.1%**

note 5 Operating rental expense

Rental expense amounted to €616 million in 2000 and €698 million in 2001.

In conformity with international principles (see Note 1.D.3), these rental expenses are exclusively related to operating leases. The other leases are capitalised in the balance sheet and the corresponding liabilities amounts to €253 million (see note 27). Regardless of actual payment profiles, total rental expense related to these operating 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.
It is specified that, there is no callable clause (for either rating or either reason), no cross default clause and no covenant.

As of December 31, 2001, annualized expenses related to non-discounted rental leases break down as follows:

in € millions	2000	2001
Business and Leisure hotels	(283)	(333)
Economy	(96)	(114)
Economy US	(183)	(195)
Other	(54)	(56)
Total	**(616)**	**(698)**

The schedule for minimum non-discounted rental leases commitments as of January 2002 is as follows:

Years			in € millions (1)
2002	(728)	2013	(672)
2003	(731)	2014	(665)
2004	(735)	2015	(662)
2005	(732)	2016	(671)
2006	(711)	2017	(628)
2007	(708)	2018	(595)
2008	(710)	2019	(518)
2009	(704)	2020	(417)
2010	(678)	2021	(312)
2011	(675)	> 2021	(1,291)
2012	(670)		

(1) Including simple rental expenses for €25 million from 2002 to 2005.

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

note 6 Detail of amortization and provisions

in € millions	1999	2000	2001
Amortization	(352)	(408)	(435)
Provisions	(7)	(20)	(8)
Total	**(359)**	**(428)**	**(443)**

note 7 Breakdown of Ebit by region and by activity

in € millions	France	Europe (excl. France)	North America	Latin America	Other Countries	Worldwide Structures[1]	2001	2000
HOTELS	**216**	**164**	**200**	**5**	**14**	**19**	**618**	**658**
Business and Leisure	130	98	(6)	5	12	(16)	223	237
Economy	86	66	-	-	2	35	189	173
Economy US	-	-	206	-	-	-	206	248
SERVICES	**28**	**83**	**4**	**76**	**(2)**	**(13)**	**176**	**122**
Other activities								
Travel Agencies	-	4	(12)	(5)	(1)	9	(5)	7
Casinos	45	-	-	-	-	-	45	41
Restaurants	4	9	-	5	(1)	-	17	28
On-board Train Services	1	6	-	-	-	-	7	8
Holdings and other	(12)	3	-	-	(3)	(16)	(28)	(17)
December 31, 2001 total	**282**	**269**	**192**	**81**	**7**	**(1)**	**830**	
December 31, 2000 total	**284**	**250**	**273**	**59**	**19**	**(37)**		**847**

(1) Ebit of entities which revenues (royalties) are not specific to a given region are presented under "worldwide structures".

On December 31, 2001, Ebit amounted to €830 million, compared to €847 million on December 31, 2000, which represents a decrease by €17 million or –2.0%.

This decrease breaks down as follows:

• Like-for-like growth	-0.2%
• Business development	+1.6%
• Currency impact	0.0%
• Refinancing	-1.4%
• Closing or disposal of activities	-2.0%
Breakdown of Ebit on 2001	**-2.0%**

Breakdown of Ebit by region

	Published Ebit	Ebit on Comparable basis
France	-0.7%	+4.3%
Europe (excluding France)	+7.6%	+8.2%
North America	-29.7%	-32.2%
Latin America	+37.3%	+39.1%
Other countries	-63.2%	-40.0%
Worldwide Structures	N/S	N/S
Variance	**-2.0%**	**-2.0%**

Breakdown of Ebit by activity

	Published Ebit	Ebit on Comparable basis
HOTELS		
Business and leisure	-5.9%	-1.0%
Economy	+9.2%	+9.8%
Economy US	-16.9%	-20.7%
SERVICES	**+44.3%**	**+46.9%**
Other activities		
Travel Agencies	N/S	N/S
Casinos	+9.8%	+8.2%
Restaurants	-39.3%	-3.7%
On-board Train Services	-12.5%	+61.0%
Holdings and others	N/S	N/S
Variance	**-2.0%**	**-0.2%**

note 8 Financial income (expense)

in € millions	1999	2000	2001
Interest income (expense)	(180)	(166)	(134)
Other financial revenues and expenses	37	45	42
Financial income (expense)	**(143)**	**(121)**	**(92)**

The "other financial revenues and expenses" are specified as follows:

in € millions	2000	2001
Dividends received from investment securities (1) and non consolidated companies	8	15
Exchange gains or exchange losses (2)	19	28
Reversal of provision for convertible bond 1991	29	-
Other financial reversal of provision	(11)	(1)
Total "other financial revenues and charges"	**45**	**42**

(1) Mainly €2 million of dividends received from Tahl and €2 million received from Compass.
(2) In 2001, the exchange gain have been mainly realised in capital operations in the United States.

note 9 Income (loss) of associated equity companies, Group share

Key contributions break down as follows:

in € millions	1999	2000	2001
Société des Hôtels et Casino de Deauville	5	7	7
Orbis	-	3	6
Tahl (1)	3	3	-
Other	7	12	7
Group share in income before tax	**15**	**25**	**20**

(1) Following the disposal of 18% of the Tahl shares, the company is no longer consolidated by the equity method but appears as external shares.

note 10 Result from management of hotel portfolio

in € millions	1999	2000	2001
Capital gains or losses on sale of assets	69	25	34
Provisions on hotel properties (see note 1.D.5.)	(51)	(6)	(5)
Total	**18**	**19**	**29**

In 2000, result from management of hotel portfolio primarily encompassed 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.
In 2001, result from management of hotel portfolio primarily includes:

- capital gains on the sale of buildings primarily in France (€23 million) and in Sweden (3 Ibis and 3 Formule 1 for €1 million),
- capital gains for €10 million on the sale of non strategic hotels (building and operations), primarily in France (12 hotels for €14 million), in North America (7 hotels for €2.5 million) and in the French West indies (3 hotels for €-2.8 million),
- provisions for €5 million on assets for which use value appeared to be lower than the net book value, mainly in the USA (US Economy Lodging for €-5 million).

note 11 Result from management of other assets

in € millions	1999	2000	2001
Capital gains or losses on sale of assets	62	89	74
Provisions	(19)	(10)	28
Non-operating gains (losses)	(72)	(56)	(36)
Total	**(29)**	**23**	**66**

In 2000, the €89 million capital gain on sale of assets mainly reflected capital gains on the sale of Compass shares and on the exchange of a 23.35% interest in CNIT SA for a 1% interest in Unibail .

Non-operating losses in 2000 primarily encompassed 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 food services).
In 2000, pursuant to new French accounting standards, expenses related to employee profit-sharing were included in Ebitdar as personnel expenses for €17 million.

In 2001, capital gains on assets disposal of €74 million mainly encompasses a gain on Compass shares (€60 million), on Australian catering activity disposal (€5 million) and on the disposal of 6% of Accor Casinos (€9 million).
Non operational losses of €-36 million principally include restructuring expenses for €-22 million mainly relating to the travel agency activity (€-10 million), as well as non-recurring costs of hotel activity reengeneering for €-5 million.

The €28 million of the "provisions" item mainly includes reversal of provision for agencies restructuring, which expenses have been booked in 2001 (see non operational loss €-10 million), and reversals of provisions for geographic risks.

note 12 Income tax

Note 12.1. Tax expense of the fiscal year (excluding exceptional items)

in € millions	1999	2000	2001
Current tax and corporate tax provisions	(206)	(170)	(161)
Deferred tax income/(expense)	(10)	(77)	(77)
Group share in current and deferred tax of associated equity companies	(6)	(9)	(8)
Total	**(222)**	**(256)**	**(246)**

Profit before tax and result from management of hotel portfolio	613	770	787
Total consolidated income tax	(222)	(256)	(246)
Group apparent tax rate on profit before tax	**36.2%**	**33.2%**	**31.3%**

Note 12.2. Effective tax rate

in € millions	1999	2000	2001
Current income before tax	613	770	787
Result of the management of other assets	(29)	23	66
Goodwill amortization	(68)	(96)	(102)
Profit before tax	**516**	**697**	**751**
Goodwill amortization	68	96	102
Elimination of intra-Group capital gains	-	3	(3)
Asset depreciation	65	5	-
Other	44	67	(43)
Total of permanent differences (non-deductible expenses)	**177**	**171**	**56**
Income subject to lower tax rates or not subject to tax (1)	**(196)**	**(238)**	**(226)**
Income taxable at current rates	**497**	**630**	**581**

Current tax rate in France	40.00%	37.76%	36.42%
Theoretical income tax at current French tax rate	**(199)**	**(238)**	**(211)**
Impact of theoretical income tax of:			
• differences in tax rate in countries other than France	21	11	8
• unutilized tax losses for the year	(39)	(23)	(42)
• utilization of tax losses from prior years	14	24	18
• tax credit resulting from timing differences not recognized in prior years	7	-	-
• losses carried forward unrecognized in prior years (2)	-	-	-
• other	(29)	(8)	(17)
Total	**(26)**	**4**	**(33)**
Income tax at current tax rate	**(225)**	**(234)**	**(244)**
Income tax at lower rates	**3**	**(22)**	**(2)**
Total consolidated income tax	**(222)**	**(256)**	**(246)**

Profit before tax and result from management of hotel portfolio	613	770	787
Total consolidated income tax	(222)	(256)	(246)
Group apparent tax rate on profit before tax	**36.2%**	**33.2%**	**31.3%**

(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 12.3. Detailed deferred tax assets and liabilities in balance sheet

in € millions	1999	2000	2001
Deferred tax assets	112	126	87
Deferred tax liabilities	(172)	(217)	(237)
Net deferred taxes	**(60)**	**(91)**	**(150)**

Note 12.4. Deferred tax assets not accounted for

On December 31, 2001, deferred tax assets not included in the financial statements amounted to €116 million. On December 31, 2000, the amount of deferred tax not included in the financial statements was €85 million.

note 13 Exceptional items (net of taxes and minority interests)

in € millions	1999	2000	2001
Exceptional items	82	35	-

In 2000, exceptional items included a €38 million capital gain on the sale of the Group's interest in Courtepaille (see note 2.A.2) and a €3 million capital loss (including disposal costs) relative to the sale of the railway maintenance activities.

note 14 Goodwill

in € millions	1999	2000	2001
Goodwill (gross)	2,003	2,331	2,386
Total amortization and provision	(319)	(420)	(507)
Total net goodwill	**1,684**	**1,911**	**1,879**

in € millions		1999	2000	2001
Motel 6	(40 years)	326	336	341
Red Roof Inns	(40 years)	222	239	237
Travel Agencies	(20 years)	243	230	212
Business & Leisure Hotels France	(40 years)	148	231	195
Casinos (Accor Casinos and subsidiaries)	(20 years)	113	211	194
Hotels, Australia	(40 years)	206	198	181
Economy Hotels (excluding Motel 6 and Red Roof Inns)	(40 years)	109	115	119
Hotels, Asia	(20 years)	68	69	73
Hotels, Hungary (Pannonia)	(40 years)	21	21	31
Société des Hôtels and Casino de Deauville	(40 years)	30	29	28
Hotels, Poland (Orbis)	(40 years)	-	11	17
Lenôtre	(20 years)	17	16	15
French Railway Catering	(7 years)	12	14	11
Brazilian Luncheon Vouchers (Apetik)	(40 years)	11	10	9
Other (under €5 million)		158	181	216
Total net goodwill		**1,684**	**1,911**	**1,879**

