Interim financial report

August 2013

2013 INTERIM FINANCIAL REPORT

2013 Interim Management Report

2013 Interim Consolidated Results

Income Statement

(in € millions)	**H1 2012**	**H1 2013**	**% change reported**	**Like-for-like change [1]**
Revenue	2 717	2 694	-0.9%	+1.8%
EBITDAR[3]	**835**	**817**	**-2.2%**	**-0.4%**
EBITDAR margin	*30,7%*	*30,3%*	*-0.4 pt*	*-0.6 pt*
EBIT	**212**	**198**	**-6.6%**	**-6.4%**
Operating profit before tax and non-recurring items	190	148	-22%	-14.7%
Net profit/(loss), before discontinued operations	**80**	**33**	**N/A**	**N/A**
Profit or loss from discontinued operations	(612)	1	N/A	N/A
Net profit/(loss), Group share	**(532)**	**34**	**N/A**	**N/A**

(1) At constant scope of consolidation and exchange rates

(2) Earnings before interest, taxes, depreciation, amortization and rental expense

Consolidated **revenue** for the six months ended June 30, 2013 totaled €2,694 million, down 0.9% year-on-year on a reported basis and up 1.8% like-for-like. In particular, the period saw a robust 15.9% growth in revenue from management and franchise fees.

Supported by a favorable second-quarter calendar of events, revenue in the first-half was led by resilient business levels in Europe, both in large cities and provinces, and by robust business in emerging markets.
By segment, like-for-like growth came to 2.3% in the Upscale & Midscale segment and 0.5% in the Economy segment.

The change in revenue compared to the year-earlier period can be explained as follows:

- Expansion, which added €90 million to revenue and 3.3% to growth, with the opening of 9,940 rooms (77 hotels), of which 80% under management and franchise agreements.

- Changes in the scope of consolidation due to the assets disposal, which reduced revenue by €127 million and growth by 4.7%.

- The negative €34 million currency effect, which reduced growth by 1.2%, mainly due to a decline in the Brazilian real, British pound and Australian dollar.

In the first six months, **9,940 new** rooms (77 hotels) were opened, including:
- 80% under management contracts and franchise agreements.
- 51% in the Asia-Pacific region, 27% in Asia-Pacific

Performance in Upscale & Midscale Hotels dampened by distribution costs

Revenue in the Upscale & Midscale Hotels segment declined by 1.7% as reported in the first half, but rose by 2.3% like-for-like, with RevPAR lifted by occupancy rates.
The segment's EBITDAR margin stood at 4.3%, down 1.1 points as reported and 1.5 points like-for-like. Results were particularly good in Africa-Middle East, the United Kingdom and Germany, while the cost-cutting measures undertaken in Southern Europe are beginning to produce effects. Conversely, Poland and Australia were impacted by high prior-year comparatives. Moreover, additional outlays were allocated to distribution during the period, as part of the Group's digital transition.

Satisfactory performance in Economy Hotels

Revenue from Economy Hotels held firm over the first half, declining 0.5% year-on-year as reported and increasing 0.5% like-for-like.

EBITDAR margin came to 12.1%, down a slight 0.6 point as reported and 0.5 point like-for-like. The segment demonstrated further satisfactory resilience in a mixed environment in continental Europe and given the sharply lower demand in Australia's mining regions. Also, despite the decline in occupancy rates during the period, room rates continued to rise, offering some margin protection.

Net profit of €34 million

EBITDAR (earnings before interest, taxes, depreciation, amortization and rental expense) represents a key financial performance indicator.
In a complex environment, consolidated **EBITDAR** was stable at **€817 million**, **down 2.2%** as reported and **0.4%** like-for-like. **EBITDAR margin** came to **30.3%**, compared with 30.7% a year earlier. The €18 million change breaks down as follows:

- Like-for-like growth: -€3 million
- Business development: +€25 million
- Currency effect: -€11 million
- Disposals: -€29 million

EBIT amounted to **€198 million** for the period, versus €212 million in first-half 2012. The Group's transformation is keeping rents, depreciation and amortization and provisions under control.

Operating profit before tax and non-recurring items totaled **€148 million**, versus €190 million in first-half 2012, representing a like-for-like decrease of 14.7%.

Rental expense amounted to **€446 million** for the period, versus €460 million in first-half 2012, reflecting the Group's transformation.

Depreciation, amortization and provision expense stood at **€173 million** for the period.

Net financial expense amounted to **-€48 million**, versus -€29 million in first-half 2012. Two new bond issues launched in June 2012 and March 2013, at historically low interest rates, temporarily increased net financial expense to €48 million from €29 million in the prior-year period. A total of €396 million was redeemed in May 2013, thereby reducing the average cost of debt by one point to 4.5%.
The share of profits and losses of associates reaches €7 million versus zero in the first half 2011. During the first-half 2012, this result is primarily linked to a result of €8 million positive impact from the Sofitel San Francisco disposal.

Restructuring costs for first-half 2012 totaled **€49 million** and mainly concerned various reorganization measures, including €34 million for the voluntary departures plan for the Paris head offices.

Gains and losses on the management of hotel properties totaled a net **€54 million**, including a net gain of €56 million generated by the by the Sofitel Paris Le Faubourg Sale & Management-back transaction.

Asset impairment losses amounted to **€59 million**, of which €52 million concerned hotel property, plant and equipment. This compared with the first-half 2012 figure of €52 million.

Income tax expense amounted to **€45 million**, compared with €54 million in first-half 2012. The effective tax rate (expressed as a percentage of operating profit before tax) is 28% versus 27.5% at June-end 2012.

After deducting **minority interests** of -€5 million and the €1 million **profit from discontinued operations**, **net profit attributable to shareholders** amounted to **€34 million**. This compares with a -€532 million loss in first-half 2012.
Net profit excluding the impact of the Motel 6 disposal ended the first-half at €80 million.

Based on the weighted average number of shares outstanding during the period (227,402,000), **profit per share** came to **€0.15** in first-half 2013, versus loss per share of -€2.34 in the prior-year period.

Cash Flows

(en millions d'euros)	**Juin 2012**	**Juin 2013**
MBA avant éléments non récurrents	**310**	**293**
Investissements sur actifs existants	(95)	(81)
Autofinancement disponible	**215**	**212**
Investissements de développement	(75)	(97)
Acquisition Mirvac	(167)	-
Acquisition Posadas	(8)	4
Sofitel Los Angeles	(21)	
Cessions d'actifs	223	155
Dividendes	(271)	(184)
Augmentation / Réduction de capital	1	1
Variation du besoin en fonds de roulement courant	(167)	(13)
Variation du besoin en fonds de roulement non courant	-	(185)
Autres	(36)	(53)
Cash flow des activités non conservées	(273)	-
(Augmentation) / Diminution de l'endettement net	**(578)**	**(160)**

Adjusted funds from operations came to **€293** million for the period, compared with €310 million in first-half 2012.

Maintenance and renovation expenditure totaled **€81 million**, versus €95 million at 30 June 2012. They represented 3.5% of revenue.

Recurring expansion expenditure totaled **€97 million**, compared with €75 million in first-half 2012.

Proceeds from disposal of assets totaled **€155 million**, of which €154 million in disposals of hotel properties, versus €213 million in hotel property disposals in the prior-year period. The proceeds included the Sofitel Paris Le Faubourg Sale & Management-back transaction (€86 million).

Financial ratios

Net debt amounted to **€581 million** at June 30, 2013, up €160 million from a year earlier, with a **€155 million** positive impact from **asset disposals** and the €185 million negative impact of refunding the "précompte" distribution tax.

As of June 30, 2013, Accor had **€1.5 billion in unused, confirmed lines of credit long term.**

Consolidated **return on capital employed** (ROCE) came to **13.6**% at June 30, 2013, reflecting the temporary increase in capital employed attributable to the Mirvac and Posadas acquisitions and the deployment of the ibis megabrand project. For the same reason, ROCE stood at **10.8%** in the Upscale & Midscale segment and **18.3%** in the Economy segment.

P&L Performance

To support the shift in the business model which includes more and more management and franchise contracts, a new financial reporting system known as P&L Performance was introduced in 2010 to analyze our performance as a network manager and hotel operator.

P&L Performance tracks income statement data based on the following profit or cost centers:
1) franchise operations, through which all of the hotels – whether owned, leased, managed or franchised – can leverage our brands and their reputation in return for a management fee;
2) management operations, through which Accor transfers its hotel operating expertise and experience to the owned, leased or managed hotels in return for a management fee;
3) sales & marketing operations, through which we provide all of the owned, leased, managed, and franchised hotels with services relating to distribution systems, the loyalty program, sales programs and marketing campaigns in return for a sales & marketing fee;
4) hotelier operations for owned and leased hotels, all of whose revenue and earnings accrue to Accor;
5) unallocated operations, which primarily include the corporate departments.

The system analyses the following indicators:
(a) business volume;
(b) revenue;
(c) EBITDAR;
(d) EBIT.

Targets for margin, flow-through ratio and earnings have been set for some of these indicators.
Business volume in the hospitality operations corresponds to the aggregate of:
a) total revenue generated by owned and leased hotels;
b) total revenue generated by managed hotels;
c) total accommodation revenue generated by franchised hotels.

As Accor does not receive all of the above revenues, the business volume indicator can not be reconciled with the indicators presented in the consolidated financial statements.

However, business volume does provide a yardstick to measure growth in the Accor network, making it a key indicator for Management.

P&L Performance for first-half 2013 was as follows:

June 2013	Management & franchise (1)	Sales & Marketing Fund (1)	Owned & Leased	Not allocated, platform & intercos	Total
Gross Revenue	5.542	N/A	2.324	66	5.608
o/w Revenue (1)	330	181	2.324	(142)	2.694
EBITDAR	175	1	650	(9)	817
Conributive margin	*53.0%*	0.4%	27.9%	*N/A*	30.3%
EBIT	175	1	72	(49)	198
EBIT margin	*53.0%*	0.4%	3.1%	*N/A*	7.4%

(1) : including fees from owned and leased hotels

The 2013-2016 strategic plan

Asset management

A total of **24 hotels** were restructured in first-half 2013, including **13 leased hotels and 11 owned hotels**. These transactions had the effect of reducing adjusted net debt by €184 million.
As of August 28, 2013, the transactions already secured for the year will reduce adjusted net debt by €248 million, thanks to the ongoing deployment of the asset management program.

Expansion

The 2013-2016 expansion plan is well on track, with **117,700 rooms** in the **pipeline** as of June 30, 2013, of which 84% under management and franchise contracts, 50% in the Asia-Pacific region and 47% in the "ibis family".

Outlook for 2013

Summer business trends

In July, RevPAR[1] net of tax rose by **2.8%** like-for-like in the Upscale & Midscale Hotels segment and by **2.1%** like-for-like in Economy Hotels. This was in line with the first-half performance, in particular in the Upscale & Midscale segment.
Business levels have remained robust during the summer, in a trend that is expected to continue over the second half of the year.

2013-2014 cost-savings plan

The **€100-million cost-savings plan** announced last February was launched during the first half. It is built on four pillars:

- A voluntary departures plan for the Paris head offices.
- Streamlining of European head offices.
- Prioritization and strategic review of projects.
- Hotel operating costs reduction.

Most of the plan's impact in 2013 will be effective in the second half.

Full year EBIT target

Following the first-half launch of the cost-savings plan and the distribution investment plan, Accor is ready to pursue its transformation and drive faster growth.
Based on these factors, the EBIT target for the year stands at **between €510 million and €530 million**, compared with the €526 million reported in 2012.

[1] Owned or leased hotels only

Milestones – Press releases for the first-half 2013

Resignation of a director – January 7, 2013

Effective December 31, 2012, Franck Riboud resigned from the Board of Directors in order to comply with the recommendation limiting the number of directorships that should be held by an executive director, in accordance with good corporate governance practices. Mr. Riboud had been an independent director since January 9, 2006 and previously served on the Supervisory Board since July 3, 2001.

Creation of a Property Management Department and changes in the Executive Committee January 31, 2013

Gilles Bonnier was appointed Global Chief Asset and Investments Officer, effective March 18, 2013. He is a member of the Executive Committee, responsible for defining and managing the Group's real-estate strategy with the goal of facilitating the shift in Accor's organization to a more efficient, less capital-intensive business model.
As a result, the Accor Executive Committee, led by Denis Hennequin, now comprises the following members:

- **Yann Caillère**, President and Chief Operating Officer;
- **Dominique Esnault**, Global Chief Operations Support Officer;
- **Sophie Stabile**, Global Chief Financial Officer;
- **Gilles Bonnier**, Global Chief Asset and Investments Officer;
- **Grégoire Champetier**, Global Chief Marketing Officer;
- **Pascal Quint**, Corporate Secretary;
- **Antoine Recher**, Global Chief Human Resources Officer.

Agnès Caradec, Executive Vice President, Corporate Communications and External Relations, attends Executive Committee meetings to ensure the smooth flow of information and to proactively anticipate the Group's communication challenges.

Sale and management back of the Sofitel Paris Le Faubourg for €113 million – February 18, 2013

As part of the asset management strategy, the Sofitel Paris Le Faubourg has been sold to Mount Kellet Capital Management LP under a sale and management-back agreement for a total value of €113 million (€769,000 per room), including a €13-million renovation program. The flagship hotel, with 147 rooms and suites, will continue to be operated by Accor under a long-term management agreement. It will remain open during the renovation program, scheduled for 2014.

Launch of a bond offering – March 15, 2013

On March 15, 2013, Accor took advantage of favorable conditions on the credit market, in a context of low interest rates, to successfully place a 6-year bond issue for an amount of €600 million with an annual coupon of 2.5%.

Press release from the board of Directors – April 23, 2013

Accor's Board of Directors met today at the request of its Chairman, Denis Hennequin, with all Directors in attendance.

During this meeting, all the Directors came to the joint conclusion regarding the Group's situation: that the strategy adopted is the right one and that it will remain unchanged. However, given current economic conditions and the rapid transformation of its competitive environment, Accor must accelerate the implementation of this strategy in order to reinforce its positions. The Board therefore requested that the top priority be given to focusing energy and resources on transforming Accor's business model. The Board took note of Denis Hennequin's reservations and unanimously voted to terminate his mandate with immediate effect on April 23, 2013.

The Board decided to install a transition executive team: Philippe Citerne, previously Vice-Chairman of Accor's Board, is appointed Non-Executive Chairman of Accor, and Sébastien Bazin becomes Vice-Chairman of the Board. Yann Caillère, previously President and Chief Operating Officer is appointed as Chief Executive Officer.

Main risks and uncertainties

The main risks and uncertainties that may affect the Group in the last six months of the year are presented in the 2012 Registration Document under "Risk Factors".

Main related-party transactions

The main related-party transactions are presented in detail in Note 43 to the interim consolidated financial statements.

Subsequent events

Post balance-sheet events are presented in Note 46 to the interim consolidated financial statements.

2013 Interim Consolidated Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Consolidated Income Statements

In millions of euros	Notes	2012 (*)	June 2012 (*)	June 2013
CONSOLIDATED REVENUE	3	**5 649**	**2 717**	**2 694**
Operating expense	4	(3 861)	(1 882)	(1 877)
EBITDAR	5	**1 788**	**835**	**817**
Rental expense	6	(938)	(460)	(446)
EBITDA	7	**850**	**375**	**371**
Depreciation, amortization and provision expense	8	(324)	(163)	(173)
EBIT	9	**526**	**212**	**198**
Net financial expense	10	(75)	(29)	(48)
Share of profit of associates after tax	11	17	7	(2)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		**468**	**190**	**148**
Restructuring costs	12	(40)	(20)	(49)
Impairment losses	13	(119)	(52)	(59)
Gains and losses on management of hotel properties	14	11	52	54
Gains and losses on management of other assets	15	(81)	(27)	(11)
OPERATING PROFIT BEFORE TAX		**239**	**143**	**83**
Income tax expense	16	(143)	(54)	(45)
Profit from continuing operations		**95**	**89**	**38**
Net Profit or Loss from discontinued operations	17	(679)	(612)	1
NET PROFIT OR LOSS		**(584)**	**(523)**	**39**
Net Profit, Group Share from continuing operations		80	80	33
Net Profit or Loss, Group Share from discontinued operations		(679)	(612)	1
Net Profit or Loss, Group Share		**(599)**	**(532)**	**34**
Net Profit, Minority interests from continuing operations		15	9	5
Net Profit or Loss, Minority interests from discontinued operations		(0)	0	0
Net Profit, Minority interests		15	9	5

Weighted average number of shares outstanding (in thousands)	25	227 266	227 254	227 402
EARNINGS PER SHARE (in €)		**(2,64)**	**(2,34)**	**0,15**
Diluted earnings per share (in €)	25	(2,64)	(2,34)	0,15

Earnings per share from continuing operations (in €)		**0,35**	**0,35**	**0,15**
Diluted earnings per share from continuing operations (in €)		**0,35**	**0,35**	**0,15**

Earnings per share from discontinued operations (in €)		**(2,99)**	**(2,69)**	**0,00**
Diluted earnings per share from discontinued operations (in €)		**(2,99)**	**(2,69)**	**0,00**

(*) The amendment to IAS 19 “Employee Benefits” was adopted effective from January 1, 2013, with retrospective application to all periods presented. The effect of the resulting changes of method on the income statements for the six months ended June 30, 2012 and the year ended December 31, 2012 was not material (see Note 1, page 16, for an explanation of the changes of method) and the comparative information for those periods has not been restated.

Income statement indicators are explained in Note 1.R.

Statements of profit or loss and other comprehensive income

In millions of euros	Notes	2012 (*)	June 2012 (*)	June 2013
NET PROFIT OR LOSS		**(584)**	**(523)**	**39**
Currency translation adjustment		101	64	(124)
Effective portion of gains and losses on hedging instruments in a cash flow hedge		3	1	3
Other comprehensive income that will be reclassified subsequently to profit or loss		***104***	***65***	***(121)***
Actuarial gains and losses on defined benefit plans, net of deferred taxes		(18)	(15)	1
Other comprehensive income that will never be reclassified subsequently to profit or loss		***(18)***	***(15)***	***1***
Other comprehensive income, net of tax	28	**86**	**50**	**(121)**
TOTAL LOSS AND OTHER COMPREHENSIVE INCOME		**(498)**	**(473)**	**(82)**
Loss and other comprehensive income, Group share		**(529)**	**(490)**	**(74)**
Profit or loss and other comprehensive income, Minority interests		31	17	(8)

(*) The amendment to IAS 19 "Employee Benefits" was adopted effective from January 1, 2013, with retrospective application to all periods presented. The effect of the resulting changes of method on the statements of profit or loss and other comprehensive income for the six months ended June 30, 2012 and the year ended December 31, 2012 was not material (see Note 1, page 16, for an explanation of the changes of method) and the comparative information for those periods has not been restated.

Consolidated Balance Sheets

Assets

ASSETS In millions of euros	Notes	June 2012 (*)	Dec. 2012 (*)	June 2013
GOODWILL	18	**731**	**840**	**754**
INTANGIBLE ASSETS	19	**250**	**264**	**271**
PROPERTY, PLANT AND EQUIPMENT	20	**2 582**	**2 592**	**2 414**
Long-term loans	21	147	147	150
Investments in associates	22	284	263	244
Other financial investments	23	195	222	210
TOTAL NON-CURRENT FINANCIAL ASSETS		**626**	**632**	**604**
Deferred tax assets	16	151	151	145
TOTAL NON-CURRENT ASSETS		**4 340**	**4 479**	**4 188**
Inventories	24	47	47	48
Trade receivables	24	421	402	452
Other receivables and accruals	24	487	516	495
Receivables on disposals of assets	29 & 30	110	48	22
Short-term loans	29 & 30	36	34	31
Cash and cash equivalents	29 & 30	1 332	1 878	1 891
TOTAL CURRENT ASSETS		**2 433**	**2 925**	**2 939**
Assets held for sale	32	1 727	156	158
TOTAL ASSETS		**8 500**	**7 560**	**7 285**

(*) The Group adopted the amendment to IAS 19 – Employee Benefits effective from January 1, 2013. The amended standard is applicable retrospectively to all periods presented and restated balance sheets have therefore been prepared at June 30, 2012 and December 31, 2012 (see Note 1, page 16, for an explanation of the changes of method and their effects).

Equity and Liabilities

EQUITY AND LIABILITIES In millions of euros	Notes	June 2012 (*)	Dec. 2012 (*)	June 2013
Share capital		682	682	683
Additional paid-in capital and reserves		2 649	2 682	1 809
Net profit or loss, Group share	25	(532)	(599)	34
SHAREHOLDERS' EQUITY, GROUP SHARE		**2 799**	**2 765**	**2 526**
Minority interests	27	225	230	208
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		**3 024**	**2 995**	**2 734**
Other long-term financial debt	29 & 30	1 719	1 496	1 675
Long-term finance lease liabilities	29 & 30	58	56	49
Deferred tax liabilities	16	113	119	119
Non-current provisions	33	115	122	118
TOTAL NON-CURRENT LIABILITIES		**2 005**	**1 793**	**1 961**
Trade payables	24	582	580	571
Other payables and income tax payable	24	1 127	1 142	965
Current provisions	33	181	185	212
Short-term debt and finance lease liabilities	29 & 30	483	811	785
Bank overdrafts and liability derivatives	29 & 30	22	18	16
TOTAL CURRENT LIABILITIES		**2 395**	**2 736**	**2 549**
Liabilities associated with assets classified as held for sale	32	1 076	36	41
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8 500**	**7 560**	**7 285**

(*) The Group adopted the amendment to IAS 19 – Employee Benefits effective from January 1, 2013. The amended standard is applicable retrospectively to all periods presented and restated balance sheets have therefore been prepared at June 30, 2012 and December 31, 2012 (see Note 1, page 16, for an explanation of the changes of method and their effects).

