



Press Release

2003 Profit Before Tax : EUR 523 million Firm Resilience In A Very Tough Year

Paris, March 3, 2004

In EUR millions	2002	2003	Reported Changes	Changes excluding currency effect
Consolidated Sales	7,139	6,828	- 4.3%	+ 1.1%
Ebitdar	1,936	1,769	- 8.6%	- 1.9 %
Ebitdar Margin	27.1%	25.9%	- 1.2 pt	- 0.8 pt
Profit Before Tax	703	523	- 25.6%	- 18.9%
Net Income, Group Share	430	270	- 37.2%	
Earnings per Share (in EUR)	2.18	1.36	- 37.6%	
Proposed Dividend (in EUR)	1.05	1.05	-	
Funds from Operations	961	847	- 11.9%	

2003 Business Review

Geopolitical events, the economic slowdown and turmoil in the currency markets made 2003 an exceptionally difficult year for the travel and services industries. In this environment, Accor reported profit before tax of EUR 523 million (down 25.6%), exceeding the announced target of EUR 500 million. The decline, which amounted to 40.6% to EUR 180 million in the first half, was limited to 14.3% in the second, when profit before tax totalled EUR 343 million. Despite the decline in sales, margins in the Hotels and Services businesses edged back only slightly, demonstrating firm resistance thanks to disciplined cost control. The travel agencies improved their profitability in a challenging business environment.

Net income, Group share totalled EUR 270 million. Funds from operations amounted to EUR 847 million, while consolidated debt was reduced by EUR 340 million to EUR 2,462 million.



Shareholders will be asked to approve a **dividend** of EUR 1.05, unchanged from the previous year.

Accor also continued to expand in 2003, opening 170 hotels and making targeted strategic acquisitions in Services.

First-half 2003 was particularly unfavorable, but encouraging signs of recovery later appeared in the United States, the United Kingdom and, to a lesser extent, Germany. In France, where the number of international tourists dropped significantly, the upturn has to be confirmed. Conditions improved in the Asia-Pacific region in the second half, while demand held firm in most countries in Africa and South America.

Outlook

Accor enjoys a number of specific growth drivers, including a unique network of more than 2,000 hotels in Europe, a privileged position in the economy segment, expansion projects already underway for nearly 300 hotels, Sofitel's growing reputation in the international upscale segment and the worldwide potential of the Services business in human resources management.

With these strengths, supported by the Group's training and motivational policies, as well as by the professionalism and dedication of its employees, Accor is ready for the expected recovery.

With 150,000 associates in 140 countries, **Accor** is the European leader and one of the world's largest groups in travel, tourism and corporate services, with two major international activities:

- **hotels**: nearly 4,000 hotels (more than 450,000 rooms) in 90 countries, casinos, travel agencies, and restaurants;
- **services** to corporate clients and public institutions: 14 million people in 34 countries use a broad range of services (food vouchers, people care and services, incentive, loyalty programs, events) engineered and managed by Accor.

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Further information on Accor is available on accor.com