The change in net goodwill breaks down as follows:

in € millions	1999	2000	2001
Total net goodwill at beginning of period	**1,247**	**1,684**	**1,911**
Increase in gross value and impact of changes in the scope of consolidation	**427**	**223**	**88**
• Accor Services	-	-	19
• Hotels Poland (Orbis)	-	12	9
• Travel Agencies Brazil	-	-	8
• Hotels Brazil	-	-	7
• Hotels Asia (Century)	-	-	6
• Other	427	211	39
Disposal of the period	**(16)**	**(13)**	**(36)**
• Hotels France (Jardins de Paris)	-	-	(15)
• Eurest Australia	-	-	(9)
• Tahl (Australia)	-	-	(4)
• Accor Casinos (6% of capital)	-	-	(3)
• Travel Agencies (Put Bv)	-	-	(3)
• Other	(16)	(13)	(2)
Amortization	**(68)**	**(96)**	**(102)**
Translation adjustments	**47**	**36**	**21**
Line-by-line restatement and other changes	**47**	**77**	**(3)**
Total net goodwill at end of period	**1,684**	**1,911**	**1,879**

note 15 Intangible fixed assets

in € millions	1999	2000	2001
Brand name, Motel 6 (1)	196	216	228
Brand name, Red Roof Inns (1)	119	129	136
Market share, On-board train services	75	75	75
Other networks and brand names	12	11	11
Business rights	18	17	16
Start-up costs	20	16	15
Other intangible fixed assets	184	223	250
Total (gross value)	**624**	**687**	**731**
Amortization and provision (2)	(94)	(106)	(198)
Total (net value)	**530**	**581**	**533**

(1) Changes in the valuation of the Motel 6 and Red Roof brands are primarily due to fluctuations in the exchange rate of the US Dollar against Euro at the closing date (December 31, 2000: 0.9305 - December 2001: 0.8813).
(2) The increase of total amortization as at December 31, 2001 is primarily due to the reclassification of provisions previously booked as a “provisions for liabilities and charges” (See note 24).

note 16 Property, plant and equipment

in € millions	1999	2000	2001
Land	543	562	680
Buildings	3,230	3,308	3,280
Fittings	829	972	1 102
Equipment and furniture	1,463	1,584	1,708
Construction in process	603	536	625
Total gross value	**6,668**	**6,962**	**7,395**
Total amortization, depreciation and provision	(2,150)	(2,266)	(2,369)
Total net value	**4,518**	**4,696**	**5,026**

The net fixed assets variation over the period considered breaks down as follows:

in € millions	1999	2000	2001
Total on January 1	**3,458**	**4,518**	**4,696**
Evolution of the scope of consolidation	1,047	33	25
Disposals	(983)	(571)	(322)
Investments of the period	1,094	1,079	942
Amortization	(354)	(377)	(399)
Translation adjustments	255	139	108
Restatements	2	(125)	(24)
Total on December 31	**4,518**	**4,696**	**5,026**

On December 31, 2001 property, plant and equipment held under capital leases totaled €731 million (gross value), as against €681 million on December 31, 2000.

note 17 Long-term loans

in € millions	1999	2000	2001
Hotels, Asia/Pacific (1)	45	58	85
ABC Company (Demeure/Libertel Hotels) (2)	47	53	55
Hotels, UK	1	31	36
Hotels, The Netherlands	25	30	31
Front de Seine Participations	28	28	28
Courtepaille	-	-	21
Hotels, US/Canada	-	19	19
Vaturi Group (3)	51	-	-
Other	83	75	59
Total	**280**	**294**	**334**

(1) On December 31, 2001 the amount of loans granted to Thal amounted to €63 million (See note 2.B.3).
(2) 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 8 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. In addition, on December 31, 2001, Accor lent €55 million to ABC hotels.
(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 hundred rooms four-star Paris hotel, managed by a competing group (effective January 1, 2009).

note 18 Investments in companies accounted for by the equity method

in € millions	1999	2000	2001
Orbis (Hotels Poland) (see note 2.B.2.) (1)	-	80	98
Société des Hôtels and Casino de Deauville (2)	24	28	34
Hotels Morocco (RISMA) (3)	-	15	21
Other companies Accor Asia/Pacific	15	18	18
Ambassador/Ambatel (Hotel Korea)	11	14	16
Hotel ABC	15	15	14
Sofitel St-Honoré	8	8	9
Hotel Tunisia (STI) (4)	-	-	8
Société Hôtelière Paris Les Halles	2	5	6
Front de Seine Participations (5)	-	-	6
Tahl (Australia) (6)	66	59	-
Eurest Australia (7)	18	16	-
Other associated equity companies	45	45	36
Total	**204**	**303**	**266**

(1) Financial highlights of Orbis are as follows:

Key Figures of Orbis (in € millions)	1999	2000	2001
Turnover	186	194	187
Net Income	21	21	14
Net Cash / (Net Debt)	45	15	9

(2) Financial highlights of Société des Hôtels and Casino de Deauville are as follows:

Key Figures of SHCD (in € millions)	1999	2000	2001
Turnover	144	172	183
Net Income	9	12	22
Net Cash / (Net Debt)	(50)	(70)	(56)

(3) During the first quarter of 2000, Accor was diluted down to 48% in the investment fund established by the Group in Morocco (Risma). Since January 1, 2000, Risma has been consequently consolidated by the equity method. Financial highlights of Risma are as follows:

Key Figures of Risma (in € millions)	1999	2000	2001
Turnover	28	35	35
Net Income	-	2	(3)
Net Cash / (Net Debt)	(3)	(4)	(14)

(4) During the first half of 2001, Accor was diluted down to 35% in the investment fund established by the Group in Tunisia (STI). Since January 1, 2001, STI has been consequently consolidated by the equity method. There is no material debt in the investment fund.

(5) During 2001, Accor purchased a 40% interest in Front de Seine Participations. The financial highlights are as follows as at December 31, 2001:

Key Figures of Front de Seine Participations (in € millions)	1999	2000	2001
Turnover	-	-	26
Net Income	-	-	(2)
Net Cash / (Net Debt)	-	-	(111)

(6) From 1997, Accor accounted for by the equity method the holding company Tahl, in possession of assets in Australia, up to 37.07%. During the period, Tahl shares have been reclassified as "Investments in unconsolidated companies" (See note 2.B.3).

(7) The 35% share owned in Eurest Australia was sold during the first half of 2001. A capital gain of €5 million has been recorded on that occasion (see note 11).

note 19 Other financial fixed assets

in € millions	1999	2000	2001
Investment in unconsolidated companies (1)	116	112	191
Deposits and securities	91	95	128
Total (gross value)	**207**	**207**	**319**
Provision for loss in value	(44)	(31)	(37)
Total (net value)	**163**	**176**	**282**

(1) The variance of this item is primarily due to the reclassification of Tahl shares, previously shown as "investments in companies accounted for by the equity method" (€23 million), and the acquisition of Européenne de Casinos shares (€46 million).

Main investments in unconsolidated companies break down as follows:

in € millions	1999	2000	2001
Européenne de Casinos [1]	-	-	46
Tahl [2]	-	-	23
Bellatrix	14	14	13
Other investment in unconsolidated companies	98	84	76
Total (net value)	**112**	**98**	**158**

(1) On December 17th, 2001, Accor Casinos, subsidiary of Accor at 94 %, launched a takeover bid at €52 per share and €129.5 per convertible bond over all of Européenne de Casinos shares. This offer followed the acquisition on December 14th, 2001 of 22.7% of the capital (before dilution) of Européenne de Casinos for €46 million by Accor Casinos.
(2) See note 2.B.3.

note 20 Breakdown of fixed assets by activity

Note 20.1. Gross fixed assets by activity

in € millions	HOTELS Business & Leisure	Economy	Economy US	SERVICES	Travel Agencies	Casinos	Restaurants	On-board Train Services	Holdings and other	2001	2000
Goodwill	489	150	730	88	295	229	59	18	328	2,386	2,331
Intangible assets	48	42	409	63	46	2	7	30	84	731	687
Property, plant and equipment	2,898	1,672	2,119	91	110	147	99	78	181	7,395	6,962
Sub-total	**3,435**	**1,864**	**3,258**	**242**	**451**	**378**	**165**	**126**	**593**	**10,512**	**9,980**
Long-term loans	281	15	3	1	-	-	2	3	55	360	298
Investment in associated	208	15	-	-	4	-	1	-	39	267	303
Other financial assets	125	11	78	2	7	46	1	1	48	319	207
2001 total	**4,049**	**1,905**	**3,339**	**245**	**462**	**424**	**169**	**130**	**735**	**11,458**	
2000 total	**3,781**	**1,867**	**3,065**	**226**	**469**	**359**	**155**	**152**	**714**		**10,788**

On December 31, 2001, gross fixed assets include €3,246 million in hotel real estate, as compared to €3,120 million on December 31, 2000.

Note 20.2. Geographical breakdown of gross fixed assets

in € millions	France	Europe (excl. France)	North America	Latin America	Other Countries	Worldwide Structures	2001	2000
Goodwill	548	213	741	98	214	572	2,386	2,331
Intangible assets	54	96	475	35	4	67	731	687
Property, plant and equipment	2,257	1,840	2,601	222	267	208	7,395	6,962
Sub-total	**2,859**	**2,149**	**3,817**	**355**	**485**	**847**	**10,512**	**9,980**
Long-term loans	-	-	-	-	-	360	360	298
Investment in associated	-	-	-	-	-	267	267	303
Other financial assets	-	-	-	-	-	319	319	207
2001 total	**2,859**	**2,149**	**3,817**	**355**	**485**	**1,793**	**11,458**	
2000 total	**2,943**	**1,960**	**3,563**	**295**	**355**	**1,672**		**10,788**

note 21 Other receivables and payables

in € millions	1999	2000	2001
Gross other receivables (1)	**883**	**955**	**1,016**
Provision	(80)	(79)	(90)
Net other receivables	**803**	**876**	**926**
Gross other payables (2)	**1,083**	**1,241**	**1,064**

(1) On December 31, 2001, it included:
- VAT receivables for €162 million;
- tax receivables for €39 million;
- employee organization receivables for €10 million;
- prepaid expenses for €245 million;
- deferred charges for €160 million;
- other receivables for €313 million;
- deferred tax credit for €87 million.

(2) On December 31, 2001, it included:
- personnel and employee organization payables for €374 million;
- corporate tax payables for €33 million;
- other tax payables for €117 million;
- VAT payables for €50 million;
- accrued liabilities for €122 million;
- other payables for €368 million.

note 22 Fully diluted share capital

On December 31, 2001, Accor shares amounted to 198,893,415. The average number of shares outstanding during 2001 was 197,042,325.

In addition 5,617,322 options to subscribe to Accor shares, representing 2.82 % of the total capital, reserved to Group personnel, were outstanding on December 31, 2001:
- 135,000 stock options exercisable from January 1999 until January 2005 at €15.46 per share;
- 1,375,000 stock options exercisable from January 2003 until January 2006 at €32.47 per share;
- 757,322 stock options exercisable (Stock Saving Warrants) from December 2003 until December 2007 at €43.40 per share;
- 600,000 stock options exercisable from January 2004 until January 2007 at €33.95 per share;
- 750,000 stock options exercisable from March 2005 until March 2008 at €37.00 per share;
- 2,000,000 stock options exercisable from January 2004 until January 2009 at €40.58 per share.

On this basis, the average fully diluted number of shares outstanding on December 31, 2001 is 197,803,003.