Consolidated Cash Flow Statements

	In millions of euros	Notes	2012	June 2012	June 2013
+	EBITDA	7	850	375	371
+	Net financial expense	10	(75)	(29)	(48)
+	Income tax expense		(122)	(52)	(58)
-	Non cash revenue and expense included in EBITDA		21	9	7
-	Elimination of provision movements included in net financial expense and non-recurring taxes		20	7	19
+	Dividends received from associates		0	0	2
+	Impact of discontinued operations		92	40	3
=	**Funds from operations excluding non-recurring transactions**	34	**786**	**350**	**296**
+	Decrease (increase) in operating working capital	35	(158)	(167)	(13)
+	Impact of discontinued operations	35	81	59	(3)
=	**Net cash from operating activities**		**709**	**242**	**280**
+	Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(134)	(55)	(49)
+	Decrease (increase) in non-operating working capital (1)		-	-	(185)
+	Impact of discontinued operations (2)		(449)	(431)	(0)
=	**Net cash from operating activities including non-recurring transactions (A)**		**126**	**(244)**	**46**
-	Renovation and maintenance expenditure	36	(299)	(95)	(81)
-	Development expenditure	37	(676)	(274)	(93)
+	Proceeds from disposals of assets		371	224	155
+	Impact of discontinued operations (3)		529	(773)	(0)
=	**Net cash used in investments/ divestments (B)**		**(75)**	**(918)**	**(19)**
+	Proceeds from issue of share capital		3	1	1
-	Dividends paid		(269)	(271)	(184)
-	Repayment of long-term debt		(15)	(8)	(5)
-	Payment of finance lease liabilities		(1)	(0)	(7)
+	New long term debt		727	615	606
=	**Increase (decrease) in long-term debt**		**711**	**607**	**594**
+	Increase (decrease) in short-term debt		146	(327)	(414)
+	Change in ownership percentage of subsidiaries		(6)	(6)	-
+	Impact of discontinued operations (4)		(145)	1 113	0
=	**Net cash from financing activities (C)**		**440**	**1 117**	**(3)**
+	Effect of changes in exchange rates (D)		17	23	(14)
+	Effect of changes in exchange rates on discontinued operations (D)		(10)	(23)	-
=	**Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)**		**498**	**(45)**	**10**

-	Cash and cash equivalents at beginning of period		1 352	1 352	1 860
-	Effect of changes in fair value of cash and cash equivalents		6	2	5
-	Cash and Cash equivalents reclassified at end of period in “Assets held for sale”		-	(2)	-
-	Net change in cash and cash equivalents for discontinued operations		4	3	0
+	Cash and cash equivalents at end of period	30	1 860	1 310	1 875
=	**Net change in cash and cash equivalents**		**498**	**(45)**	**10**

(1) At June 30, 2013 this amount corresponds to the payment of 'precompte' dividend withholding tax for €184.7 million (see Note 39).

(2) (3) and (4) Of which cash flows related to the sale of the Economy Hotels US business (see Note 2.A.1.1) for December 31, 2012 and June 30, 2012:

(2) Mainly costs associated with the exercise of purchase options on leased hotels for €(274) million as of December 31, 2012 and €(265) million (of which €226 million not paid out) as of June 30, 2012 and the cancellation of accounting entries recognizing rents on a straight-line basis following the purchase of the leased hotels, for €(123) million as of December 31, 2012 and €(118) million as of June 30, 2012.

(3) Mainly:

a. As of December 31, 2012, proceeds from the sale of Motel 6 for €1,338 million and purchase of 268 leased hotels for €(851) million.

b. As of June 30, 2012, purchase of 257 leased hotels, for €(805) million (of which €608 million not paid out as of June 30, 2012).

(4) As of June 30, 2012, mainly €1,109 million debt (of which €834 million corresponding to the contra entries for the transactions described in notes (2) and (3) above not yet paid out as of June 30, 2012) arising from the purchase of leased hotels following the exercise of purchase options and from the costs associated with the option.

Changes in Consolidated Shareholders' Equity

In millions of euros	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve (1)	Hedging Instruments reserve	Reserve for actuarial gains/losses	Reserve related to employee benefits	Retained earnings and profit for the period	Shareholders' equity	Minority interests	Consolidated shareholders' Equity
At January 1, 2012	**227 251 446**	**682**	**1 318**	**(6)**	**(7)**	**(31)**	**134**	**1 448**	**3 537**	**231**	**3 768**
Changes in accounting policies (*)	-	-	-	-	-	-	-	6	6	-	6
Restated January 1, 2012	**227 251 446**	**682**	**1 318**	**(6)**	**(7)**	**(31)**	**134**	**1 454**	**3 543**	**231**	**3 774**
Issue of share capital											
- On exercise of stock options	**6 848**	0	0	-	-	-	-	-	**0**	**1**	**1**
Dividends paid in cash (2)	-	-	-	-	-	-	-	(261)	**(261)**	**(10)**	**(271)**
Change in reserve related to employee benefits	-	-	-	-	-	-	7	-	**7**	-	**7**
Effect of scope changes	-	-	-	-	-	0	-	(1)	**(1)**	**(13)**	**(14)**
Other Comprehensive Income	-	**-**	**-**	**56**	**1**	**(15)**	**-**	-	**42**	**9**	**50**
Net Loss	-	-	-	-	-	-	-	(532)	**(532)**	**9**	**(523)**
Total Loss and other comprehensive Income	-	**-**	**-**	**56**	**1**	**(15)**	**-**	**(532)**	**(490)**	**17**	**(473)**
At June 30, 2012	**227 258 294**	**682**	**1 318**	**50**	**(6)**	**(46)**	**141**	**660**	**2 799**	**225**	**3 024**
Issue of share capital											
- On exercise of stock options	**19 678**	0	0	-	-	-	-	-	**0**	**2**	**2**
Dividends paid in cash (3)	-	-	-	-	-	-	-	6	**6**	**(4)**	**2**
Change in reserve related to employee benefits	-	-	-	-	-	-	7	-	**7**	-	**7**
Effect of scope changes	-	-	-	-	-	0	-	(8)	**(8)**	**(7)**	**(15)**
Other Comprehensive Income	-	**-**	**-**	**29**	**2**	**(3)**	**-**	-	**28**	**7**	**36**
Net Loss	-	-	-	-	-	-	-	(67)	**(67)**	**7**	**(61)**
Total Loss and other comprehensive Income	-	**-**	**-**	**29**	**2**	**(3)**	**-**	**(67)**	**(39)**	**14**	**(25)**
At December 31, 2012	**227 277 972**	**682**	**1 318**	**79**	**(4)**	**(49)**	**148**	**591**	**2 765**	**230**	**2 995**
Issue of share capital											
- Performance share grants	**202 838**	1	-	-	-	-	-	(1)	**(0)**	-	**(0)**
- On exercise of stock options	**99 011**	0	2	-	-	-	-	-	**2**	-	**2**
- Cancellation of treasury stock (4)	**(25 000)**	(0)	(1)	-	-	-	-	-	**(1)**	-	**(1)**
Dividends paid in cash (2)	-	-	-	-	-	-	-	(173)	**(173)**	**(11)**	**(184)**
Change in reserve related to employee benefits	-	-	-	-	-	-	7	-	**7**	-	**7**
Effect of scope changes	-	-	-	-	-	-	-	-	-	**(3)**	**(3)**
Other Comprehensive Income	-	**-**	**(199)**	**(111)**	**3**	**1**	**-**	**199**	**(108)**	**(13)**	**(121)**
Net Profit	-	-	-	-	-	-	-	34	**34**	**5**	**39**
Total Profit and other comprehensive Income	-	**-**	**(199)**	**(111)**	**3**	**1**	**-**	**233**	**(74)**	**(8)**	**(82)**
At June 30, 2013	**227 554 821**	**683**	**1 120**	**(32)**	**(1)**	**(48)**	**155**	**650**	**2 526**	**208**	**2 734**

(*) Opening equity at January 1, 2012 has been restated for the effects of adopting the amendment to IAS 19 "Employee Benefits" effective from January 1, 2013, with retrospective application to all periods presented (see Note 1, page 16, for an explanation of the changes of method and their effects).

(1) Exchange differences on translating foreign operations between January 1, 2012 and December 31, 2012, representing a positive impact of €85 million, mainly concern the €78 million translation reserve related to the US Economy Hotels business that was recycled to profit during the year (see Note 2.A.1.1) and changes in exchange rates against the euro of the US Dollar (€9 million negative impact), the Polish Zloty (€44 million positive impact) and the Brazilian Real (€21 million negative impact).

Exchange differences on translating foreign operations between December 31, 2012 and June 30, 2013, representing a negative impact of €111 million, mainly concern changes in exchange rates against the euro of the Australian Dollar (€48 million negative impact), the Polish Zloty (€15 million negative impact), the Brazilian Real (€14 million negative impact), the British Pound (€13 million negative impact) and the US Dollar (€6 million negative impact).

The period-end euro/local currency exchange rates applied to prepare the consolidated financial statements were as follows:

	USD	PLN	BRL	GPB	USD
June 2012	1,2339	4,2488	2,5788	0,8068	1,2590
December 2012	1,2712	4,0740	2,7036	0,8161	1,3194
June 2013	1,4171	4,3376	2,8899	0,8572	1,3080

(2) The 2011 and 2012 dividends were as follows:

In euros	**2011**	**2012**
Dividend per share	**0,65**	**0,76**
Special dividend per share	**0,50**	**NA**

(3) The €6 million in dividends correspond to "précompte" dividend withholding tax refund that Accor was not required to return following the Supreme Court of Appeal ruling in late 2012 in the dispute concerning this tax (see Note 39).

(4) Treasury shares assigned to the liquidity contract with an investment bank appointed as market maker for Accor shares on the NYSE Euronext Paris market.

Number of Accor's shares is detailed as follows:

Details on shares	June 2012	Dec. 2012	June 2013
Total number of shares authorized	227 258 294	227 277 972	227 579 821
Number of fully paid shares issued and outstanding	227 258 294	227 277 972	227 579 821
Number of shares issued and outstdanding not fully paid	-	-	-
Per value per share (in euros)	3	3	3
Treasury stock	-	-	25 000
Number of shares held for allocation on exercise of stock options and grants	-	-	-

Number of outstanding shares and number of potential shares that could be issued breaks down as follows:

Number of issued shares at January 1, 2013	**227 277 972**
Performance shares granted	202 838
Shares from conversion of stock option plans	99 011
Number of issued shares at June 30, 2013	**227 579 821**

Accor's share capital at June 30, 2013	**227 579 821**
Shares in treasury at June 30, 2013	(25 000)
Outstanding shares at June 30, 2013	**227 554 821**
Stock option plans (see Note 25.3)	8 813 700
Performance shares plans (see Note 25.3)	600 815
Potential number of shares	**236 969 336**

Full conversion would have the effect of reducing debt at June 30, 2013 as follows:

	In million of euros
Theoretical impact of exercising stock options (*)	275
Theoretical impact on net debt of exercising all equity instruments	**275**

(*) assuming exercise of all options outstanding at June 30, 2013.

Average number of ordinary shares before and after dilution is presented as follows:

Accor's share capital at June 30, 2013	**227 579 821**	
Outstanding shares at June 30, 2013	**227 554 821**	
Effect of share issues on the weighted average number of shares	(105 341)	
Adjustment from stock option plans exercised during the period	(70 760)	
Effect of capital reduction on the weighted average number of shares	23 481	
Weighted average number of ordinary shares during the period	**227 402 201**	(See Note 25)
Impact of dilutive stock options plans at June 30, 2013	345 495	
Impact of dilutive performance shares at June 30, 2013	148 422	
Weighted average number of shares used to calculate diluted earning per share	**227 896 117**	(See Note 25)

Key Management Ratios

	Note	June 2012 (*)	Dec. 2012 (*)	June 2013
Gearing	(a)	26,6%	14,1%	21,2%
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	(b)	25,0%	28,5%	27,1%
Return On Capital Employed	(c)	14,2%	14,0%	13,6%
Economic Value Added (EVA) (in millions of euros)	(d)	132	164	157

(*) Based on continuing operations: i.e. excluding the US Economy Hotels business and the Onboard Train Services business.

Note (a): Gearing corresponds to the ratio of net debt to equity (including minority interests).

Note (b): Adjusted Funds from Ordinary Activities / Adjusted Net Debt is calculated as follows, corresponding to the method used by the main rating agencies:

	Note	June 2012 (*)	Dec. 2012 (*)	June 2013
Net debt at end of the period (see Note 30)	**(1)**	**804**	**421**	**581**
Less Economy Hotels US Debt due to other Group entities reclassified in "Liabilities related to assets held for sale"	(2)	(411)	-	-
Restatement of the debt of sold and acquired businesses prorated over the period	(3)	17	(177)	(122)
Average net debt		**410**	**244**	**459**
Rental commitments discounted at 7%	(4)	3 156	2 962	2 818
Total Adjusted net debt		**3 566**	**3 206**	**3 277**
Funds from Ordinary Activities		**677**	**694**	**676**
Rental amortization		216	221	214
Adjusted Funds from Ordinary Activities		**893**	**915**	**890**
Adjusted Funds from Ordinary Activities / Adjusted Net Debt		**25,0%**	**28,5%**	**27,1%**

(*) Based on continuing operations: i.e. excluding the US Economy Hotels business and the Onboard Train Services business.

(1) Net debt at December 31, 2012 does not include the €184.7 million of “précompte” dividend withholding tax refund that Accor was ordered to repay to the French State, following the Supreme Court of Appeal ruling in December 2012 in the dispute concerning this tax (see Note 39).

(2) Net debt at June 30, 2012 does not include the debt due by US Economy Hotels entities to other Group entities, which is presented as being due by external debtors, as for the calculation of Funds from Ordinary Activities presented above.

(3) At June 30, 2013, including €19 million in adjustments for disposals and a €(141) million adjustment related to the “précompte” dividend withholding tax refund paid back to the French State.
At December 31, 2012, including €62 million in adjustments for disposals and €(239) million in adjustments for the acquisition of Mirvac and of Grupo Posadas’ South American hotel network.

(4) Rental commitments correspond to the amounts presented in Note 6 C. They do not include any variable or contingent rentals. The 7% rate is the rate used by Standard & Poor's.

Note (c): Return On Capital Employed (ROCE) is defined below.

Note (d): Economic Value Added (EVA).

2012 and 2013 Economic Value Added (EVA) have been calculated as follows:

		June 2012	Dec. 2012	June 2013
Weighted Average Cost of Capital (WACC)		**8,86%**	**8,90%**	**8,82%**
ROCE after tax	(1)	**10,99%**	**11,49%**	**11,23%**
Capital Employed (in millions of euros)		**6 214**	**6 355**	**6 491**
Economic Value Added (in millions of euros)	(2)	**132**	**164**	**157**

1) ROCE after tax is determined as follows:

$$\frac{\text{Adjusted EBITDA} - [(\text{Adjusted EBITDA} - \text{depreciation, amortization and provisions}) \times \text{tax rate}]}{\text{Capital employed}}$$

For example, at June 30, 2013 the data used in the formula were as follows:

Adjusted EBITDA	: €883 million (see ROCE hereafter)
Depreciation, amortization and provisions (over 12 months)	: €334 million
Effective tax rate	: 28.0% (see Note 16.2)
Capital employed	: €6,491 million (see ROCE hereafter)

2) EVA is determined as follows:
(ROCE after tax – WACC) x Capital employed

A 0.1 point increase or decrease in the Beta would have had a €37 million impact on June 2013 EVA, a €36 million impact on December 2012 EVA and a €33 million impact on June 2012 EVA.

Return On Capital Employed (ROCE) by Business Segment

Return On Capital Employed (ROCE) is a key management indicator used internally to measure the performance of the Group's various businesses. It is also an indicator of the profitability of assets that are either not consolidated or accounted for by the equity method.

It is calculated on the basis of the following aggregates derived from the consolidated financial statements:

- Adjusted EBITDA: for each business, EBITDA plus revenue from financial assets and investments in associates (dividends and interests).
- Capital Employed: for each business, the average cost of 2012 and 2013 non-current assets, before depreciation, amortization and provisions, plus working capital.

ROCE corresponds to the ratio between adjusted EBITDA and average capital employed for the period. In June 2013, ROCE stood at 13.6% versus 14.0% in December 2012 and versus 14.2% in June 2012.

In millions of euros		June 2012 (12 months)	2012	June 2013 (12 months)
Capital employed		6 557	6 625	6 694
Adjustments on capital employed	(a)	(342)	(326)	(212)
Effect of exchange rate on capital employed	(b)	(1)	56	9
Average Capital Employed		**6 214**	**6 355**	**6 491**
EBITDA (see Note 7)		849	850	847
Interest income on external loans and dividends		18	21	25
Share of profit of associates before tax (see Note 11)		13	20	11
Published Adjusted EBITDA		**880**	**891**	**883**
ROCE (Adjusted EBITDA/Capital Employed)		**14,2%**	**14,0%**	**13,6%**

(a) For the purpose of calculating ROCE, capital employed is prorated over the period of EBITDA recognition in the income statement. For example, the capital employed of a business acquired on June 30 that did not generate any EBITDA during the period would not be included in the calculation.

(b) Capital employed is translated at the average exchange rate for the year, corresponding to the rate used to translate EBITDA.

Return on capital employed (ratio between EBITDA and average capital employed) for continuing operations over a 12-month rolling period is as follows, by business segment:

Business	June 2012		Dec. 2012		June 2013	
	Capital Employed In million of euros	ROCE %	Capital Employed In million of euros	ROCE %	Capital Employed In million of euros	ROCE %
HOTELS	**6 050**	**14,2%**	**6 192**	**14,1%**	**6 338**	**13,4%**
Upscale and Midscale Hotels	4 012	11,5%	4 142	11,4%	4 155	10,8%
Economy Hotels	2 038	19,6%	2 050	19,5%	2 183	18,3%
OTHER BUSINESSES	**164**	**12,3%**	**163**	**13,0%**	**153**	**23,7%**
GROUP TOTAL excluding discontinued operations	**6 214**	**14,2%**	**6 355**	**14,0%**	**6 491**	**13,6%**

Contents

Notes to the Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

General Framework

In accordance with European Commission regulation 1606/2002 dated July 19, 2002 on the application of international financial reporting standards, the Accor Group consolidated financial statements for the half-year ended June 30, 2013, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union as of that date. They include comparative 2012 interim and annual financial information, prepared in accordance with the same standards.

At June 30, 2013, all of the International Financial Reporting Standards (including IFRSs, IASs and Interpretations) published by the International Accounting Standards Board ("IASB") had been adopted by the European Union, with the exception of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 (revised) "Separate Financial Statements" and IAS 28 (revised) "Investments in Associates and Joint Ventures", which are applicable in the European Union from January 1, 2014 and have not been early-adopted by the Group. The effects of applying these new or revised standards on the consolidated financial statements taken as a whole will not be material (see table on page 17). As a result, the Group's consolidated financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

The following new standards and amendments to existing standards adopted by the European Union were applicable from January 1, 2013:

- Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income", which notably require items that may be reclassified subsequently to profit or loss to be presented separately from items that will not be reclassified. Application of these amendments led to minor changes in the presentation of the statement of profit or loss and other comprehensive income.

- IAS 19 (revised) "Employee Benefits". Under the revised standard:
  - It is no longer possible to defer recognition of all or part of the actuarial gains and losses arising on defined benefit plans (application of the corridor approach). This change had no impact on the consolidated financial statements because the Group already recognized actuarial gains and losses directly in other comprehensive income.
  - The return on plan assets is calculated using the discount rate applied to determine the projected benefit obligation. The effect of this change on the consolidated financial statements at June 30 and December 31, 2012 was not material.
  - Unvested past service costs are recognized directly in profit or loss. At January 1, 2012, unrecognized unvested past service costs amounted to €9 million before the deferred tax effect. This amount was therefore recognized as of January 1, 2012 by adjusting retained earnings by the amount net of deferred tax. The effect of this change on the 2012 interim and annual consolidated income statements and statements of comprehensive income was not material, however.
  - More detailed disclosures are required in the notes to the consolidated financial statements.

  Adoption of IAS 19R constituted a change of accounting policy, as defined in IAS 8, and the revised standard was therefore applied retrospectively to all the periods presented. The effects on consolidated equity and liabilities are presented below:

In millions of euros	June 2012 Published	IAS 19 Revised Impact	June 2012 Restated	Dec. 2012 Published	IAS 19 Revised Impact	Dec. 2012 Restated
Additional paid-in capital and reserves	2 643	6	2 649	2 676	6	2 682
Net profit or loss, Group share	(532)	(0)	(532)	(599)	(0)	(599)
Total shareholders' equity and minority interests	**3 018**	**6**	**3 024**	**2 989**	**6**	**2 995**
Deferred tax liabilities	110	3	113	116	3	119
Non-current provisions	124	(9)	115	131	(9)	122
Total liabilities and shareholders' equity	**8 500**	**(0)**	**8 500**	**7 560**	**(0)**	**7 560**

- IFRS 13 "Fair Value Measurement". This standard provides a single IFRS framework for measuring fair value that is applicable to all IFRSs that require or permit fair value measurements or disclosures. Its application had no impact on the Group's consolidated financial statements.

- Amendment to IFRS 1 "Government Loans". This amendment deals with the accounting treatment of government loans at below-market rates of interest. As an exception to the general principle of retrospective application, it allows first-time adopters of IFRSs to apply the recommended accounting treatment prospectively from the IFRS transition date. This standard concerns companies adopting IFRS for the first time and the amendment therefore had no impact on the consolidated financial statements for the periods presented.

- Amendment to IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities". The amendment introduces additional disclosure requirements for recognized financial instruments that are set off in accordance with IAS 32. It also requires disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The Group does not set off any financial assets and financial liabilities and the amendment therefore had no impact on the consolidated financial statements.

- Improvements to IFRSs – 2009-2011 Cycle. These improvements had no impact on the consolidated financial statements.

- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine". Accor is not concerned by this interpretation which deals with waste removal costs that are incurred in surface mining activity during the production phase of the mine.

Assessment of the potential impact on the consolidated financial statements of future standards, amendments to existing standards and interpretations of existing standards.