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

in €	1999	2000	2001
Net income, Group share (in million)	352	447	474
Fully diluted number of shares (in thousand)	185,544	197,067	197,803
Fully diluted earnings per share	1.89	2.27	2.39

note 23 Changes in minority interests

in € millions	
December 31, 1999	**185**
Income from minority interest for the period	28
Dividends paid to minority interests	(24)
Translation adjustments	(3)
Other changes	(45)
December 31, 2000	**141**
Income from minority interest for the period	31
Dividends paid to minority interests	(26)
Translation adjustments	(6)
Other changes	-
December 31, 2001	**140**

note 24 Provisions for risks and charges

in € millions	
December 31, 1999	**604**
Additions to scope of consolidation	9
Change of method	41
Allocation to current provisions	143
(Reversal) of current provisions	(154)
Translation adjustments	5
Other changes	(39)
December 31, 2000	**609**
Reclassifying (1)	(1)
Additions to scope of consolidation	1
Allocation to current provisions	85
(Reversal) of current provisions	(136)
Translation adjustments	(1)
Other changes	(20)
December 31, 2001 (2)	**537**

(1) On January 1st, 2001, the Group performed an analysis of its provisions for risks and charges accounting nature, which led to carrying out reclassifications. The net effect is of €-1 million on the "Provisions for risks and charges" item, of which €112 million are relating to depreciation of fixed assets and €-111 million are relating to other payables items.

(2) On December 31, 2001, the provision for risks item breaks down as follows:

- Retirement provisions	€53 M
- Litigation provisions and other	€187 M
- Fiscal and deferred tax provisions	€278 M
- Restructuring provisions	€19 M
Total December 31, 2001	**€537 M**

note 25 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 an amount of €170 million with a double effect:
- this company committed itself to buy out at the end of the fifteenth year the repack Perpetual Subordinated Floating Rate Notes from the various lenders, who committed themselves to sell them;
- it already committed itself towards Accor not to reclaim as from then the principal and interest on these notes.

The notes issue generated net amount 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 (PIBOR + Margin). 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.
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 to Accor by the French Tax Authorities in the early 1993.

note 26 Exchangeable bonds

Exchangeable bonds
In March 1999, Accor has issued 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 May 1999. Holders of the bonds will have the option to either exchange them for Compass shares or be redeemed in cash at par.
On 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 2001, 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.
On December 31, 2001, the exchangeable bonds are shown as short-term debt as the maturity of this financial instrument is March, 2002.

note 27 Total long-term debt

in € millions	Actual interest rate 1999	%	Actual interest rate 2000	%	Actual interest rate 2001	%
EURO	**1,854**	***4.21***	**1,680**	***4.35***	**1,822**	***3.74***
US Dollar	1,238	*6.27*	1,325	*6.76*	1,543	*4.20*
Australian Dollar	199	*5.47*	234	*6.29*	163	*4.45*
Canadian Dollar	17	*5.57*	14	*5.90*	-	-
Swiss Franc	12	*5.13*	12	*5.16*	15	*4.50*
Japanese Yen	20	*0.42*	8	*1.12*	11	*0.38*
Swedish Crown	22	*4.28*	15	*4.34*	2	*4.57*
Pound Sterling	-	-	-	-	-	-
Other currencies (1)	14	-	24	-	95	-
Sub-total all currencies	**3,376**	***5.37***	**3,312**	***5.51***	**3,651**	***4.15***
Capital leases	268	-	246	-	253	-
Short-term financial debt and overdraft	531	-	560	-	187	-
Total debt	**4,175**	**-**	**4,118**	**-**	**4,091**	**-**

(1) BRL €38 million and PLN €30 million on December 31, 2001.

This analysis was carried out taking currency swaps and interest rates into account.

in € millions	1999	2000	2001
Long-term financial debt	2,997	3,397	3,441
Short-term financial debt and overdraft	1,178	721	650
Total debt	**4,175**	**4,118**	**4,091**

Debt maturity is as follows:

in € millions	1999	2000	2001
Year N + 1	1,222	721	650
Year N + 2	692	1,172	375
Year N + 3	1,193	340	295
Year N + 4	262	132	1,341
Year N + 5	128	1,335	1,297
Year N + 6	283	313	25
Beyond	395	104	108
Total long-term debt	**4,175**	**4,118**	**4,091**

As at December 31, 2001, Accor carries several unutilized confirmed credit lines with maturities of over one year, for a total of €1,415 million, expiring between June 2003 and December 2006. Subsequently, short-term financing, which the Group expects to renew, have been reclassified as long-term debt for a same amount of €1,415 million.

Fixed / Variable interest rate of the financial debt
(excluding capital leases and other financial short term debt)

in € millions	Fixed-Rate Debt			Variable-Rate Debt			Total Debt	
	Amount	Rate	Fixed Debt	Amount	Rate	Variable Debt	Amount	Rate
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%
December 2001	1,723	4.51%	47%	1,928	3.82%	53%	3,651	4.15%

On December 31, 2001, fixed-rate indebtedness is primarily denominated in Euro (69%) and US dollar (30%).
Variable interest-rate debt was primarily denominated in USD (53%), EUR (33%) and AUD (8%).

note 28 Net indebtedness

in € millions	1999	2000	2001
Repackaged perpetual subordinated	363	270	214
Convertible bonds	291	-	-
Long-term exchangeable bonds	434	434	-
Other long-term debt	1,667	2,477	3,007
Capital leases	242	216	220
Short-term financial debt	831	251	537
Overdraft	347	470	113
Total financial debt	**4,175**	**4,118**	**4,091**
Short-term loans	(138)	(79)	(47)
Marketable securities	(619)	(792)	(830)
Cash and equivalents	(488)	(599)	(264)
Receivables related to assets sales	(265)	(102)	(101)
Net financial debt	**2,665**	**2,546**	**2,849**
Net financial debt at the beginning of the period	**1,834**	**2,665**	**2,547**
Changes in long-term debt	617	468	(439)
Changes in short-term net financial debt	(247)	(680)	686
Other structural and currency changes (1)	289	(70)	54
Change in receivables related to assets sales	172	164	1
Total changes for the period	**831**	**(118)**	**302**
Net financial debt at the end of the period	**2,665**	**2,547**	**2,849**

(1) Long-term debt.

note 29 Breakdown of consolidated cash flow from operations

in € millions	1999	2000	2001
Consolidated net income, Group share	352	447	474
Minority interests	24	28	31
Depreciation, amortization and provision	426	524	545
Net income from associated equity companies, Group share	1	(11)	(6)
Deferred taxes	10	77	77
Financial provisions and provisions on assets management	105	12	(44)
Consolidated cash flow	**918**	**1,077**	**1,077**
Net realized capital (gains)/losses on asset sales	(213)	(149)	(108)
Non-operating losses/(profit)	73	56	36
Consolidated cash flow from operations	**778**	**984**	**1,005**

Breakdown of cash flow from operating activities

in € millions	1999	2000	2001
Consolidated cash flow	918	1,077	1,077
Net realized capital (gains)/losses on asset sales	(213)	(149)	(108)
Decrease/(increase) in working capital	14	116	(115)
Cash flow from operating activities	**719**	**1,044**	**854**

note 30 Payroll

Total payroll amounted to €2,388 million at December 31, 2000 and to €2,460 million at December 31, 2001. It includes employee profit-sharing (see note 1.J.)
Fees paid by various Group companies to Members of the Supervisory Board amounted to €0.930 million of which, €0.276 million were paid by Accor S.A.

note 31 Litigation

Several associates of companies managing under mandate Formule 1 hotels and Etap 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 Court of Appeal in a December 21, 2000 and a June 7, 2001 ruling has confirmed this statement for 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 during the first half of 2002. The Group subsidiaries have filed suit to obtain the annulement of the Paris Court of Appeal ruling.
The 2001 consolidated financial statements take into account the Group's financial valuation of the risk associated to these claims. On December 31, 2001, there is no other relevant litigation.

note 32 Off-balance sheet commitments and contingencies

as of december 31, 2001

- Guarantees on loans and overdrafts given to associated equity companies and non consolidated companies totaled €27 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 €32 million on December 31, 2001.
- As part of a 10-year management contract relative to the Mercure Sydney Railway Square hotel, opened on 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 born by the owner totaled approximately €63 million.
- In September 2001, Accor sold 2,500,000 put options at an exercise price of €26.3 per share, with a maturity set on September 20, 2002. A premium of €2 per share has been collected on that occasion. The Accor share price on December 31, 2001 (€40.83 per share) being superior to the exercise price of €26.3, the premium has been posted as a result and is shown in the "Result from management of other assets". At maturity, if the price is below €26.3, Accor's commitment would amount to the difference between €26.3 and the share quotation for each of the 2,500,000 options.
- Within the framework of the agreements signed between Colony and Accor during the acquisition of Novotel Paris Tour Eiffel (former NIKKO), the american investment fund Colony has a put option on 60% of Front de Seine Participations shares, between the fifth and the seventh years. The price will be based on 10 times the Ebitda minus debts. On the basis of the 2001 financial data, this commitment has been valued to €17 million as on December 31, 2001.
- Other commitments given total €85 million.

note 33 Main subsidiaries and consolidated financial investments at December 31, 2001

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	98.67%
✲ ACCOR CASINO SA	94.00%
✲ SFPTH SA	99.48%
✲ DEVIMCO	99.97%
✲ Accor Réservation Service	100.00%
✲ 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)	43.87%
■ ACCOR SERVICES France (*)	100.00 %

Europe

Austria	
□ Accor GmbH	100.00%
■ ACS Austria	96.20%
Belgium	
□ Accor Hôtels Belgium	98.64%
□ Accoordination	99.22%
■ Accor T.R.B.	100.00%
✲ CIWLT	99.48%
▲ W.L. Tourisme (2)	49.74%
Denmark	
□ Accor Hôtels Denmark	100.00%
▲ World Tourist (2)	49.74%
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	80.43%
■ Incentive House	99.78%
Italy	
● ■ 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)	25.00%
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	99.74%

Latin America

Argentina	
■ Servicios Ticket	88.00%
Brazil	
□ H.A.B. SA	71.31%
● ■ T.S. do Brasil	49.99%
✲ DALKIA	49.99%
Mexico	
▲ WLT Mexicana	99.48%
■ Accor Servicios Emp.	97.50%
Chile	
■ TR Chili	74.35%

Asia-Pacific

□ AAPC : Accor Asia Pacific Corp.	100.00%
▲ HQ Asia (2)	49.74%

Other countries

□ Saudi Hotels Management	60.00%

North America

Canada	
□ Group Accor of Canada	100.00%
▲ Carlson Canada (2)	49.74%
United States	
□ Accor North America	100.00%
□ IBL Ltd	99.90%
□ Sofitel USA	100.00%
□ Red Roof Inns	99.90%
□ Accor Lodging North Am.	100.00%
▲ Carlson USA (2)	49.74%

Afrique

Ivory Coast	
□ Société Abidjanaise	74.92%
Morocco	
□ Risma (1)	47.53%
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 2001
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	■ Services	◆ Onboard Train Services
▲ Travel Agencies	● Public Restaurants and Institutional Catering	✲ Other Services

Parent Company

Report of the Management Board on the Company's 2001 Results

Business Review

In 2001, Accor S.A. had revenues of €479 million, consisting of royalties, rents and miscellaneous service fees.

Accor owns the Sofitel, Novotel, Mercure, Ibis, Etap Hotel, Formule 1 and Ticket Restaurant brands. The Company also owns the goodwill corresponding to the hotel business, and holds hotel management and franchise agreements.

Since January 1, 1999, the Company has leased to several subsidiaries, set up for this purpose in France, the 66 hotel businesses that were previously operated directly. The other business leases (covering the Sofitel hotel in Quiberon, the Novotel hotel in Oléron and the Ibis hotels) are still in force.