The Group did not early adopt the following standards, amendments and interpretations adopted or in the process of being adopted by the European Union at June 30, 2013 and applicable after that date:

<table>
<tr><th colspan="2">Standard or Interpretation</th><th>Application Date (period beginning on or after)</th><th>Measurement of the possible impact on the Accor Group consolidated financial statements in the period of initial application</th></tr>
<tr><td>IFRS 9</td><td>« Financial Instruments: Recognition and Measurement"</td><td>January 1, 2015</td><td rowspan="2">This standard is currently not expected to have a material impact on the consolidated financial statements.</td></tr>
<tr><td>Additions to IFRS 9</td><td>« Financial Instruments: Recognition and Measurement"</td><td>January 1, 2015</td></tr>
<tr><td>IFRS 10 and current amendments</td><td>"Consolidated Financial Statements"</td><td>January 1, 2013*</td><td>IFRS 10 establishes a single method of determining whether entities are controlled and should be fully consolidated. The three elements of control are: i) power to direct the relevant activities, ii) exposure or rights to variable returns and iii) ability to use power to affect returns. Analyses conducted in 2012 showed that application of this standard will have no significant impact on the consolidated financial statements.</td></tr>
<tr><td>IFRS 11 and current amendments</td><td>"Joint Arrangements"</td><td>January 1, 2013*</td><td>Following adoption of IFRS 11, application of the proportionate consolidation method to jointly controlled entities will no longer be allowed. Consequently from January 1, 2014 these entities will be accounted for by the equity method with retrospective application of this method to 2013. The impact that the standard would have had on the Group's 2012 revenue, expenses and main balance sheet indicators if it had been applied in 2012 is presented in Note 42.</td></tr>
<tr><td>IFRS 12</td><td>"Disclosure of Interests in Other Entities"</td><td>January 1, 2013*</td><td rowspan="4">These standards and amendments to existing standards are currently not expected to have a material impact on the consolidated financial statements.</td></tr>
<tr><td>IAS 27 Revised</td><td>"Separate Financial Statements"</td><td>January 1, 2013*</td></tr>
<tr><td>IAS 28 Revised</td><td>"Investments in Associates and Joint Ventures"</td><td>January 1, 2013*</td></tr>
<tr><td>Amendment to IAS 32</td><td>"Offsetting Financial Assets and Financial Liabilities"</td><td>January 1, 2014</td></tr>
</table>

Standard or Interpretation		Application Date (period beginning on or after)	Measurement of the possible impact on the Accor Group consolidated financial statements in the period of initial application
Amendment to IAS 36	"Recoverable Amount Disclosures for Non-Financial Assets"	January 1, 2014	
IFRIC 21	"Levies"	January 1, 2014	

*These standards are applicable in the European Union for annual periods beginning after January 1, 2014, with early adoption allowed from January 1, 2013. All of these standards must be applied at the same time.

First-time adoption of IFRSs

The following options adopted by Accor in the opening IFRS balance sheet at the IFRS transition date (January 1, 2004) in accordance with IFRS 1, continue to have a material impact on the consolidated financial statements:

- Business combinations recorded prior to January 1, 2004 were not restated.
- Cumulative translation differences at the transition date were reclassified in retained earnings.
- Property, plant and equipment and intangible assets were not measured at fair value at the transition date.

Basis for preparation of the financial statements

The financial statements of consolidated companies, prepared in accordance with local accounting principles, have been restated to conform to Group policies prior to consolidation. All consolidated companies have a December 31 fiscal year-end, except for certain Indian companies that have a March 31 fiscal year-end and are therefore consolidated based on financial statements for the six months ended March 31.

The preparation of consolidated financial statements implies the consideration by Group management of estimates and assumptions that can affect the carrying amount of certain assets and liabilities, income and expenses, and the information disclosed in the notes to the financial statements. Group management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and the current economic situation. Items in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments made by management in the preparation of financial statements concern the valuation and the useful life of intangible assets, property, plant and equipment and goodwill, the amount of provisions for contingencies and the assumptions underlying the calculation of pension obligations, claims and litigation and deferred tax balances.

The main assumptions made by the Group are presented in the relevant notes to the financial statements.

When a specific transaction is not covered by any standards or interpretations, management uses its judgment in developing and applying an accounting policy that results in the production of relevant and reliable information. As a result, the financial statements provide a true and fair view of the Group's financial position, financial performance and cash flows and reflect the economic substance of transactions.

Capital management

The Group's main capital management objective is to maintain a satisfactory credit rating and robust capital ratios in order to facilitate business operations and maximize shareholder value.

Its capital structure is managed and adjusted to keep pace with changes in economic conditions, by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management objectives, policies and procedures were unchanged in first-half 2013.

The main indicator used for capital management purposes is the gearing or debt-to-equity ratio (corresponding to net debt divided by equity: see Note "Key Management Ratios" and Note 30). Group policy consists of keeping this ratio below 100%. For the purpose of calculating the ratio, net debt is defined as all short and long-term borrowings, including lease liabilities, derivative instruments with negative fair values and bank overdrafts less cash and cash equivalents, derivative instruments with positive fair values and disposal proceeds receivable in the short-term. Long-term loans, made primarily to hotel owners and to certain companies in which Accor holds a minority interest with the aim of developing long-term investments, are treated as cash flows from investing activities and not financing activities. Consequently, they are excluded from the net debt calculation.

Equity includes the Group's share of reserves and retained earnings, and unrealized gains and losses recognized directly in equity, but excludes minority interests.

Moreover, the Group has set a target at the end of June 2013 of maintaining the Adjusted funds from ordinary activities/Adjusted net debt ratio at more than 25%.

The main accounting methods applied are as follows:

A. Consolidation methods

The companies over which the Group exercises exclusive de jure or de facto control, directly or indirectly, are fully consolidated.

Companies controlled and operated jointly by Accor and a limited number of partners under a contractual agreement are proportionally consolidated.
Companies over which the Group exercises significant influence are accounted for by the equity method. Significant influence is considered as being exercised when the Group owns between 20% and 50% of the voting rights.

In accordance with IAS 27 "Consolidated and Separate Financial Statements", in assessing whether control exists only potential voting rights that are currently exercisable or convertible are taken into account. No account is taken of potential voting rights that cannot be exercised or converted until a future date or until the occurrence of a future event.

B. Business combinations and loss of control – changes in scope of consolidation

Applicable since January 1, 2010, IFRS 3 (revised) "Business Combinations" and IAS 27 (revised) "Consolidated and Separate Financial Statements" have led the Group to alter its accounting treatment of business combinations and transactions with non-controlling interests carried out on or after this date, as follows:

B.1. Business Combinations

Business combinations are accounted for applying the acquisition method:

- The acquisition cost is measured at the acquisition date at the fair value of the consideration transferred, including all contingent consideration. Subsequent changes in contingent consideration are accounted for either through profit or loss or through other comprehensive income.

- Identifiable assets and liabilities acquired are measured at fair value. Fair value measurements must be completed within one year or as soon as the necessary information to identify and value the assets and liabilities has been obtained. They are performed in the currency of the acquiree. In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate.

- Goodwill is the difference between the consideration transferred and the fair value of the identifiable assets and liabilities assumed at the acquisition date and is recognized as an asset in the balance sheet (see Note C. Goodwill).

Costs related to business combinations are recognized directly as expenses.

When a business combination is achieved in stages, the previously held equity interest is remeasured at fair value at the acquisition date through profit or loss. The attributable other comprehensive income, if any, is fully reclassified in operating income.

B.2. Loss of control with residual equity interest

The loss of control while retaining a residual equity interest may be analyzed as the disposal of a controlling interest followed by the acquisition of a non-controlling interest. This process involves, as of the date when control is lost:

- The recognition of a gain or loss on disposal, comprising:
    - A gain or loss resulting from the percentage ownership interest sold ;
    - A gain or loss resulting from the remeasurement at fair value of the ownership interest retained in the entity.
- The other comprehensive income items are reclassified in the profit or loss resulting from the ownership interest disposed.

B.3. Purchases or disposals of non-controlling interest

Transactions with non-controlling interests in fully consolidated companies that do not result in a loss of control, are accounted for as equity transactions, with no effect on profit or loss or on other comprehensive income.

B.4. Loss of significant influence while retaining a residual interest

The loss of significant interest while retaining a residual interest may be analyzed as the disposal of shares accounted for by the equity method followed by the acquisition of a financial asset. This process involves, as of the date of disposal:

- The recognition of a gain or loss on disposal, comprising:
    - A gain or loss resulting from the percentage ownership interest sold, and;
    - A gain or loss resulting from the remeasurement at fair value of the retained percentage ownership interest.
- The reclassification in profit of all of the other comprehensive income items.

C. Goodwill

C.1. Positive goodwill

Goodwill, representing the excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date, is recognized in assets under "Goodwill". Residual goodwill mainly results from the expected synergies and other benefits arising from the business combination.

In accordance with IFRS 3 (revised), which is applicable to business combinations carried out on or after January 1, 2010, each time it acquires less than 100% interest in an entity, the Group must choose whether to recognize goodwill:

- By the full goodwill method (i.e. on a 100% basis): in this case, non-controlling interests are measured at fair value and goodwill attributable to non-controlling interests is recognized in addition to the goodwill recognized on the acquired interest.
- By the partial goodwill method (i.e. based on the percentage interest acquired, with no change possible later in the event of an additional interest being acquired that does not transfer control): in this case, non-controlling interests are measured as the non-controlling interest's proportionate share of the acquiree's identifiable net assets and goodwill is only recognized for the share acquired.

Goodwill arising on the acquisition of associates – corresponding to companies over which the Group exercises significant influence – is included in the carrying amount of the associate concerned.

Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is reported separately.

In accordance with IFRS 3 (revised) "Business Combinations", goodwill is not amortized but is tested for impairment at least once a year and more frequently if there is any indication that it may be impaired. The methods used to test goodwill for impairment are described in Note 1.E.6. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in profit.

C.2. Negative goodwill

Negative goodwill, representing the excess of the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date over the cost of the business combination, is recognized immediately in profit.

D. Foreign currency translation

The presentation currency is the euro.

The balance sheets of foreign subsidiaries are translated into euros at the closing exchange rate, and their income statements are translated at the average rate for the period. Differences arising from translation are recorded as a separate component of equity and recognized in profit on disposal of the business.

Accor did not have any subsidiaries operating in hyperinflationary economies in any of the periods presented.

E. Non-current assets

E.1. Intangible assets

In accordance with IAS 38 "Intangible Assets", intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

Brands and lease premiums (droit au bail) in France are considered as having indefinite useful lives because the Group considers that there is no foreseeable limit to the period in which they can be used and are therefore not amortized. Their carrying amount is reviewed at least once a year and more frequently if there is any indication that they may be impaired. If their fair value is less than their carrying amount, an impairment loss is recognized (see Note 1.E.6).

Other intangible assets (licenses and software) are considered as having finite useful lives. They are amortized on a straight-line basis over their useful lives.

The clientele of hotels outside France is generally amortized over the life of the underlying lease. Acquired management contracts and entrance fees paid by the Group are amortized over the life of the contract.

Identifiable intangible assets recognized in a business combination are initially recognized at amounts determined by independent valuations, performed using relevant criteria for the business concerned that can be applied for the subsequent measurement of the assets. Identifiable brands are measured based on multiple criteria, taking into account both brand equity and their contribution to profit.

Software costs development incurred during the development phase are capitalized as internally-generated assets if the Group can demonstrate all of the following in accordance with IAS 38:

- Its intention to complete the intangible asset and the availability of adequate technical, financial and other resources for this purpose.
- How the intangible asset will generate probable future economic benefits.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

E.2. Property, plant and equipment

Property, plant and equipment are measured at purchase cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16 "Property, Plant and Equipment".
Assets under construction are measured at cost less any accumulated impairment losses. They are depreciated from the date when they are put in service.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, determined by the components method, from the date when they are put in service. The main depreciation periods applied are as follows:

	Upscale and Midscale Hotels	**Economy Hotels**
Buildings	50 years	35 years
Building improvements, fixtures and fittings	7 to 25 years	
Capitalized construction-related costs	50 years	35 years
Equipment	5 to 15 years	

E.3. Borrowing costs

Borrowing costs directly attributable to the construction or production of a qualifying asset are included in the cost of the asset. Other borrowing costs are recognized as an expense for the period in which they are incurred.

E.4. Leases and sale and leaseback transactions

Leases are analysed based on IAS 17 "Leases".

Leases that transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee are qualified as finance leases and accounted for as follows:

- The leased item is recognized as an asset at an amount equal to its fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.
- A liability is recognized for the same amount, under "Finance lease liabilities".
- Minimum lease payments are allocated between interest expense and reduction of the lease liability.
- The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The asset is depreciated over its useful life, in accordance with Group accounting policy, if there is reasonable certainty that the Group will obtain ownership of the asset by the end of the lease term; otherwise the asset is depreciated by the components method over the shorter of the lease term and its useful life.

Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term. Future minimum lease payments under non-cancelable operating leases are disclosed in Note 6.

Where sale and leaseback transactions result in an operating lease and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. Fair value for this purpose is generally determined based on independent valuations.

E.5. Other financial investments

Other financial investments, corresponding to investments in non-consolidated companies, are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Unrealized gains and losses on an investment are recognized directly in equity (in the Fair value adjustments on Financial Instruments reserve) and are reclassified to profit when the investment is sold. A significant or prolonged decline in the value of the investment leads to the recognition of an irreversible impairment loss in profit.
Equity-accounted investments in associates are initially recognized at acquisition cost, including any goodwill. Their carrying amount is then increased or decreased to recognize the Group's share of the associate's profits or losses after the date of acquisition.

An impairment test is performed whenever there is objective evidence indicating that an investment's recoverable amount may be less than its carrying amount. Possible indications of impairment include a fall in the share price if the investee is listed, evidence of serious financial difficulties, observable data indicating a measurable decline in estimated cash flows, or information about significant changes with an adverse effect on the investee. Whenever there is an indication that an investment may be impaired, an impairment test is performed by comparing the investment's recoverable amount to its carrying amount. Recoverable amount is estimated using the methods described in Note 1.E.6.

E.6. Recoverable value of assets

In accordance with IAS 36 "Impairment of Assets", the carrying amounts of property, plant and equipment, intangible assets and goodwill are reviewed and tested for impairment when there is any indication that they may be impaired and at least once a year for the following:

- Assets with an indefinite useful life such as goodwill, brands and lease premiums.
- Intangible assets not yet available for use.

Criteria used for impairment tests

For impairment testing purposes, the criteria considered as indicators of a possible impairment in value are the same for all businesses:

- 15% drop in revenue, based on a comparable consolidation scope; or
- 30% drop in EBITDA, based on a comparable consolidation scope.

Cash-generating unit

Impairment tests are performed individually for each asset except when an asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case, it is included in a cash-generating unit (CGU) and impairment tests are performed at the level of the cash-generating unit.
In the hotel business, each hotel is treated as a separate CGU comprising the hotel property and equipment. Impairment tests are therefore performed separately for each individual hotel.

Goodwill is tested for impairment at the level of the cash-generating unit (CGU) to which it belongs. CGUs correspond to specific countries; they include not only goodwill but also all the related property, plant and equipment and intangible assets.

Other assets, and in particular intangible assets, are tested individually.

METHODS USED TO DETERMINE RECOVERABLE VALUE

Impairment tests consist of comparing the carrying amount of the asset or the CGU with its recoverable value. The recoverable value of an asset or a CGU is the higher of its fair value less costs to sell and its value in use.

Property, plant and equipment and goodwill:

The recoverable value of all the assets or the CGUs is determined by two methods, the EBITDA multiples method (fair value approach) and the after-tax discounted cash flows method (value in use approach).

1. Valuation by the EBITDA multiples method.

For hotels, the EBITDA multiples method is considered to be the best method of calculating the assets' fair value less costs to sell, representing the best estimate of the price at which the assets could be sold on the market on the valuation date.

For impairment tests performed by hotel, the multiples method consists of calculating each hotel's average EBITDA for the last two years and applying a multiple based on the hotel's location and category. The multiples applied by the Group correspond to the average prices observed on the market for transactions and are as follows:

Segment	Coefficient
Upscale and Midscale Hotels	$7.5 < x < 10.5$
Economy Hotels	$6.5 < x < 8$

For impairment tests performed by country, recoverable amount is determined by applying to the country's average EBITDA for the last two years a multiple based on its geographic location and a country coefficient.

If the recoverable amount is less than the carrying amount, the asset's recoverable amount will be recalculated according the discounted cash flows method.

2. Valuation by the discounted cash flows method (in particular for goodwill).

The projection period is limited to five years. Cash flows are discounted at a rate corresponding to the year-end weighted average cost of capital. Separation calculations are performed based on each country's specific characteristics. The projected long-term rate of revenue growth reflects each country's economic outlook.

Intangible assets except goodwill:

The recoverable value of an intangible asset is determined according to the discounted cash flow method only (referred to above), due to the absence of an active market and comparable transactions.

IMPAIRMENT LOSS MEASUREMENT

If the recoverable amount is less than the carrying amount, an impairment loss is recognized in an amount corresponding to the lower of the losses calculated by the EBITDA multiples and discounted cash flows methods. Impairment losses are recognized in the income statement under "Impairment losses" (see Note 1.R.6).

REVERSAL OF AN IMPAIRMENT LOSS

In accordance with IAS 36 "Impairment of Assets", impairment losses on goodwill as well as on intangible assets with a finite useful life, such as patents and software, are irreversible. Losses on property, plant and equipment and on intangible assets with an indefinite useful life, such as brands, are reversible in the case of a change in estimates used to determine their recoverable amount.

E.7. Assets or disposal groups held for sale

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", assets or group of assets held for sale are presented separately on the face of the balance sheet, at the lower of their carrying amount and fair value less costs to sell.

Assets are classified as "held for sale" when they are available for immediate sale in their present condition, their sale is highly probable, management is committed to a plan to sell the asset and an active program to locate a buyer and complete the plan has been initiated.

This item groups together:

- Non-current assets held for sale ;
- Groups of assets held for sale ;
- The total current and non-current assets related to a business or geographical segment (i.e. to a discontinued operation) itself held for sale.

F. Inventories

Inventories are measured at the lower of cost and net realizable value, in accordance with IAS 2 "Inventories". Cost is determined by the weighted average cost method.

G. Prepaid expense

Prepaid expense corresponds to expenses paid during the period that relate to subsequent periods. They also include the effect of recognizing rental expense on a straight-line basis over the life of the lease. Prepaid expense is included in "Other receivables and accruals".

H. Employee benefits expense

Employee benefits expense includes all amounts paid or payable to employees, including statutory and discretionary profit-sharing, pension contributions, payroll taxes and the cost of share-based payments.

A "Crédit d'Impôt pour la Compétitivité et l'Emploi" (CICE) tax credit was introduced in the 3rd 2012 Rectified Finance Act with the aim of making French businesses more competitive by reducing labor costs for certain employees. The CICE consists in substance of a government grant to be spent by companies on measures to improve their competitiveness. It is therefore accounted for in accordance with IAS 20 "Accounting for Government Grants and Disclosure". As allowed under IAS 20, the Group has chosen to record it as a deduction from the related expenses, i.e. as a deduction from payroll costs. The CICE recorded in the first-half 2013 financial statements in respect of previously recognized payroll costs amounted to €5.3 million.

I. Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized when the Group has a present obligation (legal, contractual or implicit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined based on the best estimate of the expenditure required to settle the obligation, in application of certain assumptions. Provisions are discounted when the effect of the time value of money is material, using a discount rate that reflects current market assessments of the time value of money. The most commonly applied rates are the prime long-term corporate bond rate or the government bond rate.

Provisions for restructuring costs are recorded when the Group has a detailed formal plan for the restructuring and the plan's main features have been announced to those affected by it as of the close of accounts.

J. Pensions and other post-employment benefits

The Group offers various supplementary pension, length-of-service award and other post-employment benefit plans, in accordance with the laws and practices of the countries where it operates. These plans are either defined contribution or defined benefit plans.

Under defined contribution plans, the Group pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions under these plans are recognized immediately as an expense.

For defined benefit plans, including multi-employer plans when the manager is able to provide the necessary information, the Group's obligation is determined in accordance with IAS 19 "Employee Benefits".

The Group's obligation is determined by the projected unit credit method based on actuarial assumptions related to future salary levels, retirement age, mortality, staff turnover and the discount rate. These assumptions take into account the macro-economic environment and other specific conditions in the various host countries.

Pension and other retirement benefit obligations take into account the market value of plan assets. The amount recognized in the balance sheet corresponds to the discounted present value of the defined benefit obligation less the fair value of plan assets. Any surpluses, corresponding to the excess of the fair value of plan assets over the projected benefit obligation, are recognized only when they represent the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity. However, actuarial gains and losses on long-term benefit obligations towards active employees (such as jubilees and seniority bonuses) are recognized directly in profit or loss.

The net defined benefit obligation is recognized in the balance sheet under "Non-current Provisions".

K. Translation of foreign currency transactions

Foreign currency transactions are recognized and measured in accordance with IAS 21 “Effects of Changes in Foreign Exchange Rates”. As prescribed by this standard, each Group entity translates foreign currency transactions into its functional currency at the exchange rate on the transaction date.

Foreign currency receivables and payables are translated into euros at the closing exchange rate. Foreign currency financial liabilities measured at fair value are translated at the exchange rate on the valuation date. Gains and losses arising from translation are recognized in “Net financial expense”, except for gains and losses on financial liabilities measured at fair value which are recognized in equity.

L. Income taxes

Income tax expense (or benefit) includes both current and deferred tax expense (or benefit).

Current taxes on taxable profits for the reporting period and previous periods are recognized as liabilities until they are paid.

In accordance with IAS 12 “Income Taxes”, deferred taxes are recognized on temporary differences between the carrying amount of assets and liabilities and their tax base by the liability method. This method consists of adjusting deferred taxes at each period-end, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The effects of changes in tax rates (and tax laws) are recognized in the income statement for the period in which the rate change is announced.

A deferred tax is recognized for all temporary differences, except when it arises from the initial recognition of non-deductible goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable profit.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures except when:

- The Group is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for ordinary and evergreen tax loss carryforwards only when it is probable that the asset will be recovered in the foreseeable future based on the most recently updated projections.

Income taxes are normally recognized in the income statement. However, when the underlying transaction is recognized in equity, the related income tax is also recorded in equity.

Since January 1, 2010, deferred tax assets of acquired companies that are not recognized at the time of the business combination or during the measurement period are recognized in profit or loss without adjusting goodwill if they arise from a post-acquisition event.