Accor provides a certain number of services to Group companies. These services are billed at a price corresponding to a percentage of each subsidiary's revenues, or at a flat rate or on a cost-plus basis. All billings are at arm's length terms.

In the first half of 2001, the entire Service Voucher business in France was transferred to the Company's 99.9%-owned subsidiary Accor Services France, at a price of €411 million. The gain realized by the Company on the transaction amounted to €388 million.

Accor holds interests in a large number of companies. The most significant, in terms of value, are CIWLT (€1,149 million), IBL (€1,052 million), Cobefin (€418 million), all more than 99%-owned, and a 40% stake in Accor Holding USA with a carrying value of €404 million.

In 2001, Accor continued to implement its investment strategy in France and abroad. The main transactions for the year were as follows.

a/ Acquisition of a 40% stake in Front de Seine, in connection with a share issue, for €0.6 million. Front de Seine is a holding company that acquired the operator of the Novotel Tour Eiffel hotel (ex Nikko) in the 15th arrondissement of Paris.

b/ Acquisition of 97% of SCI Prestige Bordeaux at a cost of €10.4 million. SCI Prestige Bordeaux owns the Cours du Maréchal Juin hotel building in Bordeaux.

c/ In Mexico, acquisition, at a cost of €3.2 million, of an additional 13.3% interest in Assessoria, which owns 22.5% of our local service voucher business, raising the Company's total interest to 91.1%, and acquisition for €1 million of 1% of the capital of the Accor Servicios Empressariales operating company, raising our direct interest to 77%.

d/ Acquisition, at a cost of €2.8 million, of a 42.8% interest in the initial capital of The Leading Company For Hotels, set up in Egypt to operate a Sofitel hotel.

e/ Acquisition, at a cost of €11.8 million, of an additional 5% stake in Orbis, a Polish company that was already 20%-owned.

f/ Acquisition, at a cost of €7.6 million, of 8.5% of Holpa, owner of 63.5% of the capital of Pannonia, a Hungarian hotel operator, raising our interest from 25.2% to 33.7%, and purchase of 28,140 Pannonia shares for €0.3 million, raising our direct interest in the operating company from 35.4% to 35.8%.

g/ Acquisition of a 20% interest in the capital of newly-formed Sofitel Venice for €8 million.

Accor also underwrote share issues by several subsidiaries, including Accor Réservation Services (€5.3 million), SIET (€34.9 million), SPARHE (€4 million), Hoteles Accor de Argentina (€2.9 million), Accor Hotel Danemark (€2 million), Morocco-based Risma (€8.6 million), Immobilière de Monterrey in Mexico (€1.3 million), Katerinska Hotel in the Czech Republic (€9.1 million) and Beijing Yagao Meal Service Card in China (€1.2 million)

Other smaller transactions were also carried out, including acquisitions of newly-issued shares of certain subsidiaries currently being developed in Colombia, Austria, Sardinia, Egypt, Greece and India.

Minority interests were acquired in various companies, including Lenôtre, Novotel Canada, Hotel del Cuzco in Peru, Tunisia Hotel Resort in Tunisia and CHP Maéva in Polynesia.

Various subsidiaries were set up in France and Italy, to develop hotels, and in Poland, Hungary, Chile and Bulgaria for the service businesses.

During the year, Accor bought back 246,661 of its own shares at an average price of €40.3975. The Company currently owns 1,528,731 of its own shares, while our 99%-owned subsidiary CIWLT holds 3,941,965 Accor shares representing 1.98% of our issued capital.

Certain interests were also divested during the year. In Martinique, PLM Caraïbes was merged into Société Hôtelière de Bas du Fort, which was subsequently sold together with Société Hôtelière du Diamant. The loss on these transactions amounted to €15 million.

Our interest in Tanit International was reduced to 35% from 97.8% in connection with a share issue for cash underwritten by local investors. Tanit International operates several owned or leased hotels in Tunisia.
The Unibail shares acquired in exchange for CNIT shares were finally sold on the market, for €16.1 million. The gain was €3.7 million.
The Company also sold its entire interest in Locarev Maeva.
Carlson Wagonlit USA redeemed the preferred stock issued exclusively to Accor five years ago, for $30 million.
Lastly, Accor sold 6% of the capital of Accor Casinos, reducing its interest in the company to 94%.

2001 Results

Revenues increased by 3% in 2001 to €479 million from €465 million. The 2001 total includes hotel royalties and payments from business leases, but does not include any revenues from the Service Voucher business. In 2000, this business contributed €37 million to revenues. Excluding Service Voucher revenue from the 2000 total, the year-on-year increase was 12%.
The Company ended the year with an operating loss of €4 million as opposed to operating income of €9 million in 2000. Reversals of depreciation, amortization and provisions and expense transfers credited to the income statement increased by €2 million to €23 million.
Total operating expenses rose 5.4% to €507 million from €481 million.
The Company had net financial expense of €102 million versus net financial income of €307 million in 2000. The unfavorable swing was due to the significant provisions set aside in 2001.
Total provision movements included in net financial expense, corresponding mainly to provisions for impairment in value of investments in subsidiaries, represented a net charge of €357 million as opposed to a net credit of €34 million in 2000. The Company's investment in CIWLT was written down by €274 million to take account of the substantial dividends paid out by this subsidiary and the impairment in value of certain of its investments. In 2001, dividend income contracted to €310 million from €337 million in 2000. The total includes €130 million in dividends from CIWLT, the same amount as in 2000.

The operating loss after net financial expense amounted to €106 million. In 2000, the Company had operating income after net financial income of €316 million.

Net non-recurring income came to €375 million versus €71 million in 2000. The significant increase primarily reflects the transfer of the French Service Voucher business.

The corporate tax benefit amounted to €47 million, an increase of €27 million compared with €20 million in 2000. The Accor tax group comprised 113 companies in 2001 versus 146 in 2000.

The Company ended the year with net income of €316 million compared with €406 million the previous year.

The parent company financial statements presented in this document are a summary version. The full statements, including the notes, have been audited by the Statutory Auditors, who have issued an unqualified opinion. Their Report is available to shareholders, as provided for by law.

Income statements

in € millions	1999	2000	2001
Operating revenues	410	490	502
Operating expenses	(377)	(439)	(468)
Depreciation and amortization	(43)	(42)	(38)
Ebit	**(10)**	**9**	**(4)**
Investment income	309	476	476
Other financial revenues	42	45	45
Financial expenses	(211)	(248)	(267)
Allowances to and recoveries of provisions – net	37	34	(356)
Net financial expenses	**177**	**307**	**(102)**
Exceptional items	**54**	**71**	**375**
Tax	23	19	47
Net income	**244**	**406**	**316**

Balance sheets

in € millions	1999	2000	2001
ASSETS			
Intangible fixed assets	87	86	99
Property, plant and equipment	166	90	123
Financial assets	6,014	6,548	7,166
Receivables	697	874	726
Reserve funds	229	259	
Cash and equivalents	54	135	4
Total assets	**7,247**	**7,992**	**8,118**
LIABILITIES			
Share capital	556	595	597
Additional paid-in capital	2,021	2,329	2,496
Net income	244	406	316
Other equity (T.S.D.I.) (1)	483	475	466
Provisions for risks and charges	91	52	91
Convertible bonds (2)	748	437	437
Other long term debt	2,696	3,171	3,555
Other debt	142	256	160
Service vouchers in circulation	266	271	
Total liabilities	**7,247**	**7,992**	**8,118**

(1) included accrued interest for 1999 (€0.35 million), 2000 (€0.44 million) and 2001 (€0.32 million) payable on June 27 of the following year.
(2) 433,484 bonds of 1,000 each and accrued interest of €3.30 million payable on March 29 of the following year.

Net assets at December 31, 2001

in € millions	
Share capital	597
Additional paid-in capital	1,796
Legal reserve	59
Untaxed reserves	78
Other reserves	45
Retained earnings	507
Net income for the year	316
Untaxed provisions	11
Total before appropriation	**3,409**

Proposed appropriation of income

in € millions	
The Management Board will recommend that shareholders appropriate 2001 net income:	
plus	316
retained earnings brought forward from the prior year	506
prior year dividends not paid out on treasury stock of	1
Total income available for distribution	**823**
As follows:	
to the legal reserve	2
to dividends	209
to the "Precompte" dividend withholding tax	84
to retained earnings	528
Total	**823**

Five-year financial summary

Transaction in € thousands	1997	1998	1999	2000	2001
1 - Financial situation at year-end					
Share capital	546,567	550,966	556,446	594,974	596,680
Share in issue	35,852,417	36,140,999	185,481,982(1)	198,324,605(1)	198,893,415(1)
Convertible bond in issue	2,099,349	2,099,029	1,990,639	-	-
2 - Financial results for the year					
Net sales	389,979	490,589	374,584	464,944	478,743
Ebitda	414,181	356,979	142,240	382,545	647,712
Income tax	(21,124)	(28,227)	(23,040)	(19,803)	(47,274)
Net income	274,499	283,040	243,983	406,385	315,905
Dividends	173,869	185,247	224,009	246,017	293,338(2)
3 - Per share date (in €)					
Ebitda	12.14	10.66	0.89	2.03	3.49
Net income	7.66	7.83	1.32	2.05	1.59
Dividend before tax credit	3.51	4.00	0.90	1.00	1.05(2)
4 - Employees					
Number of employees	2,796	3,368	1,095	1,025	887(3)
Total payroll and employee benefits	109,873	120,042	68,294	75,479	74,335

(1) Par value of €3.
(2) Subject to shareholder approval.
(3) Employees of Accor SA at December 31, 2001.
Decrease due to spin-off of the Services France Business.

Presentation of the Resolutions

This report has been prepared to present the texts of the resolutions to be submitted for shareholder approval at the Annual Meeting and to explain their purpose.

Annual Shareholders' Meeting

The purpose of the first resolution is to approve the financial statements of the Company for 2001.

The purpose of the second resolution, submitted in application of provisions of the "NRE" law of May 15, 2001, is to approve the **consolidated financial statements**.

The third resolution concerns regulated agreements governed by article L. 225-86 of the Commercial Code, which were approved by the Supervisory Board during 2001 and are described in the Auditors' special report.

The purpose of the fourth resolution is to appropriate net income for the year and set the amount of the dividend.
The Management Board will recommend that shareholders appropriate income available for distribution, i.e.:

	€
2001 net income	315,905,470.17
Plus:	
- Retained earnings brought forward from the prior year of	505,745,587.41
- Prior year dividends not paid out on treasury stock of	1,428,731.00
Representing total income available for distribution of	**823,079,788.58**
As follows:	
- To the legal reserve	2,119,357.94
- To dividends	208,838,085.75
- To the "precompte" dividend withholding tax	84,500,000.00
- To retained earnings	527,622,344.89

The dividend per share recommended by the Management Board amounts to €1.05 (€1.575 including the -*avoir fiscal*- tax credit), an increase of 5% over the dividend paid on 2000 earnings.
If approved, the dividend will be paid as of Monday, June 3, 2002, on the 198,893,415 shares carrying dividend rights as of January 1, 2001.
Dividends for the last three years were as follows:

in €	1998	1999	2000
Dividend	0.80	0.90	1.00
(*Avoir fiscal*) tax credit	0.40	0.45	0.50
Total revenue	1.20	1.35	1.50

The purpose of the fifth resolution is to ratify the appointment of a member of the Supervisory Board.
Shareholders will be asked to ratify the decision of the Supervisory Board, made at the meeting of July 3, 2001, to appoint Franck Riboud, Chairman and Chief Executive Officer of Groupe Danone, as member of the Supervisory Board to replace Jean-Marie Fourier, following the latter's resignation. Franck Riboud has been appointed for the remainder of Jean-Marie Fourier's term expiring at the close of the Annual Meeting to be called to approve the 2004 financial statements.

The sixth resolution asks shareholders to note that the term of office of a member of the Supervisory Board has expired.
CDC Participations, which has been a member of the Supervisory Board since 1983, has been merged into CDC Finance - CDC Ixis. Management recommends that it not be replaced on the Supervisory Board.

The seventh resolution is intended to give the Management Board the necessary authorizations to trade in the Company's shares.

The Annual Meeting of May 29, 2001 authorized the Management Board to trade in the Company's shares in accordance with articles L. 225-209 et seq. of the Commercial Code. At that time, the maximum purchase price was set at €60.00 and the minimum sale price at €35.00.

In 2001, the Company used this authorization and a similar authorization given the previous year to purchase 246,661 of its own shares at an average price of €40.40. The related transaction fees amounted to €23,680.

As of December 31, 2001, Accor held 1,528,731 of its own €3.00 par value shares, acquired at a total cost of €63,191,788. These shares, representing 0.77% of the capital at December 31, 2001, are intended to be cancelled.

Shareholders are being asked to renew the authorization given to the Management Board to trade in the Company's shares, subject to compliance with the laws and regulations applicable to this type of transaction. Details of the proposed transactions are provided in the information memorandum approved by the Commission des Opérations de Bourse and published by the Company. The purposes of the share purchases and sales are described in the resolution submitted at the Annual Meeting and also in the information memorandum.

The authorization is being sought for a period of eighteen months. The maximum purchase price will be set at €60.00 and the minimum sale price at €35.00. The Company will not be authorized to purchase more than 14 million shares under the authorization, representing a maximum total investment of €840 million.

The Management Board will report to the Annual Meeting on the transactions carried out under the authorization.

The purpose of the eighth resolution is to authorize the Management Board to issue bonds on the financial markets.

Shareholders are being asked to renew the authorization to issue bonds given to the Management Board by the Annual Meeting of May 27, 1999. The aim is to allow the Management Board – depending on the Company's financing needs and the opportunities arising in the financial markets – to issue up to €4 billion worth of debt securities (or the equivalent in foreign currency), in one or several issues on the French or international market. The authorization is being sought for five years, corresponding to the period prescribed by law.

The Management Board will be authorized to issue ordinary, subordinated or perpetual subordinated bonds or bonds with bond warrants or bonds exchangeable for all types of securities of another issuer, and any other debt securities other than share equivalents.

This authorization cancels and replaces the unused portion of the authorization given to the Management Board at the Annual Meeting of May 27, 1999.

Extraordinary Shareholders' Meeting

The purpose of the ninth resolution is to authorize the Management Board to reduce the capital by cancelling shares.

Shareholders are being asked to authorize the Management Board to cancel all or some of the shares bought back under the seventh resolution, provided that the number of shares cancelled in any twenty-four month period does not exceed 10% of the capital, and to reduce the Company's capital accordingly. The Auditors have issued a special report on this authorization, as required by law.

The purpose of the tenth resolution is to amend article 16 of the bylaws.

The Company is required to amend the bylaws to reflect the new provisions of article L. 225-69 of the Commercial Code by reducing from twenty-four to eighteen the maximum number of members of the Supervisory Board.

The eleventh resolution is intended to allow the Management Board to use the various authorizations to issue shares and share equivalents while a takeover bid for the Company is in progress, provided that the right to subscribe the shares is not restricted to designated investors.

As in previous years, shareholders will be asked to authorize the Management Board to use the authorizations to carry out unrestricted share issues while a takeover bid for the Company is in progress.

To take into account the recommendations of the latest report of the Committee on Corporate Governance, shareholders are being asked to renew the authorization with the stipulation that share issues could be carried out only in connection with acquisitions, since the absence of an authorization could cause the Company to miss out on acquisition opportunities while such a bid was in progress.

Proposed Resolutions to be Submitted
at the Combined Annual and Extraordinary Shareholders' Meeting

The following resolutions are subject to the quorum and majority voting rules applicable to Ordinary Shareholders' Meetings.

Annual Shareholders' Meeting

First resolution

Approval of the 2001 financial statements of the Company

The Annual Meeting, having considered the reports of the Management Board and the Supervisory Board as well as the Auditors' report on the financial statements, approves the report of the Management Board in its entirety and the financial statements of the Company for the year ended December 31, 2001, as presented.

The Annual Meeting also approves the transactions reflected in the financial statements and the action taken by the Management Board during the year.

Second resolution

Approval of the 2001 financial statements of the Group

The Annual Meeting, having considered the reports of the Management Board and the Supervisory Board as well as the Auditors' report on the consolidated financial statements, approves the consolidated financial statements for the year ended December 31, 2001, as presented.

Third resolution

Approval of regulated agreements

The Annual Meeting, having considered the Auditors' special report on agreements governed by article L. 225-86 of the Commercial Code approves the agreements referred to therein and the transactions carried out under the agreements approved in prior years.

Fourth resolution

Appropriation of 2001 net income

The Annual Meeting approves the recommendation of the Management Board and resolves to appropriate net income for the year

in €	
In the amount of:	315,905,470.17
Plus:	
- Retained earnings brought forward from the prior year of	505,745,587.41
- Prior year dividends not paid out on treasury stock of:	1,428,731.00
Representing total income available for distribution of	**823,079,788.58**
As follows:	
- To the legal reserve	2,119,357.94
- To dividends	208,838,085.75
- To the "precompte" dividend withholding tax	84,500,000.00
- To retained earnings	527,622,344.89

The dividend payable on the 198,893,415 common shares carrying dividend rights as of January 1, 2001 is hereby set at €1.05 per share, representing total revenue per share of €1.575 including the €0.525 (avoir fiscal) tax credit. The dividend will be paid as of June 3, 2002.

The Annual Meeting notes that dividends per share for the last three years were as follows:

in €	1998	1999	2000
Net dividend	0.80	0.90	1.00
(*Avoir fiscal*) tax credit	0.40	0.45	0.50
Total revenue	1.20	1.35	1.50

Fifth resolution

Ratification of the appointment of a member of the Supervisory Board

The Annual Meeting ratifies the decision of the Supervisory Board, made at the meeting of July 3, 2001, to appoint Franck Riboud as member of the Supervisory Board to replace Jean-Marie Fourier, following the latter's resignation, for the remainder of Jean-Marie Fourier's term expiring at the close of the Annual Meeting to be called to approve the 2004 financial statements.

Sixth resolution

Expiration of the term of office of a member of the Supervisory Board

The Annual Meeting notes that the term as member of the Supervisory Board of CDC Participations automatically expired following this company's merger into CDC Finance - CDC Ixis. The Annual Meeting decides not to elect a replacement.

Seventh resolution

Authorization given to the Management Board to trade in the Company's shares

The Annual Meeting, having considered the report of the Management Board and the information memorandum approved by the Commission des Opérations de Bourse, authorizes the Management Board, pursuant to article L. 225-209 of the Commercial Code, to trade in the Company's shares.

The shares may be purchased, sold or transferred by any appropriate method on the market or over-the-counter, including through the sale or granting of put options or the use of any other derivative financial instrument traded on a regulated market or over-the-counter.

The maximum purchase price is set at €60.00 and the minimum sale price at €35.00.

In the case of a bonus share issue paid up by capitalizing reserves, or a stock-split or reverse stock-split, the above prices per share will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction.

In application of article L. 179-1 of the decree of March 23, 1967 on trading companies, the Annual Meeting sets at 14 million the maximum number of shares that may be acquired under this authorization, corresponding to a total investment of no more than €840 million based on the maximum purchase price of €60.00 per share authorized above.

Shares may be purchased by any method:

- To optimize the management of the Company's financial position and assets and liabilities;
- To stabilize the Company's share price;
- For cancellation, including for the purpose of offsetting the shares issued or that may be issued on exercise of employee stock options or in connection with a share offer to employees who are members of an employee stock ownership plan;
- For allocation on exercise of stock options granted to employees and officers of the Company and/or the Group;
- For allocation in settlement of amounts due under the employee profit-sharing plan;
- For remittance in payment or exchange for shares of another company, in connection with an acquisition or otherwise;
- For allocation on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- To facilitate the unwinding of cross-shareholdings.

The shares acquired under this authorization may be retained, sold or transferred. They may also be cancelled under the authorization given in the ninth resolution.

This authorization is given for a maximum period of eighteen months. It cancels and replaces an earlier authorization given to the Management Board in the thirteenth resolution of the Annual Meeting of May 29, 2001.

Full powers are given to the Management Board to act on this authorization.

Eighth resolution

Authorization to be given to the Management Board to issue bonds

The Annual Meeting authorizes the Management Board to issue, on one or several occasions in France or on the international market, ordinary, subordinated or perpetual subordinated bonds, with or without bond warrants, including bonds exchangeable for securities of another issuer, and any other debt securities other than share equivalents. The aggregate nominal amount of the issues carried out under this authorization may not exceed €4 billion or the equivalent in foreign currency. The bonds may be secured by a mortgage or other form of guarantee. The amount, form, timing, interest rate and other terms of issue and repayment shall be determined by the Management Board at its discretion.

The Annual Meeting gives full powers to the Management Board and, by delegation, to its Chairman subject to compliance with the law, to carry out said issue or issues, and to fix the terms and conditions of the debt securities, which may pay interest at a floating rate and include a fixed or variable call premium, the amount of which shall be in addition to the maximum amount referred to above.

In the case of issue of euro-denominated bonds with warrants, the amount to be deducted from the maximum amount referred to above shall include the nominal value of the bonds to be issued on exercise of the warrants.

In the case of issue of foreign currency bonds with warrants, the euro-equivalent amount to be used shall correspond to the nominal value of the bonds on the date of issue plus the nominal value of the bonds to be issued on exercise of the warrants.

In accordance with the law, this authorization is given for a period of five years from the date of this Meeting.

This authorization cancels and replaces the unused portion of the authorization given to the Management Board at the Annual Meeting of May 27, 1999.

Extraordinary Shareholders' Meeting

The following resolutions are subject to the quorum and majority voting rules applicable to Extraordinary Shareholders' Meetings.

Ninth resolution

Authorization given to the Management Board to reduce the capital by cancelling shares

The Extraordinary Meeting, having considered the report of the Management Board and the Auditors' special report, authorizes the Management Board to:

- Cancel the shares bought back under the authorization given in the seventh resolution, provided that the number of shares canceled in any twenty-four month period does not exceed 10% of the capital, reduce the Company's capital accordingly and charge the difference between the purchase price of the canceled shares and their par value against additional paid-in capital or reserves available for distribution.
- To effect the capital reduction, place on record the capital reduction or reductions resulting from the cancellation of shares under this resolution, amend the bylaws to reflect the new capital and generally carry out any necessary formalities.

This authorization is given for a maximum period of eighteen months. It cancels and replaces the earlier authorization given to the Management Board in the twenty-second resolution of the Extraordinary Meeting of May 29, 2001. The authorization may be used by the Management Board subject to the prior approval of the Supervisory Board, in accordance with article 15 of the bylaws.

Tenth resolution

Amendment of article 16 of the bylaws

The Extraordinary Meeting resolves to amend the bylaws to reflect the new provisions of article L. 225-69 of the Commercial Code and to reduce from twenty-four to eighteen the maximum number of members of the Supervisory Board.

The new text of article 16 of the bylaws shall be as follows:

Article 16 – Supervisory Board (1st paragraph)

"The Supervisory Board shall have at least three and no more than eighteen members, except as provided for by law in the case of a merger".