In accordance with IAS 12, deferred taxes are not discounted.

In France, the "taxe professionnelle" local business tax was replaced in the 2010 Finance Act by the "Contribution Economique Territoriale" tax (CET). The CET comprises two separate taxes, a tax assessed on the rental value of real estate ("CFE") and a tax assessed on the value added by the business ("CVAE"). In its 2012 and 2013 financial statements, Accor decided therefore to classify CVAE as income tax.

M. Share-based payments

M.1. Share-based payments

Stock Option Plans

Accor regularly sets up option plans for executives, as well as for senior and middle managers. IFRS 2 applies to all stock option plans outstanding at June 30, 2013. Eleven of these plans do not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the starting date of the exercised period. One plan is a performance option plan with vesting conditions other than market conditions. Three other plans are a performance option plan with vesting conditions based on performance in relation to the market. As for the other plans, grantees must still be employed by the Group at the starting date of the exercise period.

The service cost representing consideration for the stock options is recognized in expense over the vesting period by adjusting equity. The expense recognized in each period corresponds to the fair value of equity instruments granted at the grant date, as determined using the Black & Scholes option-pricing model. The grant date is defined as the date when the plan's terms and conditions are communicated to Group employees corresponding to the dates on which the Board of Directors approved these plans.

Under IFRS 2, vesting conditions, other than market conditions, are not taken into account when estimating the fair value of the options but are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount, so that, ultimately, the amount recognized for goods and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Market conditions are taken into account when estimating the fair value of the equity instruments granted, leading to the options being valued at a discounted price. The value attributed to the discount cannot be adjusted, whatever the extent to which the performance conditions have been met at the end of the vesting period. It is determined using the Monte Carlo method, which consists of simulating the performance of Accor shares and the corresponding index according to a sufficiently large number of Brown scenarios. Assumptions concerning the probability of options being exercised are also factored into the Monte Carlo model.

When the options are exercised, the cash settlement is recorded in cash and cash equivalents and in equity. The amount recognized in equity is allocated between "Share capital" and "Additional paid-in capital".

Performance shares plans

Performance shares plans are also recognized and measured in accordance with IFRS 2. The recognition and the measurement principles are those used to recognize and measure the stock option plans excepted for the measurement of the cost of the performance share plans corresponding to the Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares issued.

M.2. Treasury stock

Accor shares held by the Company and/or subsidiaries are recognized as a deduction from equity.

Gains and losses on sales of treasury stock (and the related tax effect) are recognized directly in equity without affecting profit. No impairment losses are recognized on treasury stock.

N. Financial instruments

Financial assets and liabilities are recognized and measured in accordance with IAS 39 "Financial Instruments, Recognition and Measurement", and its amendments.

Financial assets and liabilities are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

N.1. Financial assets

Financial assets are classified between the three main categories defined in IAS 39, as follows:

- "Loans and receivables" mainly comprise time deposits and loans to non-consolidated companies. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss corresponds to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate) and is recognized in profit or loss. This loss may be reversed if the recoverable amount increases in a subsequent period.
- "Held to maturity investments" mainly comprise bonds and other money market securities intended to be held to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss corresponds to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate) and is recognized in profit or loss. This loss may be reversed if the recoverable amount increases in a subsequent period.

  For these two categories, initial fair value is equivalent to acquisition cost, because no material transaction costs are incurred.

- “Available-for-sale financial assets” mainly comprise investments in non-consolidated companies, equities, mutual fund units and money market securities. These assets are measured at fair value, with changes in fair value recognized in equity. The fair value of listed securities corresponds to market price (level 1 valuation technique) and the fair value of unlisted equities and mutual funds corresponds to their net asset value (level 1 valuation technique). For unlisted securities, fair value is estimated based on the most appropriate criteria applicable to each individual investment (using level 3 valuation techniques that are not based on observable data). Securities that are not traded on an active market, for which fair value cannot be reliably estimated, are carried in the balance sheet at historical cost plus any transaction expenses. When there is objective evidence of a significant or prolonged decline in value, the cumulative unrealized loss recorded in equity is reclassified to the income statement and can’t be reversed.

N.2. Derivative financial Instruments

Derivative financial instruments such as interest rate and currency swaps, caps and forward purchases of foreign currencies, are used solely to hedge exposures to changes in interest rates and exchange rates.

They are measured at fair value. Changes in fair value are recognized in profit, except for instruments qualified as cash flow hedges (hedges of variable rate debt) for which changes in fair value are recognized in equity.

The fair value of interest rate derivatives is equal to the present value of the instrument’s future cash flows, discounted at the interest rate for zero-coupon bonds.

The fair value of currency derivatives is determined based on the forward exchange rate at the period-end.

N.3. Financial liabilities hedged by derivative instruments

Financial liabilities hedged by derivative instruments qualify for hedge accounting. The derivative instruments are classified as either fair value hedges or cash flow hedges.

Financial liabilities hedged by fair value hedges are measured at fair value, taking into account the effect of changes in interest rates. Changes in fair value are recognized in profit and are offset by changes in the fair value of the hedging instrument.
Financial liabilities hedged by cash flow hedges are measured at amortized cost. Changes in the fair value of the hedging instrument are accumulated in equity and are reclassified into profit in the same period or periods during which the financial liability affects profit.

N.4. Bank borrowings

Interest-bearing drawdowns on lines of credit and bank overdrafts are recognized for the amounts received, net of direct issue costs.

N.5. Convertible bonds

Convertible bonds are qualified as hybrid instruments comprising a host contract, recognized in debt, and an embedded derivative, recognized in equity.
The carrying amount of the host contract or debt component is equal to the present value of future principal and interest payments, discounted at the rate that would be applicable to ordinary bonds issued at the same time as the convertible bonds, less the value of the conversion option calculated at the date of issue.
The embedded derivative or equity component is recognized in equity for an amount corresponding to the difference between the nominal amount of the issue and the value attributed to the debt component.
Costs are allocated to both components based on the proportion of the total nominal amount represented by each component. The difference between interest expense recognized in accordance with IAS 39 and the interest paid is added to the carrying amount of the debt component at each period-end, so that the carrying amount at maturity of unconverted bonds corresponds to the redemption price.

N.6. Other financial liabilities

Other financial liabilities are measured at amortized cost. Amortized cost is determined by the effective interest method, taking into account the costs of the issue and any issue or redemption premiums.

O. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and short-term investments in money market instruments. These instruments have maturities of less than three months and are readily convertible into known amounts of cash; their exposure to changes in value is minimal.

P. Liabilities associated with assets classified as held for sale

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", this item includes all the liabilities (excluding equity) related to assets or a disposal group classified as held for sale (see Note 1.E.7).

Q. Put Options granted by Accor

IAS 32 "Financial Instruments: disclosures and presentation" requires that the value of the financial commitment represented by put options granted by Accor to minority interests in subsidiaries, be recognized as a debt. The difference between the debt and the related minority interests in the balance sheet, corresponding to the portion of the subsidiary's net assets represented by the shares underlying the put, is recognized as goodwill. When the exercise price is equal to the fair value of the shares, the amount of the debt is determined based on a multiple of the EBITDA reflected in the 5-year business plan of the subsidiary concerned and is discounted.

For put options granted before January 1, 2010, changes in the debt arising from business plan adjustments are recognized in goodwill. Discounting adjustments are recognized in financial expense.

For put options granted on or after January 1, 2010, changes in the debt are treated as reclassifications in equity and therefore have no impact on profit, in accordance with IAS 27 (revised).

R. Income statement and cash flow statement presentation

R.1. Revenue

In accordance with IAS 18 "Revenue", revenue corresponds to the value of goods and services sold in the ordinary course of business by fully and proportionally consolidated companies. It includes:

- For directly owned and leased hotels, all revenue received from clients for accommodation, catering and other services, and
- For managed and franchised hotels, all management and franchise fees.

The Group applies the guidance provided in IAS 18 to determine whether it acts as the principal or an agent in its contractual hotel management relationships. For the purpose of applying IAS 18, the Group is considered as acting as the principal when it has exposure to the significant risks and rewards associated with the rendering of services. In this case, the revenue and related expenses are reported separately in the income statement. When the above criterion is not met, the Group is considered as acting as an agent and only the remuneration corresponding to the agency fee is recognized in revenue.

In accordance with IAS 18 "Revenue", revenue is measured at the fair value of the consideration received or receivable, net of all discounts and rebates, VAT, other sales taxes and fair value of customer loyalty programs.

Revenue from product sales is recognized when the product is delivered and the significant risks and rewards of ownership are transferred to the buyer.
Revenue from sales of services is recognized when the service is rendered.

Revenue from sales of loyalty programs is recognized on a straight-line basis over the life of the cards in order to reflect the timing, nature and value of the benefits provided.

When sales of products or services are covered by a customer loyalty program, the revenue invoiced to the customer is allocated between the product or the service sold and the award credits given by the third party granting the loyalty points. The consideration allocated to the award credits, which is measured by reference to the fair value of the points granted, is deferred and recognized as revenue when the customer redeems the award credits – i.e. when an award is received in exchange for converting the loyalty points.

R.2. EBITDAR

Earnings before interest, tax, depreciation, amortization and rental expense and share of profit of associates after tax (EBITDAR) correspond to revenue less operating expense.

EBITDAR is used as a key management indicator.

It is also used to calculate the flow-through ratio and the reactivity ratio. The flow-through ratio, which is used when revenue goes up, corresponds to change in like-for-like EBITDAR/change in like-for-like revenue. The reactivity ratio, used when revenue goes down, is defined as 1- (change in like-for-like EBITDAR/change in like-for-like revenue).

R.3. Rental expense and Depreciation, amortization and provision expense

Rental expense and depreciation, amortization and provision expense reflect the operating costs of holding leased and owned assets. For this reason, an additional sub-total has been included in the income statement. Under this presentation:

1. EBITDA corresponds to gross profit after the operating costs of holding leased assets.
2. EBIT corresponds to gross operating profit after the operating costs of holding both leased and owned assets. This indicator is also used as the benchmark for determining senior management and other executive compensation, as it reflects the economic performance of each business.

These two indicators are used regularly by the Group to analyze the impact of the operating costs of holding assets on the consolidated financial statements.

R.4. Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items corresponds to the results of operations of the Group's businesses less the related financing cost. Net financial expense and the share of profit of associates after tax represent an integral part of consolidated operating profit before tax and non-recurring items to the extent that they contribute to the performance indicators used by the Group.

R.5. Restructuring costs

Restructuring costs correspond to all the costs incurred in connection with restructuring operations.

R.6. Impairment losses

Impairment losses correspond to all the losses and provisions recorded in accordance with IAS 36 "Impairment of Assets" including impairments of investments in associates.

R.7. Gains and losses on management of hotel properties

Gains and losses on management of hotel properties arise from the disposals of hotels.

R.8. Gains and losses on management of other assets

This item corresponds to gains and losses on management of fixed assets other than hotels and movements in provisions, as well as other gains and losses on non-recurring transactions. The concerned transactions are not directly related to the management of continuing operations.

R.9. Operating profit before tax

Operating profit before tax corresponds to operating profit after income and expenses that are unusual in terms of their amount and frequency that do not relate directly to the Group's ordinary activities.

R.10. Profit or loss from discontinued operations

A discontinued operation is a component of Accor that has been disposed of or is classified as held for sale and:

a) Represents a separate major line of business or geographical area of operations;
b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or;
c) Is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations corresponds to:

- The profit or loss net of tax of the discontinued operations carried out until the date of transfer or until the closing date if the discontinued operation is not sold at this date.
- The gain or loss net of tax recognized on the disposal of the discontinued operations if the discontinued operation has been sold before the closing date.

R.11. Cash flow statement

The cash flow statement is presented on the same basis as the management reporting schedules used internally to manage the business. It shows cash flows from operating, investing and financing activities.

Cash flows from operating activities include:

- Funds from operations, before non-recurring items and after adjustment for changes in deferred taxes and gains and losses on disposals of assets.
- Cash received and paid on non-recurring transactions.
- Changes in working capital.

Cash flows from investing activities comprise:

- Renovation and maintenance expenditure to maintain in a good state of repair operating assets held at January 1 of each year.
- Development expenditure, including the fixed assets and working capital of newly consolidated subsidiaries and additions to fixed assets of existing subsidiaries.
- Development expenditure on non-current assets classified as held for sale.
- Proceeds from disposals of assets.

Cash flows from financing activities include:

- Changes in equity.
- Changes in debt.
- Dividends.

S. Earnings per share

The methods used to calculate basic and diluted earnings per share are in accordance with IAS 33 “Earnings Per Share”.

T. Other information

Current assets and liabilities are assets and liabilities that the Group expects to recover or settle:

- In the normal course of business, or
- Within twelve months of the period-end.

The consolidated financial statements for the half-year ended June 30, 2013 have been prepared under the responsibility of Accor’s Chief Executive Officer. They were approved by the Board of Directors of August 27, 2013.

Note 2. Significant Events and Changes in Scope of Consolidation

A. Divestments, property strategy and returns to shareholders

A.1 Divestments

A.1.1 Sale of the US Economy Hotels Business

On May 22, 2012, Accor signed an agreement to sell its US Economy Hotels business to an affiliate of Blackstone Real Estate Partners VII for a reference price of $1.9 billion before considering the working capital requirement. The network included Motel 6, the iconic North American brand, and Studio 6, an extended-stay economy chain, and comprised 1,106 hotels (106,844 rooms) in the USA and in Canada. The transaction was completed on October 1, 2012, after the leased hotels had been bought back and the other closing conditions had been met.

Until December 30, 2011, US Economy Hotels represented a core business for Accor and as such was presented as a separate business segment in Accor's segment reporting (US Economy Hotels). Consequently, in the comparative interim and annual information for 2012, US Economy Hotels has been classified as a discontinued operation and accounted for in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", as follows:

- The net loss from the US Economy Hotels business for the periods to June 30, 2012 and to September 30, 2012 has been reclassified in the 2012 interim and annual consolidated financial statement respectively as "Net loss from discontinued operations" (see Note 17).
- The loss on the sale, completed on October 1, 2012, has also been reclassified as "Net loss from discontinued operations" in the 2012 annual consolidated financial statements (see Note 17).
- Cash flows for the US Economy Hotels business are presented separately as cash flows from discontinued operations in the 2012 interim and annual consolidated statements of cash flows.
- At June 30, 2012 :
    1. All the Economy Hotels US business's current and non-current assets at June 30, 2012 have been reclassified in the consolidated accounts as "Assets held for sale" including financing for the leased hotels purchased in connection with the transaction (see Note 32).
    2. All the Economy Hotels US business's liabilities (excluding equity) at June 30, 2012 have been reclassified as "Liabilities associated with assets held for sale" including financing for the leased hotels purchased in connection with the transaction (see Note 32).

  This accounting treatment is justified by the fact that:
    - The sale was highly probable, in light of the agreement already signed with Blackstone Real Estate Partners VII, and
    - The Economy Hotels US business's assets and liabilities were available for immediate sale in their present condition.

At June 30, 2012, IFRS 5 required a group of assets and liabilities classified as held for sale to be measured at the lower of their carrying amount and fair value less costs to sell. As a result, Accor Group recognized a €136 million impairment loss in the June 30, 2012 consolidated financial statements. This impairment loss, which was allocated to the various assets based on their respective carrying amounts, did not take into account the cumulative translation gains and losses (€70 million at June 30, 2012) that will be recycled to profit on the effective date of the sale in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". It corresponded to the difference between the Group's best estimates of the following amounts at the transaction closing date:

(1) The reference sale price of $1,900 million (€1,464 million) less debt of €(1,178) million (of which €(805) million corresponding to the exercise price of the purchase options on the leased hotels and €(265) million from the costs associated with the option) and other adjustments (mainly the balance of the working capital requirement) for €173 million; and

(2) The carrying amount of the Economy Hotels business's net assets in the Group's financial statements at June 30, 2012.

The transaction was completed on October 1, 2012, leading to the recognition in the 2012 consolidated financial statements of a total loss of €679 million, including (i) the €445 million loss for the year arising notably from the exercise of call options on fixed-lease hotels and from impairment charges on assets, and (ii) €234 million in negative fair value adjustments corresponding to the difference between:

1) The reference sale price of $1,900 million (€1,481 million) less other adjustments (mainly the balance of the working capital requirement) for €143 million; and

2) The carrying amount of the US Economy Hotels business's net assets in the Group's financial statements at October 1, 2012 (€1,556 million), plus the transaction costs (€16 million).

The transaction proceeds were used to pay down net debt by €249 million as of December 31, 2012. Including the €547 million effect of cancelling rental commitments (with rental commitments discounted at the rate of 7%), the impact on adjusted net debt was a favorable €796 million.

A.1.2 Sale of Accor's stake in Onboard train services

In 2010, Accor sold Compagnie des Wagons Lits' onboard rail catering businesses in France, Austria and Portugal and part of the Italian business to Newrest through a joint venture that was 60% owned by Newrest and 40% by Accor, which no longer exercised significant influence over the joint venture.

During the first-half of 2012, the 40% stake in the joint venture was sold to Newrest for €1 and Accor's remaining 17% direct interest in the Austrian subsidiary was also sold to Newrest for €1. As the shares had previously been written down in full, the loss on the sale had no impact on profit for the period (see Note 17).

The Italian Onboard Day Train Services business remained classified under "Assets held for sale" at June 30, 2013 (see Note 32) in view of the plans under discussion with the grantor of the concession.

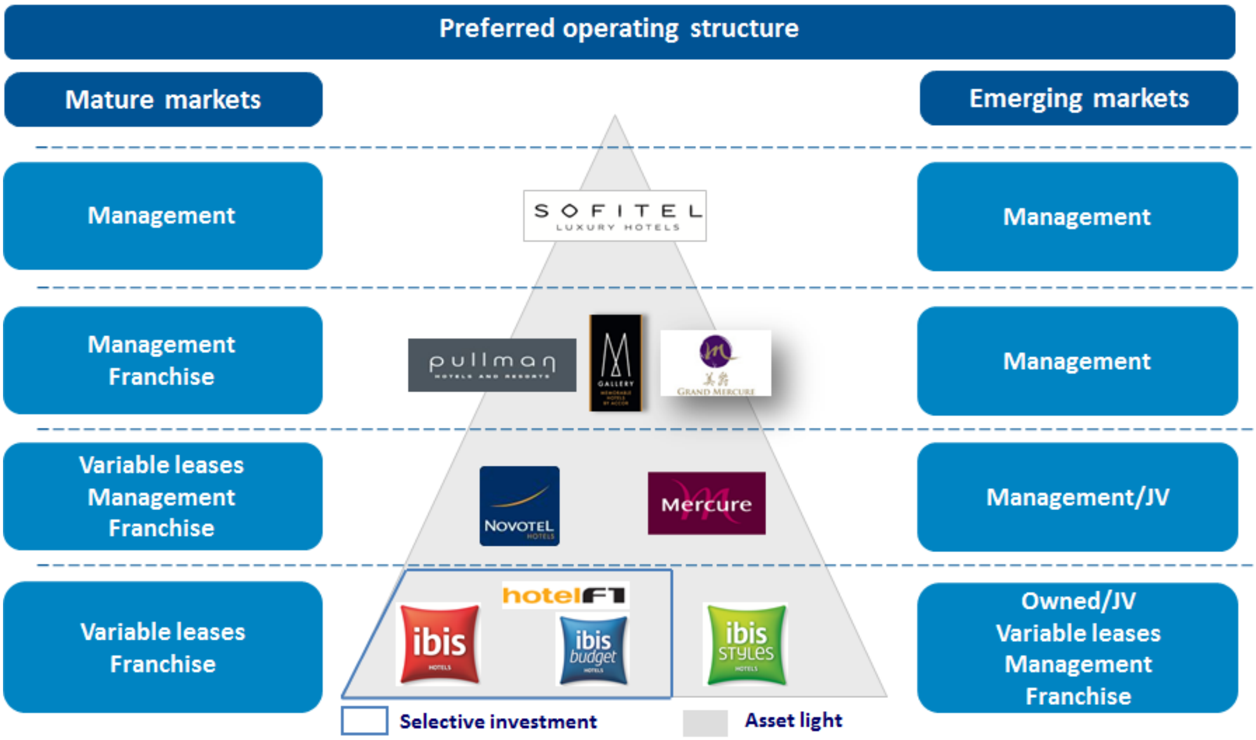
A.2. PROPERTY STRATEGY

As part of the strategy referred to in the Group's communications to the financial markets since 2005, the operating structures of the hotel units have been changed based on a detailed analysis of the risk and earnings profiles of each hotel segment. The aim of this strategy is to reduce the capital tied up in hotel assets and reduce cash flow volatility.

In 2012, Accor announced plans to accelerate implementation of the strategy, with the aim of having a hotel base comprising 40% franchised hotels, 40% managed hotels and 20% owned and leased hotels by the end of 2016 (proportions based on the number of rooms). This objective assumes that future development will be primarily on an asset light basis and will entail restructuring 200 hotels that are currently owned and 600 hotels that are currently leased under leases.

In addition to reducing Group debt, this strategy will:

- Reduce earnings volatility
- Improve operating margin
- Reduce capital spending needs
- Increase return on capital employed
- Drive a significant increase in cash flow generation through the combined effect of all of these favorable factors.



REAL ESTATE POLICY SINCE JANUARY 1, 2005

Since January 1, 2005, the operating structures of 1,264 hotel units have been changed. The following table provides summary information about the various transactions, by type.

In millions of euros	Number of hotels	Portfolio value	Debt impact	Discounted Rental Commitments impact (*)	Adjusted Debt impact (**)
Sales & Variable Lease Back	614	3 941	1 789	1 581	3 370
Sales & Lease Back	1	3	3	(5)	(2)
Sales & Management Back	49	1 099	799	425	1 224
Sales & Franchise Back	385	522	486	334	820
Outright sales	215	841	711	273	984
Total	**1 264**	**6 406**	**3 788**	**2 608**	**6 396**

(*) Rental commitments discounted with an 8% rate until 2011 and with a 7% rate from 2012.
(**) Adjusted from the rental commitments discounted with an 8% rate until 2011 and with a 7% rate from 2012.