Eleventh resolution

Authorization given to the Management Board to carry out unrestricted share issues when a takeover bid for the Company is in progress

The Extraordinary Meeting, having considered the report of the Management Board, specifically authorizes the Management Board – subject to compliance with the law – to use the authorizations to issue shares and share equivalents given in the fifteenth, sixteenth and seventeenth resolutions of the Extraordinary Meeting of May 29, 2001 while a takeover bid for the Company's shares is in progress, provided that the issue is not restricted to designated investors. This authorization is given for a period of one year expiring at the Annual Meeting to be called to approve the 2002 financial statements. The authorization may be used by the Management Board subject to the prior approval of the Supervisory Board, in accordance with article 15 of the bylaws.

This authorization may only be used, however, to carry out acquisitions.

Twelfth resolution

Powers to carry out formalities

The Annual Meeting gives full powers to the bearer of an original, extract or copy of the minutes of this Meeting to carry out any and all filing and other formalities required by law.

General Information

General Information

General Information about the Company

Company name
Accor

Registered office
2, rue de la Mare-Neuve - 91000 Evry - France

Legal form
Joint stock company with a Management Board and a Supervisory Board, as governed by applicable laws and regulations, in particular Articles L. 225-57 to L. 225-93 of the Commercial Code.

Governing law
The laws and regulations of France.

Term
The Company was incorporated on April 22, 1960 and will be dissolved on April 22, 2059 unless it is wound up in advance or its term is extended.

Corporate purpose
(article 3 of the bylaws)
The Company was established to engage 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 any nature or category and, more generally, any establishment related to food, 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 the provision of any related consulting services.
- The review and provision of services intended to facilitate the supply of meals to employees in companies, institutions and other organizations.
- The creation of any new company and the acquisition of interests by any method in any company operating in any business.
- All civil, commercial, industrial and financial transactions, involving both securities and property, related to the purposes of the Company and all similar or related purposes in France and other countries.

Trade register
602 036 444 RCS Evry
Business Identification (APE) Code: 551A.

Consultation of corporate documents
Corporate documents, including the bylaws, balance sheets, income statements, Management Board reports, auditors' reports and the annual accounts ledger, are available for consultation 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.

Appropriation of income
Income available for distribution consists of net income for the year, less any losses from prior years and any other amounts to be credited to reserves pursuant to the law, plus any unappropriated retained earnings brought forward from prior years.
After approving the accounts for the year, the Annual Meeting may decide to appropriate all or part of the income available for distribution, if any, to the payment of a dividend. In the event of partial distribution, the Annual Meeting may decide to appropriate the remaining income to one or more reserve accounts. Alternatively, the Annual Meeting may decide to appropriate all of the income available for distribution to said reserve accounts.

Annual Meetings
Attendance and representation
(Article 21 of the bylaws)
Annual Meetings are called pursuant to applicable legislation. In accordance with Article 136 of the decree of March 23, 1967, to be entitled to attend or be represented at Meetings, shareholders must either have their shareholdings recorded in the share register kept by the Company at least five days prior to the date of the Meeting, or lodge at the address specified in the notice of meeting, at least five days prior to the date of the Meeting, a certificate issued by their stockbroker, bank or other intermediary attesting to their ownership of the shares and certifying that they are being held in a blocked account until after the date of the Meeting.
Annual Meetings are held at the Company's registered office or at any other address specified in the notice of meeting.

Voting rights

(Article 22 of the bylaws)

All shareholders have the right to attend or be represented at Annual Meetings, within the conditions set by law. They may vote by proxy in accordance with Article L. 225-107 of the Commercial Code. Each share carries one vote, except when otherwise dictated by law.

All fully paid shares registered in the name of the same holder for at least two years carry double voting rights. In the event of a capital increase through the capitalization of reserves, income or additional paid-in capital, the resulting bonus shares distributed to registered shareholders enjoying double voting rights will similarly carry 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 bylaws of the acquiring company allow for their exercise. When shares are held in usufruct, voting rights are granted to the usufructuary in Annual and Extraordinary 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, who does not need to be a shareholder. A list of participants is maintained pursuant to the law. Copies or excerpts of the Meeting minutes are certified by the Chairman of the Supervisory Board, the Vice Chairman, or the Meeting Secretary.

Annual and Extraordinary Meetings fulfilling the relevant requirements of quorum and majority exercise the powers granted by law.

Disclosure thresholds

(Article 9 of the bylaws)

Any shareholder, acting alone or in concert with others, that directly or indirectly acquires a number of shares representing 1% of the Company's capital is required to disclose the acquisition to the Company, by registered letter with return receipt requested, sent to the head office, within five trading days of the date on which the disclosure threshold was crossed. Above this 1% threshold, any increase of 0.5% or decrease of 1% in the number of shares held must also be disclosed.

These rules also apply to any securities that are convertible, exchangeable, redeemable or otherwise exercisable for shares of the Company, as well as to the voting rights attached to the shares held or to these securities. In the case of mutual fund management companies, disclosure must be made, pursuant to Article 9 of the bylaws, for all Company shares or voting rights held through the funds under management. These disclosures and the penalties for non-disclosure are regulated by Article L. 233-14 of the Commercial Code.

In the case of failure to comply with this requirement and upon request of one or several shareholders together holding at least 3% of the voting rights, the shares in excess of the relevant threshold will be stripped of voting rights for a period of two years following the date at which the non-disclosure was notified.

The Company may make use of legal procedures relative to the identification of holders of voting shares and any securities convertible, exchangeable, redeemable, or otherwise exercisable for voting shares.

Information about the Company's Capital

Capital stock

At December 31, 2001, the Company's capital stock amounted to €596,680,245, divided into 198,893,415 common shares with a par value of €3.00, all fully paid-up and of the same category. Shares may be held in either registered or bearer form. The Company avails itself of legal procedures to identify its shareholders. Shares are freely transferable within legal and regulatory limits. The transfer of shares, regardless of price or terms, is made by transfer of accounts, pursuant to regulations in force.

Authorization to trade in the Company's shares

The Annual Meeting of May 29, 2001 authorized the Management Board to trade in the Company's shares on the stock market for a period expiring the next Annual Meeting, called to approve the accounts for the year ending December 31, 2001. Shares may not be purchased at a price of more than €60.00 per share or sold at a price of less than €35.00 per share. The number of shares acquired and held in treasury may not exceed 14 million.

Potential capital

Employee stock options

There were 5,617,322 share options outstanding at December 31, 2001. The exercise of all these options would result in the creation of 5,617,322 new shares and raise total shares outstanding to 204,510,737.

Five-year summary of changes in share capital

Year	Type of transaction	Increase in capital (in €) Par value of new shares	Increase in capital (in €) Additional paid-in capital	New share capital (in €)	New shares outstanding
1997	Conversion of 557 1991 bonds	9,787	71,925	504,878,003	33,117,826
	Exercise of stock options at €94.06	246,967	1,276,821	505,124,970	33,134,026
	Exercise of stock options at €77.44	3,927,544	16,024,380	509,052,514	33,391,656
	Exercise of stock options at €89.94	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 1991 bonds	5,671	42,012	546,572,245	35,852,789
	Exercise of stock options at €74.70	261,603	1,020,250	546,833,847	35,869,949
	Exercise of stock options at €94.06	684,496	3,538,845	547,518,343	35,914,849
	Exercise of stock options at €162.35	38,112	367,783	547,556,456	35,917,349
	Exercise of stock options at €89.94	3,409,522	16,706,659	550,965,978	36,140,999
1999	Conversion of the share capital into euros	(8,850,993)	8,850,993	542,114,985	
	Conversion of 108,390 1991 bonds	1,869,906	13,991,347	543,984,891	36,265,659
	Exercise of stock options at €74.70	528,000	2,101,441	544,512,891	36,300,859
	Exercise of stock options at €77.29	1,050,000	4,360,416	545,562,891	36,370,859
	Exercise of stock options at €94.06	1,624,500	8,562,311	547,187,391	36,479,159
	Employee share issue at €194.00	987,510	11,784,286	548,174,901	36,544,993
	Payment of contributed assets	8,271,045	294,258,604	556,445,946	37,096,396
	Five-for-one stock split (€3 from €15)				185,481,982
2000	Conversion of 1,964,670 1991 bonds	33,890,949	253,650,965	590,336,895	196,778,965
	Exercise of stock options at €13.23	1,636,770	5,582,790	591,973,665	197,324,555
	Exercise of stock options at €15.46	495,000	2,055,625	592,468,665	197,489,555
	Exercise of stock options at €18.81	169,500	893,390	592,638,165	197,546,055
	Exercise of stock options at €32.47	37,500	368,395	592,675,665	197,558,555
	Employee share issue at €35.83	2,298,150	25,149,421	594,973,815	198,324,605
2001	Exercise of stock options at €15.46	1,050,000	4,360,416	596,023,815	198,674,605
	Exercise of stock options at €13.23	398,430	1,358,988	596,422,245	198,807,415
	Exercise of stock options at €18.81	258,000	1,359,850	596,680,245	198,893,415

Note: There are no options to purchase existing shares of the Company. All options outstanding are options to purchase new shares.

Ownership structure

Shareholders at December 31, 2001

	Number of shares	Number of voting rights	% Capital	% Voting rights
Founders	6,407,995	12,430,680	3.2%	5.9%
Caisse des Dépôts et Consignations	6,343,226	6,343,226	3.2%	3.0%
Société Générale	3,773,177	3,773,177	1.9%	1.8%
Worms & Cie (IFIL)	2,377,640	4,755,280	1.2%	2.2%
BNP-Paribas	1,227,080	2,454,160	0.6%	1.2%
Other shareholders	178,764,297	182,682,831	89.9%	85.9%
Total at December 31, 2001	**198,893,415**	**212,439,354**	**100.0%**	**100.0%**

Source: Euroclear France

Other shareholders

- According to a survey conducted on December 31, 2001 by Euroclear France of financial institutions holding more than 200,000 shares on behalf of their clients and of shareholders holding more than 250 shares, there are approximately 195,000 Accor shareholders.
- Other shareholders than members of the Supervisory Board are as follows: individual shareholders 15.1% (including employees through Employee Stock Ownership Programs), French institutional investors 25.1% (including mutual funds 15.0%), and international institutional investors 49.3%.
- Members of the Management Board together owned 3,240,659 Accor shares (1.63% of share capital) and 5,832,726 voting rights (2.75% of total voting rights) at December 31, 2001.
- Employees own 1,574,170 Accor shares (0.79% of share capital at December 31, 2001) through Employee Stock 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 indirectly.
- There are no shareholder pacts.

Changes in ownership structure over the past three years

	1999 (1)		2000 (2)		2001 (3)	
	% Share capital	% Voting rights	% Share capital	% Voting rights	% Share capital	% Voting rights
Founders	3.5%	5.8%	3.3%	5.5%	3.2%	5.9%
Caisse des Dépôts et Consignations	5.5%	9.6%	3.7%	6.5%	3.2%	3.0%
Société Générale	1.8%	1.7%	0.8%	0.7%	1.9%	1.8%
Worms & Cie (IFIL)	1.3%	2.4%	1.2%	2.2%	1.2%	2.2%
BNP-Paribas	0.7%	1.3%	0.6%	1.1%	0.6%	1.2%

(1) At March 31, 1999.
(2) At October 10, 2000.
(3) At December 31, 2001.

To the best of the Company's knowledge, no individual or legal entity, directly or indirectly, jointly or separately exercises or could exercise control over Accor.

The market for Accor shares

Accor shares are traded on the Euronext Paris first market (Euroclear code 12040). American Depositary Receipts (ADRs) are traded on the US OTC market (ACRFY, CUSIP 00435F 101).

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

Shareholder services, including transfers and dividend payments:

Société Générale - 32, rue du Champ-de-Tir - BP 81236 - 44312 Nantes Cedex 3 - France.

Dividend and share price

	Number of shares with dividend rights	Dividend paid for the year (in €)			Ex-dividend date	Paid	Share price (in €)			Yield based on year-end close
		Before tax credit	Tax credit	Total revenue			High	Low	Close	
1995	144,579,255	0.60	0.30	0.90	June 14, 96	July 19, 96	20.74	15.88	19.34	4.73%
1996	165,585,920	0.60	0.30	0.90	June 13, 97	June 13, 97	24.46	18.48	20.04	4.57%
1997	179,262,085	0.70	0.35	1.05	June 15, 98	June 15, 98	36.38	19.24	34.12	3.08%
1998	180,704,995	0.80	0.40	1.20	June 14, 99	June 14, 99	54.42	27.48	36.90	3.25%
1999	185,481,982	0.90	0.45	1.35	June 14, 00	June 14, 00	50.36	34.40	47.97	2.81%
2000	198,324,605	1.00	0.50	1.50	June 14, 01	June 14, 01	51.00	35.39	45.00	3.33%
2001 (1)	198,893,415	1.05	0.525	1.575	June 3, 02	June 3, 02	52.40	25.72	40.83	3.86%

(1) Subject to shareholder approval.

The Management Board has asked shareholders to approve the payment of a dividend of €1.05 before tax credit (€1.575 including tax credit) to each of the 198,893,415 shares carrying dividend rights as of January 1, 2001. No interim dividend has been paid. Dividends will be paid through Euroclear France. Dividends not claimed within five years from the date of payment are forfeited.

Share performance data

in €	Average	High	Low	Trading volume
2000				
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
April	44.88	48.00	41.55	20,409,365
May	49.30	52.40	46.82	33,177,363
June	47.46	49.85	45.20	19,911,368
July	45.49	48.35	43.50	21,135,265
August	43.51	46.90	41.55	17,791,199
September	33.23	44.18	25.72	33,611,161
October	32.74	35.78	29.12	24,358,150
November	36.77	40.25	32.60	23,054,995
December	39.45	41.65	36.40	13,867,456
2002				
January	41.38	42.90	40.13	23,384,050
February	40.18	42.82	38.03	19,780,290

Management, Corporate Governance

Corporate Governance

In line with good corporate governance principles, Accor is governed by a five-member Management Board, which manages Group operations, and a Supervisory Board, which oversees Group management. The Supervisory Board is comprised of ten members, including five representatives of major shareholders and five non-executive members. It operates according to formalized rules and procedures that define the rights and duties of its members. Other rules and procedures govern the relationship between the Supervisory Board and the Management Board. The Supervisory Board has also formed two standing committees, the Compensation Committee and the Audit Committee.

Co-Chairmen and Co-Founders

Paul Dubrule

Born on July 6, 1934 in Tourcoing (France). Graduate of the Institut des Hautes Etudes Commerciales, University of Geneva. Co-Founder and Co-Chairman of the Novotel chain in 1963 with Gérard Pélisson, Co-Chairman and Chief Executive Officer of the Novotel S.I.E.H. Group (1971-1983). Co-Founder and Co-Chairman of the Accor Group (1983-1997). Paul Dubrule is also Senator of Seine-et-Marne (France), Chairman 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 from the 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 in 1963 with Paul Dubrule, Co-Chairman of the Novotel S.I.E.H. Group (1971-1983). Co-Founder and Co-Chairman of the Accor Group (1983-1997). Gérard Pélisson is also Chairman of the Council on French Investment in Africa (CIAN), Chairman of the Union of French Citizens Abroad (UFE), Honorary 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 Supérieure de Commerce of Lyon (1990-1996).

Management Board

Jean-Marc Espalioux, Chairman

Born on March 18, 1952. Law and Economics degree from Institut d'Etudes Politiques de Paris; graduate of the Ecole Nationale d'Administration, Paris (1978). Inspecteur des Finances at the French Ministry of Finance from 1978 to 1982. Joined Compagnie Générale des Eaux (now Vivendi Universal) in 1984, where he served as Chief Financial Officer (1987), Member of the Executive Committee (1994) and Executive Vice President (1996).
Director 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 Universal, Air France and Fiat France and 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 from the Ecole Centrale, Paris and Master of Science in Economic & Regional Planning, Stanford University (USA). Engineer for Schlumberger Ltd (1979-1981), Engineer and 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, Tourism (January 1990-August 1992), Group Executive Vice-President since September 1, 1992, in charge of Hotels since October 1994. Sven Boinet is Member of the Management Board in charge of Hotels, since January 7, 1997.

Benjamin Cohen

Born on April 29, 1939 in Castres (Tarn, France). Graduate of the Ecole des Hautes Etudes Commerciales (1961).Vice President, Public Restaurants at Jacques Borel International (1964-1968), Member of the Management Committee and Chief Executive Officer of the Jacques Borel International Group (1975), Vice-Chairman and Chief Executive Officer of Compagnie des Hotels Jacques Borel (1972-1975), Managing Director (1975-1977), then Chairman and Chief Executive Officer of Sofitel (1977) and Union Touristique et Hôtelière (U.T.H.) (1979-1985), Executive Vice-President, International Business for Novotel S.I.E.H. (Société d'Investissement et d'Exploitation Hôtelière) (1982-1983), Executive Vice-President, Hotels and Member of the Management Committee of the Accor Group (1983-1988), Chairman of Croisières Paquet (1987-1994), Managing Director of the Accor Group (1989-1992), Group Executive Vice President (1992-1997). Director since 1994, then Managing Director and Vice-Chairman of the Compagnie Internationale des Wagons-Lits et du Tourisme. Benjamin Cohen is Member of the Management Board in charge of Finance and Investments, 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 Jacques Borel International, Belgium (1973-1977); Managing Director of Ticket Restaurant France (1978- 1983). At Accor, since 1983 he has served as Managing Director, Service Vouchers and Group Executive Vice-President, Service Vouchers and Eurest. John Du Monceau is Member of the 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
His term of office expires at the end of the Annual Meeting called to approve the accounts for the year ended December 31, 2002.

• Vice-Chairman: Etienne Davignon*, Vice-Chairman of Société Générale de Belgique, Member of the Board since May 16, 1990. Etienne Davignon, 69, is a Director of Pechiney, Suez and Anglo-American (United Kingdom), and a Member of the Supervisory Board of BASF (Germany). He owns 648 Accor shares. His term of office expires at the end of the Annual Meeting called to approve the accounts for the year ended December 31, 2002.

• BNP-Paribas, Member of the Board since May 16, 1990, represented by Baudouin Prot, Director and Chief Operating Officer of BNP-Paribas. Baudouin Prot, 51, is a Director of Pechiney and Member of the Supervisory Board of Pinault-Printemps-Redoute. He owns 500 Accor shares. BNP-Paribas's term of office expires at the end of the Annual Meeting called to approve the accounts for the year ended December 31, 2006.

• Isabelle Bouillot, Chairman of the Management Board of CDC IXIS, Member of the Board since February 14, 1996. Isabelle Bouillot, 53, is a Director of Saint-Gobain and La Poste, and a Member of the Supervisory Board of Caisse Centrale des Caisses d'Epargne. She owns 500 Accor shares. Her term of office expires at the end of the Annual Meeting called to approve the accounts for the year ended December 31, 2002.

• Renaud d'Elissagaray*, Member of the Board since January 7, 1997 (he had served as censor since January 27, 1988). Renaud d'Elissagaray, 69, a former Member of the Management Board of Banque Louis Dreyfus, is a Director of Arca-Banque du Pays Basque and various mutual funds, including Indocam Action Euro. He owns 773 Accor shares. His term of office expires at the end of the Annual Meeting called to approve the accounts for the year ended December 31, 2004.

• IFIL Finanziaria di Participazioni SpA, Member of the Board since December 15, 1992, represented by Gabriele Galateri di Genola, Managing Director and Chief Executive Officer of IFIL. Gabriele Galateri di Genola, 54, is a Member of the Supervisory Board of Worms & Cie and Director of Fiat (Italy). The term of office of IFIL Finanziaria di Participazioni SpA expires at the end of the Annual Meeting called to approve the accounts for the year ended December 31, 2006.

• Franck Riboud*, Chairman and Chief Executive Officer of the Danone Group, Member of the Board since July 3, 2001. Franck Riboud, 46, is Director of Renault and of Eurazeo. He owns 500 Accor shares. His term of office expires at the end of the Annual Meeting called to approve the accounts for the year ended December 31, 2004.

• Jérôme Seydoux*, Chairman of the Supervisory Board of Pathé, Member of the Board since January 7, 1997. Jérôme Seydoux, 67, is a Director of Chargeurs and of Danone. He owns 1,000 Accor shares. His term of office expires at the end of the Annual Meeting called to approve the accounts for the year ended December 31, 2002.

• Maurice Simond*, 70, former Group Director of IBM Europe, Member of the Board since January 7, 1997 (he had served as censor since June 28, 1983). He owns 34,540 Accor shares. His term of office expires at the end of the Annual Meeting called to approve the accounts for the year ended December 31, 2006.

• Société Générale, Member of the Board since June 28, 1983, represented by Patrick Duverger, Honorary General Manager of Société Générale. Patrick Duverger, 63, is Director of Faurecia and member of the Supervisory Board of Remy Cointreau. He owns 500 Accor shares. Société Générale's term of office expires at the end of the Annual Meeting called to approve the accounts for the year ended December 31, 2006.

* Non-executive Members.

Secretary of the Supervisory Board

Pierre Todorov

Meetings of the Supervisory Board and the Management Board

The Supervisory Board and the Management Board interact on a regular, ongoing basis in a mutual commitment to good governance practices. The Supervisory Board met seven times in 2001, in January, March, May, July, September and December, with an average of more than 80% of Board members attending each meeting. Active participation is encouraged by the fact that 50% of Supervisory Board directors' fees are based on attendance records.

To enable the Board to effectively perform its oversight mission, the Management Board submits quarterly reports with detailed information about the Group's business operations. In addition, the Management Board submits comprehensive details of proposed investments and strategic transactions, so that they can be approved by the Supervisory Board.

The activities of the Supervisory Board are governed by the bylaws and by specific rules and procedures defining the rights and duties of its members. Other rules and procedures govern the activities of the Management Board and its relationship both with the Supervisory Board and with the Group's subsidiaries and operating units. These rules and procedures also define the ethical standards that members of the Management Board are expected to respect and enforce.

Supervisory Board Committees

In compliance with the principles of good corporate governance, the Supervisory Board has formed two standing committees to oversee compensation and internal auditing.

The Compensation Committee comprises three members, the Chairman of the Supervisory Board, Gérard Pélisson, and two non-executive members, Etienne Davignon and Jérôme Seydoux, who serves as Committee Chairman. The Compensation Committee makes recommendations to the Supervisory Board regarding compensation of corporate officers and the Group's executive stock option policy.

The Audit Committee comprises four members, the Chairman of the Supervisory Board, Gérard Pélisson, Isabelle Bouillot, and two non-executive members, Etienne Davignon, who serves as Committee Chairman, and Renaud d'Elissagaray.

The Audit Committee is responsible for ensuring that the accounting policies used to prepare the financial statements of the Company and the Group are appropriate and are applied consistently. The Committee also monitors the effectiveness of internal procedures set up to collect and control financial information, and reviews the appropriateness of the accounting treatment of material transactions.