The various transactions carried out under this strategy since January 1, 2005, are as follows:

A.2.1. Sale and Variable Leaseback transactions

In the Midscale and Economy segments, the strategy consists of selling the hotel property while continuing to manage the business, under a variable-rent lease based on a percentage of revenue without any guaranteed minimum. In addition, negotiations are conducted with hotel owners to convert fixed-rent leases into variable rent leases. One of the aims is to variabilize a proportion of fixed costs in order to reduce earnings volatility. The strategy also leads to an improvement in credit ratios, given that variable rents are not subject to any guaranteed minimum and are excluded from the Group's lease commitments.

The main sale and variable leaseback transactions carried out since 2005 are as follows:

	Company	Country	Number of units	Main contract terms	Rents
2005	**Foncière des Murs**	**France**	128	12-year contract per hotel, renewable four times per hotel at Accor's discretion.	Average rents equal to 15.5% of revenue, without any guaranteed minimum, reduced to 14.5% at the second renewal date
2006	**Foncière des Murs**	**France and Belgium**	67	12-year contract per hotel, renewable four times per hotel at Accor's discretion.	Rent equal to 14% of revenue, without any guaranteed minimum, reduced to 13% at the second renewal date
2007	**Land Securities**	**United Kingdom**	29	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 21% on average, with no guaranteed minimum.
2007	**Moor Park Real Estate**	**Germany and the Netherlands**	86	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 18% on average, with no guaranteed minimum.
2008	**Axa REIM and Caisse des Dépôts et Consignations**	**France and Switzerland**	55	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 16% of annual revenue with no guaranteed minimum
2009	**Consortium of leading French institutional investors through a property investment trust (OPCI)**	**France**	157	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 20% of annual revenue with no guaranteed minimum
2010	**Invesco Real Estate**	**France, Italy, Slovakia, Germany**	4	15-year contract per hotel, renewable per hotel at Accor's discretion.	Rents based on annual revenues of 22% on average, with no guaranteed minimum except for the first 3 years for € 18 million.
2010 - 2011	**A consortium of two investors: Predica and Foncière des Murs**	**France, Belgium, Germany**	45	12-year contract per hotel, per hotel at Accor's discretion.	Rents based on annual revenues of 19% on average, with no guaranteed minimum except for the first 2 years 2011 and 2012 for € 23 million.
2011	**OPCI managed by La Française REM and Atream**	**France**	7	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 23% of annual revenue with no guaranteed minimum
2012	**The hotel real estate investment fund of Internos Real Investors**	**Germany and the Netherlands**	2	15-year contract per hotel, renewable at Accor's discretion.	Rents based on an average of 21.5% of annual revenue
2005 - 2013	**Other**	**Germany, Mexico, France and various**	34	NA	NA
Total 2005 - 2013			**614**		

These transactions impacted the consolidated financial statements as follows:

In millions of euros		Sale price	Capital gain/(loss)	Debt impact	Adjusted debt impact
2005	**Foncière des Murs**	1 025	107	146	831
2006	**Foncière des Murs**	494	143	327	332
2007	**Land Securities**	632	168	157	526
2007	**Moor Park Real Estate**	688	142	181	536
2008	**Axa REIM and Caisse des Dépôts et Consignations**	361	87	267	323
2009	**Consortium of French institutional investors**	203	39	153	214
2010	**Invesco Real Estate**	83	(5)	76	98
2010 - 2011	**A consortium of two investors: Predica and Foncière des Murs**	228	45	253	254
2011	**OPCI managed by La Française REM and Atream**	63	(5)	68	68
2012	**The hotel real estate investment fund of Internos Real Investors**	18	(5)	15	28
2005 - 2013	**Other**	146	(5)	146	160
Total 2005 - 2013		**3 941**	**711**	**1 789**	**3 370**

In each of these transactions, Accor and its partner may undertake commitments to refurbish the divested assets. These commitments and the related expenditure incurred as of the balance sheet date are presented in Note 40. Most sale and variable leaseback contracts include a commitment by the Group to spend a specified amount on hotel maintenance, generally expressed as a percentage of revenue.

The sale and variable leaseback transaction carried out in 2012 with the hotel real estate investment fund of Internos Real Investors concerned two MGallery hotels in Germany and the Netherlands: the MGallery Mondial Am Dom in Cologne for €21 million (including the €19 million fixed lease buyout cost paid by the investor) and the MGallery Convent Hotel in Amsterdam for €24 million. The transaction terms provide for the execution of a €12 million renovation program, €7 million of which will be financed by the buyer. Both hotels will continue to be operated by Accor under a 15-year commercial lease that will be renewable at Accor's option. The rent will represent an average of 21.5% of the annual revenue generated by the hotels. Insurance costs, real estate taxes and structural capital expenditures will be paid by the new owner. The transaction enabled Accor to reduce adjusted net debt by a cumulative €28 million at December 31, 2012.

A.2.2. Sale and Management-back transactions

The objective of sale and management-back transactions is to reduce capital employed and earnings volatility, consistent with the Group's property strategy (see Note 2.A.2)

The strategy for Upscale hotels consists of selling the hotel properties while continuing to manage the business, retaining a minority interest depending on the circumstances. In the Midscale and Economy segments, the strategy consists of selling the hotel properties while continuing to manage the business without any minority interest.

The main sale and management-back transactions carried out since 2005 are as follows:

	Company	Main countries	Number of units	Description of the transaction
2006	**Joint venture comprised of GEM Realty, Whitehall Street Global Real Estate Limited Partnership and Accor**	**United States** (Sofitel hotels in United States located in Chicago, Los Angeles, Miami, Minneapolis, San Francisco Bay and Washington)	6	- Accor remains a 25% partner in the joint venture which is accounted for by the equity method - Accor continues to manage the hotels under the Sofitel brand name under a 25-year management contract renewable three times for successive periods of ten years
2007	**Joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership and Accor**	**United States** (Sofitel hotels located in New York and Philadelphia)	2	- Accor remains a 25% shareholder in the joint venture which is accounted for by the equity method - Accor continues to manage the hotels under the Sofitel brand name under a 25-year management contract
2007	**Société Stratom**	**French West Indies** (2 Sofitel hotels and 2 Novotel hotels)	4	Accor continues to manage the hotels under a management contract
2008	**Société Hotelière Paris Les Halles**	**Netherlands** (Sofitel The Grand)	1	- Accor retains a 40% interest in the company that owns the property which is accounted for by the equity method . - Accor runs the hotel under a 25-year management contract.
2008	**Esnee**	**France** (MGallery Baltimore)	1	Accor continues to manage the hotel under a management contract
2011	**Host**	**New Zealand**	6	Accor continues to manage the hotel under a management contract
2011	**Host's European joint venture with APG and an affiliate of GIC**	**France** (Pullman Paris Bercy)	1	Accor continues to manage the hotel under a management contract
2011	**A consortium of French private investors**	**France** (Sofitel Arc de Triomphe in Paris)	1	Accor continues to manage the hotel under a management contract
2012	**Joint-venture with Chartres Lodging Group and Apollo Global Management**	**United States** (Novotel New York)	1	Accor continues to manage the hotel under a management contract
2012	**A-HTRUST**	**China** (Novotel and ibis Sanyuan in Beijing)	2	Accor continues to manage the hotel under a management contract
2012	**Elliott Aintabi (Group Jesta)**	**France** (Pullman Paris Tour Eiffel)	1	Accor continues to manage the hotel under a management contract
2012	**Amundi Immobilier and Algonquin**	**France** (Sofitel Paris La Défense)	1	Accor continues to manage the hotel under a management contract
2013	**Mount Kellett Capital Management Lp**	**France** (Sofitel Paris Le Faubourg)	1	Accor continues to manage the hotel under a management contract
2005 - 2013	**Other**	**Australia, United States, France and India**	21	Accor continues to manage the hotels under a management contract
Total 2005 - 2013			**49**	

These transactions impacted the consolidated financial statements as follows:

In millions of euros		Sale price	Capital gain/(loss)	Debt impact	Adjusted debt impact
2006	**6 Sofitel hotels in United States**	295	(15)	184	285
2007	**2 Sofitel hotels in United States**	219	14	85	207
2007	**2 Sofitel hotels and 2 Novotel hotels in French West Indies**	13	(8)	6	6
2008	**Sofitel The Grand**	31	(1)	31	69
2008	**MGallery Baltimore**	28	3	26	27
2011	**4 Novotel and 2 ibis in New Zealand**	25	(0)	29	54
2011	**Pullman Paris Bercy**	90	31	86	86
2011	**Sofitel Arc de Triomphe in Paris**	41	7	34	34
2012	**Novotel New York**	71	16	58	58
2012	**Novotel and ibis Sanyuan in Beijing**	54	9	47	47
2012	**Pullman Paris Tour Eiffel**	1	(11)	(2)	59
2012	**Sofitel Paris La Défense**	22	10	16	17
2013	**Sofitel Paris Le Faubourg**	86	56	89	89
2005 - 2013	**Other**	123	2	110	186
Total 2005 - 2013		**1 099**	**113**	**799**	**1 224**

In 2012, Accor sold the Novotel Times Square in New York under a sale and management-back agreement, for a total value of €160 million (€335,000 per room) including renovation work. The cash proceeds from the sale amounted to €71 million and the buyer also committed to complete a full renovation of the hotel between 2012 and 2013, at an estimated cost of €89 million based on a scope defined by Accor. The hotel will remain open while the work is being carried out. In addition, an earn-out payment of up to €12 million could be received depending on the results of the hotel after the refurbishment. This 480-room hotel will continue to be operated by Accor under a long-term management agreement. The buyer is a joint-venture formed by two key players in the hotel property management business in the United-States: Chartres (Chartres Lodging Group, LLC) and Apollo (Apollo Global Management, LLC). The transaction enabled Accor to reduce adjusted net debt by a cumulative €58 million at December 31, 2012. Accor agreed to provide financing for part of the new owner's refurbishment costs, through a €15 million loan, which had been disbursed in full at June 30, 2013.

In 2012, Accor sold under a sale and management back contract, the Novotel/ibis Sanyuan in Beijing to A-HTRUST, a listed Hotel Investment Trusts in the Asia-Pacific region, in which Accor took a 5.73% stake (see Note 2.B.3). The transaction amounted to €54 million. The transaction enabled Accor to reduce adjusted net debt by €47 million accumulated at December 31, 2012.

In 2012, Accor refinanced the Pullman Paris Tour Eiffel through a management contract. The Group, which took over the hotel in early 2009 under a fixed lease agreement, will continue to operate the hotel via a long term management contract. Under the terms of the contract, Accor has agreed to waive repayment of a receivable from the owner until 2032 at the latest unless the management contract is rolled over. The present value of the receivable is €20 million, net of a discounting adjustment of €11 million. The hotel will benefit from a refurbishment program representing a €47 million investment. Accor will act as principal for the renovation work under a property development contract (see note 40). The work will be paid for by the hotel's buyer, with part of the cost financed by a €15 million loan from Accor of which €9 million must still be disbursed. The transaction enabled Accor to reduce cumulative adjusted net debt by €59 million at December 31, 2012.

Last, in 2012, Accor sold the Sofitel Paris La Défense under a sale and management-back agreement, for a total value of €22 million (€144,000 per room). The acquisition was carried out jointly by Amundi Real Estate, a leader in third-party real estate asset management, and Algonquin, a hospitality investor and asset manager, which already owns 7 hotels operated by Accor through management or franchise contracts in France and the United Kingdom. The transaction enabled Accor to reduce adjusted net debt by €16 million accumulated at December 31, 2012.

In 2013, Accor sold the Sofitel Paris Le Faubourg in Paris, under a sale and management-back agreement, for an enterprise value of €113 million (€769,000 per room) including a €13 million renovation program. The buyer is Mount Kellett Capital Management LP. The transaction enabled Accor to reduce adjusted net debt by a cumulative €89 million at June 30, 2013.

A.2.3. Sale and Franchise back Transactions and Outright sales

Since 2005, Accor has disposed of a total of 600 hotels, through outright asset sales, lease terminations at or before the expiry date and sale-and-franchise-back transactions.

	Sale & Franchise Back	Outright sales	Main countries	Sale price	Debt impact	Adjusted debt impact
	Number of hotels			In millions of euros		
2005	25	17	Germany	43	43	164
2006	27	25	France, United States and Denmark	195	109	188
2007	34	39	France, United States, Germany	256	254	302
2008	49	12	France, United States, Germany	117	104	121
2009	26	30	France, United States, Germany, the Netherlands	120	106	110
2010	85	30	France, United States, China, Germany, Brazil, Portugal, Sweden	163	195	252
2011	69	38	France, Germany, Poland, Belgium, Hungary, China, United States	185	152	259
2012	60	20	France, South Africa, China, Germany, Spain, Japon, Italy, the Netherlands, Poland	247	188	357
2013	10	4	France, Poland, China, Germany, Spain	37	45	51
TOTAL	**385**	**215**		**1 363**	**1 197**	**1 804**

In 2012:

- Accor sold the Pullman Paris Rive Gauche (617 rooms) to Bouygues Immobilier for €77 million, in line with its asset-right strategy. The hotel, whose operating performance and technical standards fell below Group requirements, shut down in 2012. The contract also includes an earn-out mechanism, whose amount will depend on the terms and conditions of the reconstruction project (up to €10 million). The transaction enabled Accor to reduce net debt by a cumulative €72 million.

- Accor sold its 52.6% stake in Hotel Formula 1 to its historical South African partner, Southern Sun Hotels, a subsidiary of the Tsogo Sun group, for €28 million (including a €3 million of loan repayment). Hotel Formula 1 was formed in 1991 as a joint venture between Accor and Southern Sun. Its South African network comprises 20 hotels (1,474 rooms) owned by the joint venture and 3 managed hotels owned by Southern Sun. All 23 hotels now operate as franchised units, under the Formula 1 brand. The transaction enabled Accor to reduce net debt by a cumulative €28 million.

- Termination of six hotel leases in Germany and the Netherlands generated a capital loss of €47 million but enabled the Group to reduce adjusted net debt by €35 million.
  In all, the lease transactions had a €35 million negative net impact on consolidated cash (corresponding to 2.6 years' average rent) and enabled the Group to reduce adjusted net debt by €182 million.

None of the sale and franchise-back transactions or outright sales carried out in first-half 2013 represented material amounts.

A.3 Return to shareholders of part of the cash proceeds from asset disposals

Accor has returned to shareholders part of the cash proceeds from disposals of investments and assets carried out since 2005.
Since May 10, 2006, Accor has announced several successive share buyback programs, as follows:

- **On May 10, 2006, Accor announced a first program to buy back Accor S.A shares for a total of €500 million**. This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on January 9, 2006, which capped the buy-back price at €62 per share. During 2006, Accor bought back and cancelled 10,324,607 shares. These shares were acquired at a total cost of €481 million, representing an average price per share of €46.56. As of December 31, 2006, a further 332,581 shares had been bought back at a total cost of €19 million. These shares were cancelled at the beginning of January 2007.

- **On May 14, 2007, Accor announced a second program to buy back Accor S.A shares for a total of €700 million**. This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 14, 2007, which capped the buy-back price at €100 per share. During 2007, Accor bought back and cancelled 10,623,802 shares. These shares were acquired at a total cost of €700 million, representing an average price per share of €65.89.

- **On August 28, 2007, Accor announced a third program to buy back Accor S.A shares for a total of €500 million**. This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 14, 2007, which capped the buy-back price at €100 per share. During the second half of 2007, Accor bought back 8,507,150 shares at a total cost of €500 million, representing an average price per share of €58.78. As of December 31, 2007, 1,300,000 shares had been cancelled. The remaining 7,207,150 shares were cancelled during the second half of 2008.

- **On August 25, 2008, Accor announced a fourth program to buy back Accor S.A shares**. This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 13, 2008, which capped the buy-back price at €100 per share. During the second half of 2008, Accor bought back and cancelled 1,837,699 shares at a total cost of €62 million, representing an average price per share of €33.70.

Moreover, based on 2006, 2007 and 2011 earnings, the Group paid a special dividend of:

- €1.50 per share in 2007 out of 2006 earnings. The dividend was paid on the 224,233,558 shares outstanding, representing a total payout of €336 million.
- €1.50 per share in 2008 out of 2007 earnings. The dividend was paid on the 221,529,415 shares outstanding, representing a total payout of €332 million.
- €0.50 per share in 2012 out of 2011 earnings. The dividend was paid on the 227 151 466 shares outstanding, representing a total payout of €114 million.

In all, nearly €2.5 billion, excluding ordinary dividends, have been returned to shareholders since 2006.

B. Organic growth and acquisitions

The Group is pursuing its development program in line with the objectives of its strategic plan.

B.1. Investments in hotels (acquisitions and organic growth)

During the first half of 2013, the Group added 77 hotels (9,940 rooms) to its portfolio through acquisitions and organic growth. In addition, 38 hotels (4,307 rooms) were closed during the period.

Hotel portfolio by brand and type of management at June 30, 2013

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	14	4	7	85	4	**114** (*)
Pullman	6	8	6	49	11	**80**
MGallery	5	7	5	22	25	**64**
Novotel	45	44	120	130	59	**398**
Suite Novotel	1	6	11	4	8	**30**
Mercure	36	66	83	206	370	**761**
Adagio	2	7	3	24	1	**37**
ibis	113	114	248	131	373	**979**
ibis Styles	4	12	5	16	177	**214**
ibis *budget*	31	77	115	27	253	**503**
Adagio Access	-	3	-	47	-	**50**
Formule 1	8	1	-	-	23	**32**
HotelF1	21	-	158	-	60	**239**
Other	6	1	3	39	5	**54**
Total	**292**	**350**	**764**	**780**	**1 369**	**3 555**
Total (in %)	*8,2%*	*9,8%*	*21,5%*	*21,9%*	*38,5%*	*100,0%*

(*) 122 hotels marketed through the TARS reservation system

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	2 183	1 199	1 165	22 399	1 265	**28 211**
Pullman	1 215	2 073	2 076	14 269	3 082	**22 715**
MGallery	366	818	712	2 507	2 296	**6 699**
Novotel	8 362	8 734	20 164	30 653	7 629	**75 542**
Suite Novotel	174	971	1 396	488	707	**3 736**
Mercure	4 939	10 766	12 428	32 790	34 715	**95 638**
Adagio	207	817	374	3 012	111	**4 521**
ibis	16 454	15 322	35 078	23 735	30 616	**121 205**
ibis Styles	426	1 016	911	2 544	13 400	**18 297**
ibis *budget*	3 457	8 258	12 687	3 404	18 554	**46 360**
Adagio Access	-	263	-	4 721	-	**4 984**
Formule 1	583	79	-	-	1 690	**2 352**
HotelF1	1 514	-	12 572	-	3 882	**17 968**
Other	1 422	51	431	5 453	400	**7 757**
Total	**41 302**	**50 367**	**99 994**	**145 975**	**118 347**	**455 985**
Total (in %)	*9,1%*	*11,0%*	*21,9%*	*32,0%*	*26,0%*	*100,0%*

Hotel portfolio by region and type of management at June 30, 2013

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	71	42	420	104	889	**1 526**
Europe excluding France	143	254	267	98	288	**1 050**
Asia Pacific	28	48	8	361	114	**559**
Latin America & Caribbean	29	5	56	103	39	**232**
Other Countries	21	1	13	114	39	**188**
Total	**292**	**350**	**764**	**780**	**1 369**	**3 555**
Total (in %)	*8,2%*	*9,8%*	*21,5%*	*21,9%*	*38,5%*	*100,0%*

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	7 396	4 795	47 927	12 618	65 690	**138 426**
Europe excluding France	20 904	37 690	37 473	14 383	30 959	**141 409**
Asia Pacific	4 752	6 992	1 690	79 299	13 175	**105 908**
Latin America & Caribbean	4 515	684	10 773	15 684	4 742	**36 398**
Other Countries	3 735	206	2 131	23 991	3 781	**33 844**
Total	**41 302**	**50 367**	**99 994**	**145 975**	**118 347**	**455 985**
Total (in %)	*9,1%*	*11,0%*	*21,9%*	*32,0%*	*26,0%*	*100,0%*

Hotel portfolio by region and brand at June 30, 2013

In number of hotels	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other countries	Total
Sofitel	12	19	40	9	34	**114** (*)
Pullman	13	15	43	2	7	**80**
MGallery	14	22	19	4	5	**64**
Novotel	114	135	99	17	33	**398**
Suite Novotel	19	8	-	-	3	**30**
Mercure	228	295	135	75	28	**761**
Adagio	28	9	-	-	-	**37**
ibis	379	328	121	102	49	**979**
ibis Styles	114	59	40	-	1	**214**
ibis *budget*	316	145	26	13	3	**503**
Adagio Access	49	1	-	-	-	**50**
Formule 1	-	9	-	-	23	**32**
HotelF1	239	-	-	-	-	**239**
Other	1	5	36	10	2	**54**
Total	**1 526**	**1 050**	**559**	**232**	**188**	**3 555**
Total (in %)	*42,9%*	*29,5%*	*15,7%*	*6,5%*	*5,3%*	***100,0%***

(*) 122 hotels marketed through the TARS reservation system

In number of rooms	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other countries	Total
Sofitel	1 580	4 593	11 749	1 665	8 624	**28 211**
Pullman	3 721	3 889	12 166	538	2 401	**22 715**
MGallery	999	2 727	2 068	357	548	**6 699**
Novotel	15 518	26 046	24 160	2 947	6 871	**75 542**
Suite Novotel	2 199	1 130	-	-	407	**3 736**
Mercure	22 104	37 362	21 434	10 248	4 490	**95 638**
Adagio	3 505	1 016	-	-	-	**4 521**
ibis	33 437	42 384	22 340	14 996	8 048	**121 205**
ibis Styles	8 052	5 206	4 900	-	139	**18 297**
ibis *budget*	24 418	15 384	2 702	3 493	363	**46 360**
Adagio Access	4 874	110	-	-	-	**4 984**
Formule 1	-	662	-	-	1 690	**2 352**
HotelF1	17 968	-	-	-	-	**17 968**
Other	51	900	4 389	2 154	263	**7 757**
Total	**138 426**	**141 409**	**105 908**	**36 398**	**33 844**	455 985
Total (in %)	*30,4%*	*31,0%*	*23,2%*	*8,0%*	*7,4%*	*100,0%*

Hotel development projects in progress at June 30, 2013

The number of new rooms represented by hotel development projects in progress at June 30, 2013 is as follows:

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
2013	93	409	907	12 111	4 535	**18 055**
2014	1 643	927	3 394	20 471	5 644	**32 079**
2015	1 720	1 491	4 592	27 779	6 858	**42 440**
2016 and after	655	572	2 520	20 523	877	**25 147**
Total	**4 111**	**3 399**	**11 413**	**80 884**	**17 914**	**117 721**

B.2. ACQUISITION OF CONTROL OF ORBIS

<u>2008: Increase in Accor's stake in the Orbis Group to 50.01%</u>

During the second half of 2008, Accor acquired an additional 4.53% stake in the Orbis group, raising its interest to 50.01%. The shares were acquired at a price of PLN55.4 per share, representing a total investment of approximately €35 million. Following the transaction, Orbis was fully consolidated in the Accor Group accounts.
The additional investment was recognized as fair value adjustments to 21 hotel properties. After purchase accounting adjustments, goodwill amounted to €12 million.