Audit Committee members may meet with Group officers, executives and managers in charge of preparing and reviewing the financial statements, including the Chairman of the Management Board and the Management Board member in charge of Finance and Investments, as well as the external auditors. During 2001, the Committee focused on examining and validating the control procedures applied by the Internal Audit department.

The Committee reports its findings to the Supervisory Board, including details of any material issues that should be discussed by the Board, so as to facilitate the conduct of the Board's oversight and control functions.

The Audit Committee met twice in 2001 and the Compensation Committee met once.

Stock Option Plans

Group officers, executives and managers are periodically granted options to purchase new shares of Accor stock. These grants are not made systematically to a given category of employees, but are designed to reward personal performance, measured in terms of the results obtained or individual achievements.

Options generally have an eight-year life. They may be subject to a vesting period or to restrictions on the sale of the shares acquired during a certain period, depending on applicable tax and labor laws. Options are usually granted at a 5% discount to the Accor share price at the time of grant.

The number of options granted to Management Board members, if any, is decided by the Supervisory Board based on the recommendation of the Compensation Committee. Under the 1999 and 2000 plans, stock options were granted to 639 and 809 grantees, respectively, all members of middle management. Another plan was implemented in 2001 for senior executives.

Employee stock options

Date of grant	Number of new shares to be subscribed	Number of grantees	Exercise period begin	Exercise period end	Subscription price (in €)	Number of shares subscribed in 2001	Number of shares created at December 31, 2001
Options to subscribe for new shares issued under Accor stock options plan							
07/01/1997	1,000,000	25	07/01/1999	07/01/2005	15.46	350,000	865,000
07/01/1998	1,400,000*	242	07/01/2003	07/01/2006	32.47	0	25,000
06/01/1999	600,000*	639	06/01/2004	06/01/2007	33.95	0	0
30/03/2000	750,000*	809	30/03/2005	30/03/2008	37.00	0	0
04/01/2001	2,000,000*	32	04/01/2004	04/01/2009	40.58	0	0
Stock savings warrants program (Stock options plan issued by Accor in addition to the employee share issue)							
22/12/2000	757,322	15,725	22/12/2003	22/12/2007	43.40	0	0

*Total shares subscribed is 1,364,200 for 1998, 581,525 for 1999, 690,125 for 2000 and 1,957,000 for 2001.

Number of options granted and exercised during 2001

	Number of options granted/exercised Unrestricted options	Restricted options*	Exercise price (in €)	Expiry dates
Options granted during the year by Accor and other Group companies				
Jean-Marc Espalioux	400,000	230,000	40.58	Jan. 4, 2009
Benjamin Cohen	110,000	40,000	40.58	Jan. 4, 2009
Sven Boinet	80,000	30,000	40.58	Jan. 4, 2009
John du Monceau	60,000	20,000	40.58	Jan. 4, 2009
Options exercised during the year				
Jean-Marc Espalioux	250,000		15.46	

*Restricted options are exercisable only if certain share price targets are met, in relation to the CAC 40 index and the Group's international competitors.

	Number of options granted/exercised	Weighted average exercise price (€)	Expiry dates
Options granted during the year by Accor and other Group companies to the ten managers who received the largest number of options	575,000	40.58	Jan. 4, 2009
Options on shares of Accor or other Group companies exercised during the year by the ten managers who exercised the greatest number of options	156,420	15.01	

Persons responsible for the "Reference Document"

Jean-Marc Espalioux,
Chairman of the Management Board
and Chief Executive Officer

Benjamin Cohen,
Member of the Management Board
in charge of Finance and Investments

Statement by the person responsible for the "Reference Document"

To the best of our knowledge, the information contained in this reference document concerning Accor is correct and includes all the information required to permit an investor to reach an informed opinion concerning the assets and liabilities, business, financial position, results and outlook of Accor. No information has been omitted that would be likely to alter an investor's opinion.

Jean-Marc Espalioux   Benjamin Cohen

Statement by the Statutory Auditors and the Independent Accountants on the Reference Document

In our capacity as Statutory Auditors and Independent Accountants of Accor and as required by Commission des Opérations de Bourse regulation COB 98-01, we have examined in accordance with French professional standards the information about the financial position and the historical accounts included in this reference document.

This "reference document" is the responsibility of the Chairman of the Management Board of the Accor Group. Our responsibility is to express an opinion on the fairness of the information about the financial position and the accounts contained in this reference document.

Our procedures, which were performed in accordance with French professional standards, consisted of assessing the fairness of the information about the financial position and the accounts and verifying that this information agrees with the audited financial statements, reading the other information contained in the reference document in order to identify any material inconsistencies with the information about the financial position and the accounts, and reporting any manifestly incorrect information that came to our attention, based on our overall knowledge of the Group, as acquired during our audit. When reading the forward looking information determined according to a structured process, we took into account the assumptions used by management and the amounts obtained by applying these assumptions.

We also audited the financial statements of the Company and the consolidated financial statements for the years ended December 31, 1999, 2000 and 2001, as approved by the Management Board. Our audits were performed in accordance with auditing standards generally accepted in France. Our reports on these consolidated financial statements were free of qualifications and observations.

Based on the procedures described above, we have nothing to report with respect to the fairness of the information about the financial position and the historical financial statements contained in this reference document.

Neuilly, March 14, 2002

The Statutory Auditors

Barbier Frinault & Autres	Deloitte, Touche,
Andersen	Tohmatsu – Audit
Christian Chochon	Alain Pons

Members of the Versailles Chamber of Auditors

The Independent Accountants
Deloitte Touche Tohmatsu

Statutory Auditors

Auditors

Barbier Frinault & Autres - Andersen
Christian Chochon
41, rue Ybry
92576 Neuilly-sur-Seine
France
Re-appointed for six years by the May 29, 2001 Annual Meeting.
Date of first mandate: June 16, 1995.

Deloitte, Touche, Tohmatsu - Audit
Alain Pons
185, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine
France
Re-appointed for six years by the May 29, 2001 Annual Meeting.
Date of first mandate: June 16, 1995.

Alternate Auditors

BEAS
7, Villa Houssaye
92200 Neuilly-sur-Seine
France
Appointed for six years by the May 29, 2001 Annual Meeting.

Christian Chiarasini
41, rue Ybry
92576 Neuilly-sur-Seine
France
Appointed for six years by the May 29, 2001 Annual Meeting.

Independent Accountants

Deloitte Touche Tohmatsu
185, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine
France

Persons Responsible for Information

Eliane Rouyer
Director, Investor Relations and Financial Communications
Tel.: +33 (0)1 45 38 86 26

Jacques Stern
General Controller
Tel.: +33 (0)1 45 38 86 36

Investor Relations and Financial Communications

Eliane Rouyer
Tour Maine-Montparnasse
33, avenue du Maine -
75755 Paris Cedex 15
Tel.: +33 (0)1 45 38 86 26 - Fax: +33 (0)1 45 38 85 95

Accor is constantly enhancing its investor relations processes to improve the quality of information provided to shareholders. Contact persons, publications, the website and meetings are tailored to each type of investor, whether individual or institutional, so as to offer everyone the same information in formats meeting their specific needs.

Shareholder hotline (French only)

French speaking shareholders may call the Accor voice server at +33 (0) 811 01 02 03 for general news about the Group, the current share price and practical information. The server can also transfer the caller to an investor relations representative.

Publications

Shareholders are offered an array of documents, allowing them to select the format best suited to their needs:

- The Annual Report is published in two forms. One describes the Group's businesses in an illustrated format and includes summary financial statements. The other is the full annual report and accounts filed with the *Commission des Opérations de Bourse* (COB), France's securities regulator. It contains detailed financial statements and legal information. The full annual report and accounts can be downloaded from accor.com, in the Financial Communications section. It is also available on request from the Investor Relations and Financial Communications Department.
- The Identity Card provides a brief introduction to Accor along with illustrations.
- The Shareholder Guide provides all the practical information required by current and potential future shareholders.
- The Letter to Shareholders is mailed to shareholders owning at least 250 bearer shares and to all shareholders listed in the Company's share register, as well as to members of the Accor Shareholders Club. A special version translated into eight languages is sent to 20,000 employee-shareholders in nine countries.
- Sales and earnings announcements, summaries of Annual Meetings and announcements of all other events of interest to shareholders are published in the French press. Reports and articles about the Group also appear regularly in the press.
- All information memoranda filed with the COB concerning financial transactions are available upon request.

The accor.com Finance section

The accor.com portal has a special section dedicated to Financial Communications, which serves as both a practical guide and a library of corporate publications. The site also carries live and deferred webcasts of annual and interim earnings presentations to analysts and of the Annual Meeting, as well as audio retransmissions of conference calls with analysts held in conjunction with sales reports. Visitors can download a variety of corporate publications, track the Accor share price (updated every twenty minutes), review the calendar of Group events and financial releases, browse through the "shareholder information" page and view the Group's summarized and detailed consolidated financial statements.

Meetings With Investors

Accor regularly meets with shareholders and investors on a variety of occasions throughout the year:

- Roadshows in Europe, the United States and in Asia. In all, 30 roadshows were held in 2001.
- On-site visits in Paris.
- The annual Actionaria investor fair in Paris, which offers individual investors the opportunity to meet with France's leading listed companies. Around 1,800 people visited the Accor booth at the November 2001 event, when for the first time, Jean-Marc Espalioux met with nearly 300 shareholders in a special get-together.
- Meetings for individual shareholders in Paris, in association with Euronext and Cortal.
- Meetings for individual shareholders outside of Paris, in collaboration with Euronext and the French Federation of Investment Clubs. In 2001, 300 shareholders attended the meeting in Biarritz and 800 met in Lyon. The events included Shareholders Club visits to Accor sites and meetings with regional portfolio managers.

The Accor Shareholders Club

Created in May 2000, the Accor Shareholders Club had 3,000 members as of December 31, 2001. It offers shareholders owning at least 50 Accor shares a wide range of benefits:

Information

- Regular news about Accor, through the Letter to Shareholders and the Club Newsletter, both published twice a year.
- A special Club hotline at +33 (0) 811 01 02 03 (French only).
- Mailed copies of Annual Meeting documents, in the same way as for holders of registered shares.
- On request, a free subscription to Accor Le Magazine, a monthly magazine produced for clients of the Sofitel, Novotel, Mercure and Ibis hotels in France, containing economic, sports and cultural news and reviews.

Meetings

- On-site visits. Introduced in September 2001, the highly popular site visits offered 120 Club members the opportunity to go "back stage" at several Group hotels in Paris and the French provinces. The six visits during the year helped shareholders understand the day-to-day operations of the hotels as well as how each hotel's marketing strategy and pricing policy reflected its market positioning. A new program has been implemented for 2002.
- "Introduction to the Stockmarket" seminars organized jointly with Consors. Some 100 people attended the sessions in 2001.
- Priority information and invitations to meetings organized in Paris and the French provinces.
- A special welcome desk for Club members at the Annual Meeting.

Special offers

To discover the Accor universe as a "VIP client" and benefit from permanent discounts and regular promotional offers.

Shareholder hotline: +33 (0) 8 11 01 02 03 (French only)

e-mail : comfi@accor.fr

Website: accor.com/finance

COB

This Reference Document was filed with the Commission des Opérations de Bourse on March 18, 2002, under n° D 02-126, in accordance with regulation no. 98-01. It may not be used in connection with a financial transaction except in conjunction with an Information Memorandum approved by the Commission des Opérations de Bourse.

accor.com

accorhotels.com

accortravel.com

accorservices.com

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