<u>2011 and 2012: Acquisition of additional stakes of 1.54% and 1.13% respectively in the Orbis Group</u>

In 2011 and 2012, Accor successively acquired additional stakes of 1.54% and 1.13% in the Orbis Group, lifting its interest to 52.69% as of December 31, 2012. Details of the transactions were as follows:

- In 2011, acquisition of 711,827 shares at a price of PLN39 per share, representing a total investment of PLN28 million (approximately €6.2 million).
- In 2012, acquisition of 521,480 shares at a price of PLN45 per share, representing a total investment of PLN23 million (approximately €5.6 million).

In accordance with IFRS 3 (revised), these purchases were treated as transactions between owners (see Note 1.B.3) with no impact on the Group's consolidated net profit.

B.3. ACQUISITION OF MIRVAC IN 2012

In May 2012, Accor completed the acquisition of Mirvac, a hotel management company in Australia. The total amount paid by Accor for this acquisition was €199 million of which €6 million paid out in 2011 and €193 million paid out in 2012. The transaction included:

- Mirvac Hotels & Resorts, manager of 43 hotels (including two owned hotels acquired on August 1, 2012), representing 5,406 rooms, acquired for €152 million. This amount breaks down as €128 million for the Mirvac Hotels & Resorts shares and €24 million for the two companies that hold the two owned hotels.
- A 21.9% stake in the Mirvac Wholesale Hotel Fund (MWHF), an investment vehicle that owns seven of the hotels, acquired for €47 million.

  In line with Group strategy, the stake in MWHF was subsequently sold in late July 2012 to A-HTRUST, one of the largest publicly listed hotel investment trusts in the Asia-Pacific region. Accor took a 6.99% stake in this new entity. As agreed with Ascendas, which will hold up to 35% of A-HTRUST, Accor will be granted a right of first offer to manage future acquisitions when the hotels are not operated under a pre-existing management contract. Accor subsequently reduced its interest by 1.26% to 5.73% by selling some MVWH shares. The proceeds from the transactions were used to pay down net debt by €29 million. As Accor does not exercise significant influence over A-HTRUST, its 5.73% interest in this trust is carried in the consolidated balance sheet under "Other financial investments" (see Note 23).

The fair value of the main net assets acquired in the Mirvac Hotels & Resorts business combination represented €40 million (excluding the two owned hotels that were purchased at net book value). The €69 million difference (after deducting the debt repayment and the amount in escrow for a total of €20 million) between this amount and the cost of the business combination was allocated as follows in Accor's accounts:

- Value attributed to the management contracts, net of deferred taxes: €28 million (see Note 19);
- Value attributed to the brands: €19 million, written down by €13 million at December 31, 2012 (see Note 13.2);
- Goodwill: €22 million (see Note 18), increased by €1.5 million in first-half 2013 after Accor took over the Sea Temple management contract.

The fair value of the main net assets acquired breaks down as follows:

In millions of euros	Fair Value
Property, plant and equipment	51
Non-current financial assets	2
Other receivables	18
Deferred tax assets	2
Financial debt	(19)

In the period from May 23 to December 31, 2012, Mirvac Hotels & Resorts generated revenue of €81 million and a net loss of €15 million (including €13 million worth of brand impairments and €8 million in integration costs).

B.4. Acquisition of the South American hotel portfolio of Grupo Posadas in 2012

On July 16, 2012, Accor signed a contract in order to acquire the South American hotel portfolio of Grupo Posadas. The sale was completed on October 10, 2012. The final amount paid by Accor for this acquisition was €190 million. The transaction included 13 hotels, of which three owned hotels, three hotels leased under variable-rent leases and seven hotels under management contracts. The transaction also included a secure pipeline of 18 hotels under management contracts and the acquisition of two brands operated by Grupo Posadas in South America: Caesar Park and Caesar Business.

The fair value of the main net assets acquired represented €35 million (including €10 million for acquired brands that were written down in full at December 31, 2012). The €155 million difference between this amount and the cost of the business combination was allocated as follows in Accor's accounts:

- Value attributed to contracts (in progress or signed on the acquisition date): €24 million (see Note 19);
- Value attributed to the hotels purchased outright: €54 million (see Note 20);
- Provision adjustments: €2 million;
- Deferred tax liabilities: €(25) million corresponding to the above allocations;
- Goodwill: €104 million (see Note 18).

The fair value of the main net assets acquired breaks down as follows:

In millions of euros	Cost before purchase price allocation	Purchase price allocation	Cost after purchase price allocation
Intangible assets	30	24	54
Property, plant and equipment	23	54	77
Other receivables	6	-	6
Deferred tax assets/liabilities	5	(25)	(20)
Cash and cash equivalents	7	-	7
Debt	(27)	-	(27)
Other payables	(9)	(2)	(11)
TOTAL	**35**	**51**	**86**

The fair value of property, plant and equipment is based on independent valuations (Level 1 inputs as defined in IFRS 13). The fair value of intangible assets is estimated by discounting estimated fee revenues up to the next contract renewal date (Level 3 inputs as defined in IFRS 13), based on the data used to determine the acquisition price.

In the period from October 10 to December 31, 2012, the assets acquired generated revenue of €18 million and a net loss of €16 million (including €10 million worth of brand impairments and €8 million in integration costs).

B.5. IBIS MEGABRAND PROJECT

In 2012, Accor implemented its project to overhaul the entire Economy brand line-up under the umbrella of the ibis brand. This project involved reviewing economy hotel codes in depth, renewing more than 100,000 beds, honing a new concept for its public areas, and briskly installing the new ibis, ibis Styles and ibis *budget* banners.

This led to the recognition:

- In the 2012 financial statements of a €50 million loss reported under "Gains and losses on management of other assets" (see Note 15) and €39 million in costs reported under "Renovation and maintenance expenditure" (see Note 36).
- In the 2013 interim financial statements of a €7 million loss reported under "Gains and losses on management of other assets" (see Note 15) and €3 million in costs reported under "Renovation and maintenance expenditure" (see Note 36).

C. Colony Capital / Eurazeo

In March 2005, the Management Board and the Supervisory Board approved a proposal by Colony Capital to invest €1 billion in the Group, in order to expand the capital base and move up a gear in the development program.

This major investment by Colony Capital, which was approved at the Extraordinary Shareholders Meeting of May 3, 2005, was carried out in two simultaneous tranches:

- €500 million 3-year 4.5% equity note issue. The notes were issued at a price of €3,900 and were based on a redemption ratio of one note for 100 Accor shares at €39. Conversion of all of the outstanding equity notes would result in the issue of 12,820,500 new shares. In accordance with the accounting policy described in Note 1.N.5, the equity component of the notes was recognized in equity in the amount of €433 million and the balance of the issue was recognized in debt for €67 million.

- €500 million 5-year 3.25% convertible bond issue. The bonds were issued at a price of €4,300 and were based on a conversion ratio of one bond for 100 Accor shares at €43. Conversion of all of the outstanding bonds would result in the issue of 11,627,900 new shares. The entire €500 million face value of the convertible bonds was recognized in debt.

The equity notes were redeemed for Accor shares on April 2, 2007, at Colony Capital's request. In the consolidated financial statements, the equity component was written off from equity in the amount of €433 million and the debt component (originally €67 million), carried in the balance sheet at December 31, 2006 for €30 million, was reclassified in equity.

On July 3, 2007, Colony Capital converted its convertible bonds for an amount of €500 million. The initial debt (€500 million) was reclassified in equity. Following these conversions, Colony Capital held 10.64% of Accor's capital before dilution at the end of 2007.

On May 4, 2008, Colony Capital and investment group Eurazeo announced a five-year shareholders' agreement under which they will increase their combined stake in the Group's capital to 30%. The first phase of the agreement was completed on May 13, 2008 with the increase of Eurazeo's interest in Accor to 8.9%. This led to Eurazeo being given an additional seat on the Accor Board of Directors on August 27, 2008, raising from two to three the number of directors representing Colony and Eurazeo. During the second half of the year, Eurazeo and Colony further increased their respective interests, to 10.49% and 12.36% respectively on an undiluted basis at December 31, 2008. Their combined interest at that date represented 22.84% of the capital and 20.40% of the voting rights.

In 2009, the concert group purchased 18,971,023 Accor shares and sold 3,358,006 new Accor shares. In May 2009, Eurazeo was given an additional seat on the Accor Board of Directors, raising from three to four the number of directors representing Colony and Eurazeo. The concert group held 65,844,245 shares at December 31, 2009, representing 29.20% of the capital and 27.56% of the voting rights.

At December 31, 2010, the concert group held 61,844,245 shares, representing 27.27% of the capital and 32.78% of the voting rights.
At December 31, 2011, the concert group held 61,844,245 shares, representing 27.21% of the capital and 32.58% of the voting rights.

The commitment given in first-half 2010 by Colony Capital and Eurazeo in connection with the demerger to support the demerged entities Accor and Edenred, by retaining their shares in the two companies, expired on January 1, 2012. On January 5, 2012, the concert group reduced its interest to 48,568,160 shares, representing 21.37% of the capital and 27.51% of the voting rights.

At December 31, 2012, the Concert group held 48 673 442 shares, representing 21.4% of the capital and 30.08% of the voting rights following (i) the allocation, during 2012, of double voting rights to shares held for more than two years and (ii) the reduction in the number of shares held by Fonds Stratégique d'Investissement and Caisse des Dépôts et Consignation, leading to the cancellation of a certain number of double voting rights and a resulting decrease in the total number of voting rights. Representatives of Colony Capital and Eurazeo asked the French securities regulator (Autorité des Marchés Financiers - AMF) to waive this requirement in the case of Accor, considering that (i) the 30% threshold had been crossed solely due to a reduction in the number of Accor voting rights that was not the result of any action by them and (ii) they had given an undertaking not to take any action themselves to raise their interest to over 30% of the voting rights. On January 16, the AMF informed Colony Capital and Eurazeo that they would not be required to present a takeover bid.

At June 30, 2013, the concert group held 48,673,442 shares and 85,313,908 voting shares, representing 21.4% of the capital and 30.4% of the voting rights.

D. Bond Issues

Since 2009, Accor has completed several bond issues:

- February 4, 2009: €600 million 7.50% 5-year bond issue due February 4, 2014
- May 5, 2009: €600 million 6.50% 4-year bond issue due May 6, 2013
- August 24, 2009: €250 million 6.039% 8-year and 3 month bond issue due November 6, 2017
- June 19, 2012: €600 million 2.875% 5-year bond issue due June 19, 2017
- September 28, 2012: €100 million 2.875% 5-year tap issue (augmenting the June 19, 2012 issue), due June 19, 2017
- March 21, 2013: €600 million 2.50% 6-year bond issue due March 21, 2019.

In 2010 and 2011, €206.3 million worth of bonds due 2013 and €197.75 million worth of bonds due 2014 were bought back, representing a total transaction price of €404.05 million.

In 2013, all outstanding May 5, 2009 bonds were redeemed for a total of €394 million.

E. Voluntary redundancy plan

During the first half of 2013, Accor announced the launch of a voluntary redundancy designed to reduce the number of employees at the Group’s Paris headquarters by 173. The employees concerned will leave during the second half of 2013. A €34 million provision was recorded in the interim financial statements, corresponding to the Group’s best estimate of the costs of the plan, based on the proposed redundancy payments for the positions concerned.

Note 3. Consolidated Revenue by Business and by Region

In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2013	June 2012	2012
HOTELS	**883**	**1 125**	**267**	**218**	**115**	**20**	**2 628**	**2 662**	**5 497**
Upscale and Midscale Hotels	557	710	191	116	87	19	**1 680**	**1 710**	**3 536**
Economy Hotels	326	415	76	102	28	1	**948**	**952**	**1 961**
OTHER BUSINESSES	**22**	**2**	**40**	**-**	**2**	**-**	**66**	**55**	**152**
Total June 2013	**905**	**1 127**	**307**	**218**	**117**	**20**	**2 694**		
Total June 2012	**949**	**1 146**	**318**	**187**	**103**	**14**		**2 717**	
Total 2012	**1 901**	**2 379**	**725**	**396**	**208**	**40**			**5 649**

(1) "Worldwide Structures" corresponds to revenue (royalties) that is not specific to a single geographic region.

Consolidated revenue for June 30, 2013 totalled €2,694 million, compared with €2,717 million for the same period of 2012.

The period-on-period decrease of €23 million or (-0.9%) breaks down as follows:

• Like-for-like growth	+48	m€	+1,8%
• Business expansion (owned and leased hotels only)	+90	m€	+3,3%
• Currency effects	(34)	m€	(1,2)%
• Disposals	(127)	m€	(4,7)%
Decrease in first-half 2013 Revenue	**(23)**	**m€**	**(0,9)%**

Change in first-half 2013 consolidated revenue by business:

	Δ June 2013 / June 2012	Like-for-like change	
	In millions of euros	In millions of euros	%
HOTELS	**(34)**	**+45**	**+1,7%**
Upscale and Midscale Hotels	(30)	+40	+2,3%
Economy Hotels	(4)	+5	+0,5%
OTHER BUSINESSES	**+11**	**+3**	**+6,1%**
Group Total	**(23)**	**+48**	**+1,8%**

Change in first-half 2013 consolidated revenue by region:

	Δ June 2013 / June 2012	Like-for-like change	
	In millions of euros	In millions of euros	%
France	(44)	+12	+1,3%
Europe (excl. France)	(19)	+2	+0,1%
Asia Pacific	(11)	+5	+1,6%
Latin America & Caribbean	+31	+13	+6,6%
Other Countries	+14	+17	+16,6%
Worldwide Structures	+6	(1)	(4,6)%
Group Total	**(23)**	**+48**	**+1,8%**

At June 30, 2013, revenue from managed and franchised hotels (including distribution and loyalty program fees), included in the hotels' revenue presented above of €2,628 million, amounted to €283 million. This amount breaks down as follows:

In millions of euros	Management fees	Franchise fees	June 2013	June 2012	2012
HOTELS					
Upscale and Midscale Hotels	179	46	**225**	**184**	**405**
Economy Hotels	25	33	**58**	**49**	**106**
Total June 2013	**204**	**79**	**283**		
Total June 2012	**165**	**68**		**233**	
Total 2012	**349**	**162**			**511**

Total fees for Managed and Franchised hotels only, excluding currency and acquisitions, increased by 15.9%

Information at June 30, 2012 by business and by region was as follows:

In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2012
HOTELS	**927**	**1 143**	**291**	**187**	**101**	**13**	**2 662**
Upscale and Midscale Hotels	589	741	206	84	78	12	**1 710**
Economy	338	402	85	103	23	1	**952**
OTHER BUSINESSES	**22**	**3**	**27**	**-**	**2**	**1**	**55**
Total June 2012	**949**	**1 146**	**318**	**187**	**103**	**14**	**2 717**

(1) "Worldwide Structures" corresponds to revenue (royalties) that is not specific to a single geographic region.

Note 4. Operating Expense

In millions of euros		2012	June 2012	June 2013
Cost of goods sold	(1)	(388)	(180)	(192)
Employee benefits expense	(2)	(2 081)	(1 021)	(995)
Energy, maintenance and repairs		(303)	(149)	(149)
Taxes, insurance and service charges (co-owned properties)		(203)	(103)	(105)
Other operating expense	(3)	(886)	(429)	(436)
TOTAL OPERATING EXPENSE		**(3 861)**	**(1 882)**	**(1 877)**

(1) The cost of goods sold includes food and beverage purchases, laundry costs and the cost of telephone calls billed to clients.

(2) The Ratio employee benefits expense / Full-time equivalent (FTE) is presented as follows:

Full-time equivalent	2012	June 2012	June 2013
Full-time equivalent (*)	52 062	50 769	49 481
Ratio employee benefits expense / FTE (€k)	(40)	(40)	(40)

(*) Full-time equivalent employees are based on the ratio between the number of hours worked during the period and the total working legal hours for the period. For firms which are consolidated using the proportional method, the employee number is calculated with the Group's interest. There is no employee number for associates.

Employee benefits expense includes €5.6 million related to stock option plans and performance share plans (see Note 25).

(3) Other operating expense consists mainly of marketing, advertising, promotional, selling and information systems costs. The total also includes various fee payments.

Note 5. EBITDAR by Business and Region

In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2013	June 2012	2012
HOTELS	**255**	**366**	**67**	**72**	**33**	**4**	**797**	**833**	**1 774**
Upscale and Midscale Hotels	144	208	41	31	22	-	**446**	**475**	**1 017**
Economy Hotels	111	158	26	41	11	4	**351**	**358**	**757**
OTHER BUSINESSES	**3**	**5**	**6**	**-**	**2**	**4**	**20**	**2**	**14**
Total June 2013	**258**	**371**	**73**	**72**	**35**	**8**	**817**		
Total June 2012	**277**	**369**	**83**	**65**	**26**	**15**		**835**	
Total 2012	**577**	**797**	**195**	**136**	**48**	**35**			**1 788**

(1) "Worldwide Structures" corresponds to revenue (royalties) and costs that are not specific to a single geographic region.

Consolidated EBITDAR for June 30, 2013 totalled €817 million compared with €835 million for the same period of 2012.

The period-on-period decrease of €18 million or (-2.2%) breaks down as follows:

• Like-for-like growth	(3)	m€	(0,4)%
• Business expansion (owned and leased hotels only)	+25	m€	+3,0%
• Currency effects	(11)	m€	(1,3)%
• Disposals	(29)	m€	(3,5)%
Decrease in first-half 2013 EBITDAR	**(18)**	**m€**	**(2,2)%**

Change in first-half 2013 EBITDAR by business:

	Δ June 2013 / June 2012	Like-for-like change	
	In millions of euros	In millions of euros	%
HOTELS	**(36)**	**(20)**	**(2,4)%**
Upscale and Midscale Hotels	(29)	(15)	(3,2)%
Economy	(7)	(5)	(1,4)%
OTHER BUSINESSES	**+18**	**+17**	**NA**
Group total	**(18)**	**(3)**	**(0,4)%**

Change in first-half 2013 EBITDAR by region:

	Δ June 2013 / June 2012	Like-for-like change	
	In millions of euros	**In millions of euros**	**%**
France	(19)	(6)	(2,2)%
Europe (excl. France)	+2	+1	+0,4%
Asia Pacific	(10)	(5)	(5,9)%
Latin America & Caribbean	+7	+3	+5,0%
Other Countries	+9	+12	+47,8%
Worldwide Structures	(7)	(8)	(54,4)%
Group total	**(18)**	**(3)**	**(0,4)%**

Information at June 30, 2012 by business and by region was as follows:

In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2012
HOTELS	**274**	**366**	**79**	**65**	**24**	**25**	**833**
Upscale and Midscale Hotels	156	216	47	20	14	22	**475**
Economy	118	150	32	45	10	3	**358**
OTHER BUSINESSES	**3**	**3**	**4**	**-**	**2**	**(10)**	**2**
Total June 2012	**277**	**369**	**83**	**65**	**26**	**15**	**835**

(1) “Worldwide Structures” corresponds to revenue (royalties) and costs that are not specific to a single geographic region.

Note 6. Rental Expense

Rental expense amounted to €446 million at June 30, 2013 compared with €460 million at June 30, 2012 and €938 million at December 31, 2012.

In accordance with the policy described in Note 1.E.4, the expense reported on this line only concerns operating leases. Finance leases are recognized in the balance sheet as an asset and a liability. The amount of the liability at June 30, 2013 was €51 million (see Note 29.A).

Rental expense is recognized on a straight-line basis over the lease term, even if payments are not made on that basis. Most leases have been signed for periods exceeding the traditional nine-year term of commercial leases in France, primarily to protect Accor against the absence of commercial property rights in certain countries.

None of the leases contains any clauses requiring advance payment of rentals in the case of a ratings downgrade or other adverse events affecting Accor, and there are no cross-default clauses or covenants.

The €446 million in rental expense corresponds to 1,114 hotel leases, including less than 1% with a purchase option. Where applicable, the option price corresponds to either a pre-agreed percentage of the owner's original investment or the property's market value when the option is exercised. The options are generally exercisable after 10 or 12 years. Certain contracts allow for the purchase of the property at the appraised value at the end of the lease.

A. Rental expense by business

Rental expense can be analyzed as follows by business:

In millions of euros	2012	June 2012	June 2013
HOTELS	**(943)**	**(463)**	**(448)**
Upscale and Midscale Hotels	(579)	(285)	(271)
Economy	(364)	(178)	(177)
OTHER BUSINESSES	**5**	**3**	**2**
Total	**(938)**	**(460)**	**(446)**

B. Rental expense by type of contract

Rental expense breaks down as follows by type of contract:

In millions of euros		Number of hotels (1)	2013 rental (6 months)	Fixed rental expense (6 months)	Variable rental expense
Fixed rent with purchase option		10	(8)	(8)	-
Fixed rent without purchase option		276	(119)	(119)	-
Fixed rent with a variable portion	(2)	64	(41)	(35)	(6)
Land rent		-	(5)	(3)	(2)
Office rental expenses (Hotels business)		-	(13)	(11)	(2)
Fees on intragroup rent guarantees on Hotels business		-	(7)	(6)	(1)
Total hotel fixed rental expense		**350**	**(193)**	**(182)**	**(11)**
Variable rent with a minimum	(3)	120	(46)	(39)	(7)
Variable rent with a minimum and cap	(4)	11	(10)	(3)	(7)
Variable rent without a minimum	(5)	633	(199)	-	(199)
Total hotel variable rental expense		**764**	**(255)**	**(42)**	**(213)**
Total hotel rental expense		**1 114**	**(448)**	**(224)**	**(224)**
Rental expense not related to hotels		-	(5)	(4)	(1)
Internal lease guarantee fees		-	7	6	1
Total rental expense		**1 114**	**(446)**	**(222)**	**(224)**

(1) Rental expense by brand and type of contract at June 30, 2013 is presented as follows:

Leased hotels at June 30, 2013	Fixed rent with purchase option	Fixed rent without purchase option	Fixed rent with a variable portion	Variable rent with a minimum	Variable rent with a minimum and cap	Variable rent without a minimum	Total
Sofitel	1	3	-	2	-	5	**11**
Pullman	-	6	2	3	-	3	**14**
Mgallery	1	4	2	2	1	2	**12**
Novotel	1	35	8	21	4	95	**164**
Suite Novotel	-	6	-	1	-	10	**17**
Mercure	3	46	17	12	2	69	**149**
Adagio	-	7	-	-	3	-	**10**
ibis	2	99	13	65	-	183	**362**
ibis Styles	1	3	8	1	-	4	**17**
ibis *budget*	1	62	14	11	1	103	**192**
Formule 1 / HotelF1	-	1	-	-	-	158	**159**
Other	-	4	-	2	-	1	**7**
Total	**10**	**276**	**64**	**120**	**11**	**633**	**1 114**

(2) Fixed rent expense with a variable portion includes a fixed portion and a variable portion. The variable portion is generally a percentage of revenue or a percentage of EBITDAR.

(3) This rent expense depends on a percentage of revenue or a percentage of EBITDAR with a fixed contract guaranteed minimum.

(4) This rent expense depends on a percentage of revenue with a fixed contract guaranteed minimum which is also caped.

(5) Variable rent without a minimum is generally based on a percentage of revenue (594 hotels), or a percentage of EBITDAR (39 hotels). None of the leases contains any minimum rent clauses. Variable rents without a minimum based on a percentage of EBITDAR amount to €32 million at June 30, 2013.

C. Minimum rental commitments (cash basis)

Minimum future rentals in the following tables only correspond to long-term rental commitments in the Hotels Division for hotels opened or closed for repairs.

Undiscounted minimum lease payments in foreign currencies converted at the average exchange rate based on latest known rates, are as follows:

Years	In millions of euros
2013 (6 months)	(214)
2014	(411)
2015	(402)
2016	(377)
2017	(355)
2018	(344)
2019	(328)
2020	(292)
2021	(241)

Years	In millions of euros
2022	(220)
2023	(201)
2024	(187)
2025	(163)
2026	(142)
2027	(95)
2028	(77)
2029	(62)
> 2029	(327)
Total	**(4 438)**

At June 30, 2013, the present value of future minimum lease payments, considered as representing 7% of the minimum lease payments used to calculate the “Adjusted funds from ordinary activities/adjusted net debt” ratio, amounted to €(2,818) million.

Interest expense on adjusted net debt, estimated at 7%, amounted to €197 million. The difference between the minimum rent (€411 million) and interest expense (€197 million) amounted to €214 million. This corresponds to the implicit repayment of adjusted debt (“Standard & Poor’s method) and therefore constitutes an adjustment for the calculation of the adjusted funds from operations/adjusted net debt ratio (see Note (b) in the Key Management Ratios).

Note 7. EBITDA by Business and Region

In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2013	June 2012	2012
HOTELS	**125**	**133**	**32**	**32**	**25**	**2**	**349**	**369**	**831**
Upscale and Midscale Hotels	65	60	19	16	17	(2)	**175**	**189**	**439**
Economy Hotels	60	73	13	16	8	4	**174**	**180**	**392**
OTHER BUSINESSES	**2**	**5**	**6**	**-**	**2**	**7**	**22**	**6**	**19**
Total June 2013	**127**	**138**	**38**	**32**	**27**	**9**	**371**		
Total June 2012	**147**	**128**	**38**	**26**	**18**	**18**		**375**	
Total 2012	**311**	**306**	**98**	**59**	**37**	**39**			**850**

(1) "Worldwide Structures" corresponds to revenue (royalties) and costs that are not specific to a single geographic region.

Consolidated EBITDA for June 30, 2013 totalled €371 million compared with €375 million for the same period of 2012.

The period-on-period decrease of €4 million or (-1.1%) breaks down as follows:

• Like-for-like growth	(9)	m€	(2,4)%
• Business expansion (owned and leased hotels only)	+15	m€	+4,0%
• Currency effects	(4)	m€	(1,1)%
• Disposals	(6)	m€	(1,6)%
Decrease in first-half 2013 EBITDA	**(4)**	**m€**	**(1,1)%**

Change in first-half 2013 EBITDA by business:

	Δ June 2013 / June 2012	**Like-for-like change**	
	In millions of euros	**In millions of euros**	**%**
HOTELS	**(20)**	**(25)**	**(6,7)%**
Upscale and Midscale Hotels	(14)	(22)	(11,7)%
Economy	(6)	(3)	(1,5)%
OTHER BUSINESSES	**+16**	**+16**	**N/A**
Group total	**(4)**	**(9)**	**(2,2)%**

Change in first-half 2013 EBITDA by region:

	Δ June 2013 / June 2012	Like-for-like change	
	In millions of euros	In millions of euros	%
France	(20)	(12)	(8,0)%
Europe (excl. France)	+10	+3	+2,8%
Asia Pacific	+0	(3)	(8,3)%
Latin America & Caribbean	+6	+1	+3,6%
Other Countries	+9	+11	+56,4%
Worldwide Structures	(9)	(9)	(50,4)%
Group total	**(4)**	**(9)**	**(2,2)%**

Information at June 30, 2012 by business and by region was as follows:

In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	Juin 2012
HOTELS	**145**	**125**	**34**	**26**	**16**	**23**	**369**
Upscale and Midscale Hotels	79	57	16	8	9	20	**189**
Economy	66	68	18	18	7	3	**180**
OTHER BUSINESSES	**2**	**3**	**4**	**-**	**2**	**(5)**	**6**
Total Juin 2012	**147**	**128**	**38**	**26**	**18**	**18**	**375**

(1) "Worldwide Structures" corresponds to revenue (royalties) and costs that are not specific to a single geographic region.

Note 8. Depreciation, Amortization and Provision Expense

Depreciation, amortization and provision expense can be analyzed as follows:

In millions of euros	2012	June 2012	June 2013
Depreciation and amortization	(326)	(161)	(166)
Provision	2	(2)	(7)
Total	**(324)**	**(163)**	**(173)**

Note 9. EBIT by Business and Region

In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2013	June 2012	2012
HOTELS	**80**	**59**	**14**	**20**	**18**	**(5)**	**186**	**212**	**511**
Upscale and Midscale Hotels	35	17	8	8	12	(9)	**71**	**91**	**234**
Economy Hotels	45	42	6	12	6	4	**115**	**121**	**277**
OTHER BUSINESSES	**2**	**(1)**	**4**	**-**	**2**	**5**	**12**	**(0)**	**15**
Total June 2013	**82**	**58**	**18**	**20**	**20**	**-**	**198**		
Total June 2012	**99**	**52**	**20**	**19**	**10**	**12**		**212**	
Total 2012	**218**	**159**	**59**	**43**	**22**	**25**			**526**

(1) "Worldwide Structures" corresponds to revenue (royalties) and costs that are not specific to a single geographic region.

Consolidated EBIT for June 30, 2013 totalled €198 million compared with €212 million for the same period of 2012.

The period on-period decrease of €14 million or (-6.6%) breaks down as follows:

• Like-for-like growth	(13)	m€	(6,4)%
• Business expansion (owned and leased hotels only)	+3	m€	+1,5%
• Currency effects	(3)	m€	(1,4)%
• Disposals	(1)	m€	(0,3)%
Decrease in first-half 2013 EBIT	**(14)**	**m€**	**(6,6)%**

Change in June 30, 2013 EBIT by business:

	Δ June 2013 / June 2012	**Like-for-like change**	
	In millions of euros	**In millions of euros**	**%**
HOTELS	**(26)**	**(27)**	**(12,8)%**
Upscale and Midscale Hotels	(20)	(23)	(25,0)%
Economy	(6)	(4)	(3,6)%
OTHER BUSINESSES	**+12**	**+14**	**NA**
Group total	**(14)**	**(13)**	**(6,4)%**

Change in June 30, 2013 EBIT by region:

	Δ June 2013 / June 2012	Like-for-like change	
	In millions of euros	In millions of euros	%
France	(17)	(12)	(11,8)%
Europe (excl. France)	+6	+0	+0,5%
Asia Pacific	(2)	(3)	(16,5)%
Latin America & Caribbean	+1	+1	+4,9%
Other Countries	+10	+12	+108,0%
Worldwide Structures	(12)	(11)	(99,2)%
Group total	**(14)**	**(13)**	**(6,4)%**

Information at June 30, 2012 by business and by region was as follows:

In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2012
HOTELS	**97**	**53**	**17**	**19**	**8**	**18**	**212**
Upscale and Midscale Hotels	49	13	7	4	3	15	**91**
Economy	48	40	10	15	5	3	**121**
OTHER BUSINESSES	**2**	**(1)**	**3**	**-**	**2**	**(6)**	**(0)**
Total June 2012	**99**	**52**	**20**	**19**	**10**	**12**	**212**

(1) "Worldwide Structures" corresponds to revenue (royalties) and costs that are not specific to a single geographic region.

Note 10. Net Financial Expense

In millions of euros		2012	June 2012	June 2013
Finance costs, net	(1)	(84)	(37)	(48)
Other financial income and expense	(2)	9	8	(0)
Net financial expense		**(75)**	**(29)**	**(48)**

(1) Finance costs can be analyzed as follows between cash and non-cash items:

In millions of euros	2012	June 2012	June 2013
- Finance costs, net - cash	(85)	(39)	(49)
- Finance costs, net - non-cash	1	2	1
Total Net financial expense	**(84)**	**(37)**	**(48)**

Finance costs net include interest received or paid on loans, receivables and debts measured at amortized cost.

The increase in finance costs between first-half 2012 and first-half 2013 corresponds mainly to interest on the 2012 and 2013 bond issues. These bond issues were carried out to take advantage of the lower rates of interest available to the Group. The proceeds were used notably to repay the loan falling due in May 2013, helping to reduce finance costs in future periods (see Note 2.D)

(2) Other financial income and expense include the following items:

In millions of euros	2012	June 2012	June 2013
- Dividend income from non-consolidated companies (Available for sale financial assets)	5	1	5
- Exchange gains and losses (excl. financial instruments at fair value)	(1)	(0)	(2)
- Movements in provisions	5	7	(3)
Total Other financial income and expense	**9**	**8**	**(0)**

Note 11. Share of Profit (Loss) of Associates after Tax

In millions of euros	2012	June 2012	June 2013
Share of profit of associates before tax	20	8	0
Share of tax of associates	(3)	(1)	(2)
Share of profit of associates after tax	**17**	**7**	**(2)**

The main contributions are as follows:

In millions of euros		2012	June 2012	June 2013
Asia/Australia Hotels		(4)	0	(1)
The Grand Real Estate (Sofitel The Grand, Hotels Netherlands)		(2)	(1)	(1)
Sofitel Hotels US (25%)	(1)	24	8	(1)
Other		(1)	0	1
Share of profit of associates after tax		**17**	**7**	**(2)**

(1) In 2012, the profit of the Sofitel US Hotels business was boosted by the €15 million gain on the sale of Chicago Sofitel, the €8 million gain on the sale of San Francisco Sofitel and the €1 million gain on the sale of Miami Sofitel.
At June 30, 2012, the profit of the Sofitel US Hotels business was boosted by the €8 million gain on the sale of San Francisco Sofitel.

Note 12. Restructuring Costs

Restructuring costs can be analyzed as follows:

In millions of euros	2012	June 2012	June 2013
Movements in restructuring provisions	3	5	(23)
Restructuring costs	(43)	(25)	(26)
Total Restructuring costs	**(40)**	**(20)**	**(49)**

Restructuring costs in 2012 and 2013 correspond mainly to the costs linked to Group reorganizations, including €34 million for the voluntary redundancy plan at the Group's Paris headquarters (see Note 2.E).

Note 13. Impairment Losses

Note 13.1. Definition of cash-generating units and assumptions (CGU) applied

A. Definition of cash-generating units

At June 30, 2013, the main values (before any impairment losses recognized during the year) of goodwill and intangible assets with indefinite useful lives included in the carrying amounts of the CGUs tested for impairment at that date were as follows:

In millions of euros	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia	185	-
Germany	170	-
France (excluding Adagio)	151	-
Asia	44	-
Net goodwill and intangible assets with indefinite useful life included in cash-generating units	**550 (*)**	-

(*) This amount represents 73 % of goodwill recognized at June 30, 2013.

At December 31, 2012, the main values (before any impairment losses recognized during the year) of goodwill and intangible assets with indefinite useful lives included in the carrying amounts of the CGUs tested for impairment at that date were as follows:

In millions of euros	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia (excluding Mirvac goodwill)	192	-
Germany	177	-
France (excluding Adagio)	159	-
Asia	44	-
Net goodwill and intangible assets with indefinite useful life included in cash-generating units	**572 (*)**	-

(*) This amount represented 84% of goodwill recognized at December 31, 2012, apart from that arising on the acquisition of Grupo Posadas' South American hotel network in October 2012.

B. Assumptions applied

The methods used to calculate recoverable amounts are described in Note 1.E.6. The two valuation techniques used – based on EBITDA multiples and discounted cash flows – correspond to levels 2 and 3 respectively in the fair value hierarchy defined in IFRS 13.

At June 30, 2013, the main other assumptions used to estimate recoverable amounts were as follows:

June 2013	Hotels			
	Germany	France (excluding Adagio)	Asia	Australia
Basis on which the recoverable amount has been determined	Discounted cah flow method	EBITDA multiples method	Discounted cah flow method	Discounted cah flow method
Level of the fair value hierarchy according IFRS 13 (see Note 31)	3	2	3	3
Multiple used	NA	8,5	NA	NA
Period of projections (years)	5	N/A	5	5
Growth rate	2,00%	N/A	2,00%	2,60%
Discount rate	8,82%	N/A	9,40%	8,20%

At December 31, 2012, the main other assumptions used to estimate recoverable amounts were as follows:

December 2012	Hotels			
	Germany	France (excluding Adagio)	Asia	Australia
Basis on which the recoverable amount has been determined	Discounted cah flow method	EBITDA multiples method	Discounted cah flow method	Discounted cah flow method
Level of the fair value hierarchy according IFRS 13 (see Note 31)	3	2	3	3
Multiple used	NA	8,5	NA	NA
Period of projections (years)	5	N/A	5	5
Growth rate	2,00%	N/A	2,00%	2,60%
Discount rate	8,90%	N/A	10,20%	8,50%

Note 13.2. Impairment losses recognized during the period, net of reversals

Impairment losses recognized in 2012 and 2013 can be analyzed as follows:

In millions of euros	2012	June 2012	June 2013
Goodwill	(11)	(4)	(6)
Intangible assets	(24)	(10)	(1)
Property, plant and equipment	(83)	(38)	(52)
Financial assets	(1)	-	-
Impairment Losses	**(119)**	**(52)**	**(59)**

The main assets and cash generating units for which impairment losses were recognized in 2012 and 2013 were as follows:

A. Impairment of goodwill

In millions of euros	2012	June 2012	June 2013
HOTELS	**(11)**	**(4)**	**(6)**
Upscale and Midscale Hotels	(10)	(4)	(4)
Economy Hotels	(1)	-	(2)
OTHER BUSINESSES	**-**	**-**	**-**
Total	**(11)**	**(4)**	**(6)**

At June 30, 2013, impairment losses resulted mainly from revised estimates of the recoverable amount of goodwill related to the French hotel business (€1 million impairment loss) and to the German hotel business (€4 million impairment loss).

At June 30, 2012, impairment losses resulted mainly from revised estimates of the recoverable amount of goodwill related to the French hotel business (€4 million impairment loss).

At December 31, 2012, impairment losses resulted mainly from revised estimates of the recoverable amount of goodwill related to the French hotel business (€4 million impairment loss) and to the German hotel business (€7 million impairment loss).

Sensitivity analysis:

The CGU's value in use is estimated by the discounted cash flows method. The discount rate and the growth rate are the main key assumptions used by the Group to determine the CGU's recoverable amount.

At December 31, 2012 and June 30, 2013, an increase in the discount rate of 25, 50 or 100 basis points would not have had any impact on recognized impairment losses.

At December 31, 2012 and June 30, 2013, a decrease in the growth rate of 25, 50 or 100 basis points would not have had any impact on recognized impairment losses.

In 2012 and at June 30, 2013, analyses showed that, in the case of CGUs for which no impairment was recorded during the period, only a substantial, improbable change in the discount rate in the next twelve months would have caused their recoverable amount to fall to below their carrying amount.

B. Impairment of intangible assets

At June 30, 2013, impairment losses of €(1) million were recorded on intangible assets.

At June 30, 2012 and December 31, 2012, following the periodic review of the recoverable amount of intangible assets, impairment losses were recognized as shown below:

	Australia				Brazil	
In millions of euros	**Sebel brand**	**Quay West brand**	**Sea Temple brand**	**Quay Grant et Citigate brand**	**Caesar Park brand**	**Caesar Business brand**
At December 31, 2012						
Recoverable amount	5	-	-	-	-	-
Impairment loss recognised in profit or loss	(7)	(4)	(1)	(1)	(6)	(4)
At June 30, 2012						
Recoverable amount	5	4	-	-	NA	NA
Impairment loss recognised in profit or loss	(7)	(1)	(1)	(1)	NA	NA

The Quay West, Sea Temple, Quay Grant and Citigate brands included in the Mirvac acquisition (see Note 2.B.3) and the Caesar Park and Caesar Business brands included in the acquisition of Grupo Posadas' South American hotel portfolio (see Note 2.B.4) were written down in full following the Group's decision not to use them. The Sebel brand was partly written down following the Group's decision to discontinue its use for certain hotels only.

C. Impairment of property, plant and equipment

In millions of euros	**France**	**Europe** (excl. France)	**Asia Pacific**	**Latin America & Caribbean**	**Other Countries**	**Worldwide Structures**	**June 2013**	**June 2012**	**2012**
HOTELS	**(18)**	**(27)**	**(2)**	**(0)**	**(5)**	-	**(52)**	**(36)**	**(83)**
Upscale and Midscale Hotels	(10)	(15)	(1)	(0)	(5)	-	(31)	(19)	(59)
Economy Hotels	(8)	(12)	(1)	(0)	-	-	(21)	(17)	(24)
OTHER BUSINESSES	**0**	-	-	-	-	-	**0**	**(2)**	**(0)**
Total June 2013	**(18)**	**(27)**	**(2)**	**(0)**	**(5)**	-	**(52)**		
Total June 2012	**(8)**	**(28)**	**(0)**	-	-	**(2)**		**(38)**	
Total 2012	**(9)**	**(41)**	**(3)**	-	**(30)**	-			**(83)**

At June 30, 2013, impairment losses on property, plant and equipment amounted to €52 million, of which €1 million on assets held for sale. Impairment losses recognized during the period concerned 113 hotels for €52 million. No impairment losses were reversed.

At June 30, 2012, impairment losses on property, plant and equipment amounted to €38 million, of which €4 million on assets held for sale. Impairment losses recognized during the period concerned 65 hotels for €36 million. No impairment losses were reversed.

At December, 2012, impairment losses on property, plant and equipment amounted to €83 million, of which €7 million on assets held for sale. Impairment losses recognized during the period concerned 85 hotels for €83 million. No impairment losses were reversed.

Note 14. Gains and Losses on Management of Hotel Properties

In millions of euros	2012	June 2012	June 2013
Disposal gains and losses	1	47	56
Provisions for losses on hotel properties	10	5	(2)
Total	**11**	**52**	**54**

In first-half 2013, the total mainly included a net gain of €56 million generated by sale & management-back transaction of Sofitel Paris Le Faubourg (see Note 2.A.2.2).

In first-half 2012, the total mainly included:

- ✓ A net gain of €18 million generated by sale & franchise-back transactions in South Africa, through the sale of 52.6% stake in "Hotel Formula 1" to Southern Sun Hotels. Hotel Formula owns in particular 20 hotels totaling 1,474 rooms, in addition to managing 3 hotels. All 23 hotels are now operated as franchised units (see Note 2.A.2.3).
- ✓ A net gain of €16 million generated by sale & management-back transactions in the United States, corresponding to the sale of the New York Novotel (see Note 2.A.2.2).
- ✓ A net gain of €12 million generated by sale & franchise-back transactions in France (14 hotels).

At December 31, 2012, the total mainly included:

- ✓ A net gain of €26 million generated by sale & franchise-back transactions in France (29 hotels).
- ✓ A net gain of €18 million generated by sale & franchise-back transactions in South Africa (see above and Note 2.A.2.3).
- ✓ A net gain of €16 million generated by sale & management-back transactions in the United States, corresponding to the sale of the New York Novotel (see Note 2.A.2.2).
- ✓ A net gain of €10 million generated by sale & management-back transaction of Sofitel Paris La Défense in France (see Note 2.A.2.2).
- ✓ A €9 million gain on the sale of Novotel and ibis Beijing Sanyuan in China under a sale and management-back arrangement (see Note 2.A.2.2).
- ✓ A €1 million loss on the outright sale of Pullman Paris Rive-Gauche in France to Bouygues Immobilier (see Note 2.A.2.3).
- ✓ A €11 million loss on the sale of Pullman Paris Tour Eiffel in France under a sale and management-back arrangement (see Note 2.A.2.2).
- ✓ A net loss of €47 million generated by sale transactions in Germany (5 hotels) and in the Netherlands (1 hotel) (see Note 2.A.2.3).

Note 15. Gains and Losses on Management of Other Assets

In millions of euros	2012	June 2012	June 2013
Disposal gains and losses	(1)	0	(1)
Provision movements	(11)	(9)	2
Gains and losses on non-recurring transactions	(69)	(18)	(12)
Total	**(81)**	**(27)**	**(11)**

At June 30, 2013, the total mainly included €7 million in costs related to the ibis Megabrand project, to overhaul the entire Economy brand line-up under the umbrella of the ibis brand (see Note 2.B.5).

At June 30, 2012, the total mainly included €18 million in costs related to the ibis Megabrand project.

At December 31, 2012, the total mainly included €50 million in costs related to the ibis Megabrand project, to overhaul the entire Economy brand line-up under the umbrella of the ibis brand and €13 million in fees related to acquisitions for the year.

Note 16. Income Tax Expense

Note 16.1 Income tax expense for the period

In millions of euros	2012	June 2012	June 2013
Current tax	(130)	(51)	(59)
Sub-total, current tax	**(130)**	**(51)**	**(59)**
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	(14)	(5)	14
Deferred taxes arising from changes in tax rates or tax laws	1	2	(0)
Sub-total, deferred tax	**(13)**	**(3)**	**14**
Income tax expense (excluding tax on the profits of associates and discontinued operations)	**(143)**	**(54)**	**(45)**
Tax on profits of associates	(3)	(1)	(2)
Tax on profits of discontinued operations	(0)	(1)	0
Tax of the period	**(146)**	**(56)**	**(47)**

Note 16.2. Effective tax rate

In millions of euros		2012	June 2012	June 2013
Operating profit before tax	**(a)**	**239**	**143**	**83**
Non deductible impairment losses		75	20	29
Elimination of intercompany capital gains		5	5	-
Tax on share of profit (loss) of associates		3	1	2
Other		11	5	1
Total permanent differences (non-deductible expenses)	**(b)**	**94**	**31**	**32**
Untaxed profit and profit taxed at a reduced rate	**(c)**	**(11)**	**(69)**	**(14)**
Profit taxed at standard rate	**(d) = (a) + (b) + (c)**	**322**	**105**	**101**
Standard tax rate in France	**(e)**	**36,10%**	**36,10%**	**36,10%**
Tax at standard French tax rate	**(f) = (d) x (e)**	**(116)**	**(38)**	**(37)**
Effects on tax at standard French tax rate of:				
. Differences in foreign tax rates		24	9	8
. Unrecognized tax losses for the period		(41)	(21)	(17)
. Utilization of tax loss carryforwards		18	9	2
. Share of profit (loss) of associates		3	1	2
. Net charges to/reversals of provisions for tax risks		(8)	(0)	1
. Effect of CET business tax in France (see Note 1.L)		(23)	(12)	(11)
. Other items		0	(2)	7
Total effects on tax at standard French tax rate	**(g)**	**(27)**	**(16)**	**(8)**
Tax at standard rate	**(h) = (f) + (g)**	**(143)**	**(54)**	**(45)**
Tax at reduced rate	**(i)**	**-**	**-**	**-**
Income tax expense	**(j) = (h) + (i)**	**(143)**	**(54)**	**(45)**

Pre-tax operating profit taxed at standard rate	322	105	101
Income tax expense	(92)	(29)	(28)
Group effective tax rate	**28,5%**	**27,5%**	**28,0%**

Note 16.3 Details of deferred tax (Balance Sheet)

In millions of euros	June 2012 (*)	Dec. 2012 (*)	June 2013
Timing differences between company profit and taxable profit	67	77	66
Timing differences between consolidated profit and company profit	29	21	31
Recognized tax losses	55	53	48
Sub-total, deferred tax assets	**151**	**151**	**145**
Timing differences between company profit and taxable profit	34	30	26
Timing differences between consolidated profit and company profit	79	89	93
Recognized tax losses	-	0	-
Sub-total, deferred tax liabilities	**113**	**119**	**119**
Deferred tax assets, net (liabilities)	**38**	**32**	**26**

(*) Adoption of the amendment to IAS 19 "Employee Benefits" from January 1, 2013 with retrospective application to all periods presented led to the immediate recognition in the opening balance sheet at January 1, 2012 of all unrecognized past service costs. The effect of this change of method was a €3 million increase in deferred tax liabilities at December 31, 2012 and June 30, 2012 (see Note 1, page 16, for an explanation of the changes of method and their effects).

Note 16.4 Unrecognized deferred tax assets

Unrecognized deferred tax assets at June 30, 2013 amounted to €763 million. Unrecognized deferred tax assets at December 31, 2012 amounted to €784 million.

Unrecognized deferred tax assets at June 30, 2013 will expire in the following periods if not utilized:

In millions of euros	Deductible temporary differences	Tax loss carryforwards	Tax credits	Total
Y+1	-	9	-	**9**
Y+2	-	4	0	**4**
Y+3	-	3	0	**3**
Y+4	-	13	0	**13**
Y+5 and beyond	8	526	3	**537**
Evergreen	35	162	-	**197**
Deferred tax, net	**43**	**717**	**3**	**763**

In accordance with IAS 12, deferred tax assets are recognized for ordinary and evergreen tax loss carryforwards only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. The Group generally estimates those future profits over a five-year period, and each year reviews the projections and assumptions on which its estimates are based, in accordance with the applicable tax rules.

Note 17. Profit or Loss from Discontinued Operations

Details of profit or loss from discontinued operations are as follows:

In millions of euros	2012	June 2012	June 2013
Profit or loss from discontinued operations before tax	(444)	(475)	1
Tax on profit or loss from discontinued operations	(1)	(1)	0
Profit or loss from discontinued operations during the period	**(445)**	**(476)**	**1**
Loss recognized on the disposal or remeasurement at fair value of assets held for sale constituting the discontinued operations	(234)	(136)	-
Tax on loss from discontinued operations	-	-	-
Impact of realized gains or losses or fair value adjustments	**(234) (*)**	**(136) (*)**	**-**
NET PROFIT OR LOSS FROM DISCONTINUED OPERATIONS	**(679)**	**(612)**	**1**

(*) See Note 2.A.1.1

In accordance with IFRS 5, profit or loss from discontinued operations includes:

- At June 30, 2013, the profit generated by the Italian Onboard day Train Services business, which remained classified as a "discontinued operations" (see Note 2.A.1.2).

- At June 30, 2012:
  - The profit / loss from the Economy Hotels US Business, which has been classified as a discontinued operation at June 30, 2012 (see Note 2.A.1.1).
  - The loss arising from the remeasurement at fair value of the US Economy Hotels business (see Note 2.A.1.1).
  - The profit generated by the Italian Onboard day Train Services business, which remained classified as a "discontinued operations" at June 30, 2012 (see Note 2.A.1.2).

- At December 31, 2012,
  - The profit from the US Economy Hotels Business from January 1st 2012 to October 1, 2012, which has been classified as a discontinued operation in 2012 (see Note 2.A.1.1).
  - The loss arising from the sale of the US Economy Hotels business on October 1, 2012 (see Note 2.A.1.1).
  - The profit generated by the Italian Onboard day Train Services business, which remained classified as a "discontinued operations" (see Note 2.A.1.2).

The consolidated income statements of discontinued operations (including the profit or loss recognized on the disposal) classified in 2012 and 2013 in profit or loss from discontinued operations in Accor's consolidated financial statements are presented below:

A. At June 30, 2013

In millions of euros	Onboard Train Services
CONSOLIDATED REVENUE	**42**
Operating expense	(39)
EBITDAR	**3**
Rental expense	(1)
EBITDA	**2**
Depreciation, amortization and provision expense	(0)
EBIT	**2**
Net financial expense	0
Share of profit of associates after tax	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**2**
Restructuring costs	(0)
Impairment losses	(1)
Gains and losses on management of hotel properties	-
Gains and losses on management of other assets (*)	(0)
OPERATING PROFIT BEFORE TAX	**1**
Income tax expense	0
NET PROFIT	**1**

Impact of realized gains or losses	**-**

NET LOSS FROM DISCONTINUED OPERATIONS	**1**

B. At June 30, 2012

In millions of euros		Economy Hotels US business	Onboard Train Services	Total June 2012
CONSOLIDATED REVENUE		**276**	**30**	**306**
Operating expense		(189)	(31)	(220)
EBITDAR		**87**	**(1)**	**86**
Rental expense		(42)	(1)	(43)
EBITDA		**45**	**(2)**	**43**
Depreciation, amortization and provision expense		(28)	(0)	(28)
EBIT		**17**	**(2)**	**15**
Net financial expense		(4)	1	(3)
Share of profit of associates after tax		-	-	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		**13**	**(1)**	**12**
Restructuring costs		-	-	-
Impairment losses		(47)	-	(47)
Gains and losses on management of hotel properties		(10)	-	(10)
Gains and losses on management of other assets	(*)	(432)	2	(430)
OPERATING PROFIT BEFORE TAX		**(476)**	**1**	**(475)**
Income tax expense		(0)	(1)	(1)
NET PROFIT	(**)	**(476)**	**(0)**	**(476)**

Impact of realized gains	(**)	**(136)**	**0**	**(136)**

NET LOSS FROM DISCONTINUED OPERATIONS	**(612)**	**(0)**	**(612)**

(*) Including:

- Costs associated with the exercise of purchase options on leased hotels for €(265) million
- Cancellation of accounting entries recognizing rents on a straight-line basis following the purchase of the leased hotels, for €(118) million.

(**) See Note 2.A.1.1

C. At December 31, 2012

In millions of euros		Economy Hotels US business	Onboard Train Services	Total Dec. 2012
CONSOLIDATED REVENUE		**442**	**66**	**508**
Operating expense		(287)	(66)	(353)
EBITDAR		**155**	**(0)**	**155**
Rental expense		(57)	(1)	(58)
EBITDA		**97**	**(1)**	**96**
Depreciation, amortization and provision expense		(46)	(1)	(48)
EBIT		**51**	**(2)**	**49**
Net financial expense		(8)	1	(7)
Share of profit of associates after tax		-	-	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		**43**	**(1)**	**42**
Restructuring costs		-	(1)	(1)
Impairment losses		(47)	-	(47)
Gains and losses on management of hotel properties		(10)	-	(10)
Gains and losses on management of other assets	(*)	(431)	3	(428)
OPERATING PROFIT BEFORE TAX		**(445)**	**1**	**(444)**
Income tax expense		0	(1)	(1)
NET PROFIT	(**)	**(445)**	**(0)**	**(445)**

Impact of realized gains	(**)	**(234)**	**0**	**(234)**

NET LOSS FROM DISCONTINUED OPERATIONS	**(679)**	**(0)**	**(679)**

(*) Including:

- Costs associated with the exercise of purchase options on leased hotels for €(274) million
- Cancellation of accounting entries recognizing rents on a straight-line basis following the purchase of the leased hotels, for €(123) million.

(**) See Note 2.A.1.1

Note 18. Goodwill

In millions of euros	June 2012	Dec. 2012	June 2013
Goodwill (gross value)	842	945	855
Less impairment losses	(111)	(105)	(101)
Goodwill, net	**731**	**840**	**754**

In millions of euros	Notes	June 2012	Dec. 2012	June 2013
HOTELS				
Australia	2.B.3	222	212	192
Germany	13.2.A	180	170	165
Hotels, Latin America - Grupo Posadas' hotel network in South America	2.B.4	-	160	104
Upscale and Midscale France	13.2.A	152	121	116
Economy (France)		70	67	67
Asia		47	45	44
Egypt		19	19	19
Poland	2.B.2	11	11	11
Switzerland		11	11	11
The Netherlands		8	8	8
Ivory Coast		6	7	6
Other hotels (< €6 million)		5	9	11
Sub-total Hotels		***731***	***840***	***754***
OTHER BUSINESSES		-	-	-
Goodwill, net		**731**	**840**	**754**

Changes in the carrying amount of goodwill over the period were as follows:

In millions of euros	Notes	June 2012	Dec. 2012	June 2013
Carrying amount at beginning of period		**712**	**712**	**840**
Goodwill recognized on acquisitions for the period and other increases		**22**	**183**	**2**
. Hotels, Asia Pacific	(a)	22	20	2
. Hotels, Latin America	(b)	-	160	-
. Hotels, Germany	(c)	-	3	-
Disposals		**(1)**	**(9)**	**(1)**
Impairment losses	**Note 13**	**(4)**	**(11)**	**(6)**
Translation adjustment		**10**	**1**	**(22)**
Reclassifications to Property, Plant and Equipment	(b)	**(6)**	**(6)**	**(56)**
Reclassifications to Assets held for sale	**Note 32**	**0**	**(3)**	**(2)**
Other reclassifications and movements		**(2)**	**(27)**	**(1)**
Carrying amount at end of period		**731**	**840**	**754**

(a) In 2012, acqusition of Mirvac by Accor, generating goodwill of €19.7 million in the Accor Group's accounts at December 31, 2012 (see Note 2.B.3). An additional €1.5 million in goodwill was recorded in 2013, after Accor took over the Sea Temple management contract.

(b) In 2012, the difference between the cost of Grupo Posadas' hotel network in South America and the book value of the net assets acquired amounted to €160 million. In first-half 2013, part of the difference (€51 million) was allocated to the assets and liabilities acquired (see Note 2.B.4) and a €5 million price adjustment was obtained.

(c) In 2012, goodwill of €3 million was recognized in a project in Munich for the construction of a Novotel unit and an ibis unit.

Note 19. Intangible Assets

In millions of euros		June 2012	Dec. 2012	June 2013
Gross value				
Brands and rights	(1)	73	75	67
Licenses, software		141	157	160
Other intangible assets	(2)	226	244	264
Total intangible assets at cost		**440**	**476**	**491**
Accumulated amortization and impairment losses				
Brands and rights	(1)	(30)	(42)	(39)
Licenses, software		(118)	(123)	(128)
Other intangible assets	(2)	(42)	(47)	(53)
Total accumulated amortization and impairment losses		**(190)**	**(212)**	**(220)**
Intangible assets, net		**250**	**264**	**271**

(1) The carrying amount of other brands and rights was €28 million at June 30, 2013, as follows:

i. €21 million related to ibis in China and

ii. €5 million for the Sebel brand in Australia.

The other Australian brands acquired as part of the Mirvac acquisition and the Caesar Park and Caesar Business brands included in the acquisition of Grupo Posadas' South American hotel network in 2012 were written down in full in 2012 (see Note 13.2).

(2) At June 30, 2013, the net book value of other intangible assets amounted to €211 million, including:

a. €95 million in lease premiums, of which €83 million corresponding to the value attributed to Orbis's land use rights in Poland; and

b. €78 million corresponding to the value attributed to management contracts of which:

i. €34 million for Mirvac's Australian management contracts of which €25 million for Mirvac network (see Note 2.B.3);

ii. €24 million for Grupo Posadas' network of hotels in Brazil, Argentina and Chile (see Note 2.B.4).

Changes in the carrying amount of intangible assets over the period were as follows:

In millions of euros		June 2012	Dec. 2012	June 2013
Carrying amount at beginning of period		**373**	**373**	**264**
Acquisitions		**3**	**6**	**6**
Internally-generated assets	**(1)**	**9**	**30**	**11**
Intangible assets of newly consolidated companies	**(2)**	**49**	**80**	**25**
Amortization for the period		**(11)**	**(28)**	**(16)**
Impairment losses for the period	**(3)**	**(10)**	**(24)**	**(1)**
Disposals of the period		**(5)**	**(173)**	**(1)**
Disposal of the Economy Hotels US business (see Note 2.A.1.1)		-	(164)	-
Other disposals		(5)	(9)	(1)
Translation adjustment		**(8)**	**6**	**(13)**
Reclassifications of Assets held for sale (See Note 32)	**(4)**	**(147)**	**(6)**	**(4)**
Other reclassifications		**(3)**	**-**	**-**
Carrying amount at end of period		**250**	**264**	**271**

(1) In 2012, acquisitions of licenses and software for €30 million (including €20 million in Worldwide Structures and €4 million in France). In first-half 2013, acquisitions of licenses and software for €11 million (including €10 million in Worldwide Structures).

(2) In 2012, intangible assets of newly consolidated companies consist of:
   a. Assets recognized on the business combination with the Mirvac Group for €50 million (see Note 2.B.3), as follows:
      i. Value attributed to the management contract: €31 million
      ii. Value attributed to the brand: €19 million.
   b. The €30 million value of entrance fees recognized on the acquisition of Grupo Posadas' hotel network in South America (see Note 2.B.4) of which:
      i. €18 million for hotel entrance fees
      ii. €10 million for the Caesar Park and Caesar Business brands.

   In first-half 2013, intangible assets of newly consolidated companies mainly correspond to assets recognized following the 2012 acquisition of Grupo Posadas' hotel network in South America, for €24 million (see Note 2.B.4).

(3) Including at December 31, 2012, impairment losses of €13 million recognized on the Mirvac brands and €10 million recognized on the Caesar Park and Caesar Business brands included in Grupo Posadas acquisition that Accor does not intend to use (see Note 13.2.B)

(4) At June 30, 2012, reclassification of Economy Hotels US business to "Assets held for sale" for €147 million.

The following intangible assets are considered as having an indefinite useful life:

In millions of euros	June 2012	Dec. 2012	June 2013
Sebel brand (Australia)	9	5	5
Other brands and rights with indefinite useful life	0	1	1
Carrying amount at end of period	**9**	**6**	**6**

Note 20.1 Property, plant and equipment by nature

In millions of euros	June 2012	Dec. 2012	June 2013
Land	190	199	182
Buildings	1 665	1 699	1 622
Fixtures	1 551	1 592	1 546
Equipment and furniture	1 405	1 439	1 418
Constructions in progress	205	190	174
Property, plant and equipment, at cost	**5 016**	**5 119**	**4 942**

In millions of euros	June 2012	Dec. 2012	June 2013
Buildings	(496)	(538)	(512)
Fixtures	(816)	(836)	(824)
Equipment and furniture	(944)	(953)	(966)
Constructions in progress	(6)	(4)	(2)
Total of depreciation	**(2 262)**	**(2 331)**	**(2 304)**
Land	(10)	(7)	(6)
Buildings	(82)	(104)	(114)
Fixtures	(44)	(49)	(60)
Equipment and furniture	(30)	(29)	(36)
Constructions in progress	(6)	(7)	(8)
Total of impairment losses	**(172)**	**(196)**	**(224)**
Accumulated depreciation and impairment losses	**(2 434)**	**(2 527)**	**(2 528)**

In millions of euros	June 2012	Dec. 2012	June 2013
Land	180	192	176
Buildings	1 087	1 057	996
Fixtures	691	707	662
Equipment and furniture	431	457	416
Constructions in progress	193	179	164
Property, plant and equipment, net	**2 582**	**2 592**	**2 414**

Changes in the carrying amount of property, plant and equipment during the period were as follows:

In millions of euros		June 2012	Dec. 2012	June 2013
Net carrying amount at beginning of period		**3 257**	**3 257**	**2 592**
Property, plant and equipment of newly acquired companies	**(1)**	**51**	**93**	**54**
Capital expenditure	**(2)**	**147**	**468**	**143**
Depreciation for the period		**(152)**	**(345)**	**(150)**
Impairment losses for the period recognized in impairment losses or in net loss from discontinued operations		**(34)**	**(123)**	**(51)**
Translation adjustment		**32**	**17**	**(65)**
Disposals for the period		**(17)**	**(694)**	**(64)**
Economy Hotels US business (see Note 2.A.1.1)		-	(605)	-
Other disposals		(17)	(89)	(64)
Reclassification of assets held for sale (see Note 32)		**(690)**	**(79)**	**(45)**
Economy Hotels US business (see Note 2.A.1.1)		(683)	-	-
Other disposals		(7)	(79)	(45)
Other reclassifications		**(12)**	**(2)**	**-**
Net carrying amount at end of period		**2 582**	**2 592**	**2 414**

(1) In 2012, property, plant and equipment of newly acquired companies correspond mainly to the hotels owned by the Mirvac Group, for €51 million (see Note 2.B.3) and Grupo Posadas' South American hotel network, for €23 million (see Note 2.B.4).

In first-half 2013, the €54 million in property, plant and equipment of newly acquired companies corresponds to the allocation of the purchase price of Grupo Posadas' hotel network in South America acquired in 2012.

(2) Capital expenditure in first-half 2013 includes new buildings for €73 million and refurbishment work for €70 million, for the most part in the United Kingdom, France and Germany, as well as the acquisition of a €27 million plot of land in the Canary Wharf district of London, United Kingdom, for the construction of a Novotel unit.

At June 30, 2013, contracts totaling €109 million have been signed for the purchase of property, plant and equipment (see Note 40). They are not recognized in the balance sheet. At December 31, 2012, contracts totalized €101 million.

Note 20.2 Finance leases

At June 30, 2013, the carrying amount of finance leases recognized in the balance sheet in net value is €43 million (December 31, 2012: €50 million and June 30, 2012: €5 million), as follows:

In millions of euros	June 2012	Dec. 2012	June 2013
Land	4	8	6
Buildings	38	59	54
Fixtures	14	30	26
Equipment and furniture	5	4	4
Property, plant and equipment, at cost	**61**	**101**	**90**
Buildings	(30)	(29)	(28)
Fixtures	(17)	(19)	(16)
Equipment and furniture	(9)	(3)	(3)
Cumulated depreciation and impairment losses	**(56)**	**(51)**	**(47)**
Property, plant and equipment, net	**5**	**50**	**43**

Finance lease liabilities can be analyzed as follows by maturity:

	Debt in millions of euros Non Discounted
2013	50
2014	49
2015	39
2016	37
2017	36
2018	37
2019	35
2020	29
2021	28
2022	28
2023	27
2024	26
2025	26
2026	26
> 2026	51

Note 21. Long-Term Loans

In millions of euros	June 2012	Dec. 2012	June 2013
Gross value	158	158	163
Accumulated impairment losses	(11)	(11)	(13)
Long-term loans, net	**147**	**147**	**150**

In millions of euros		June 2012	Dec. 2012	June 2013
Hotels, Asia-Pacific	(1)	101	98	93
Other		46	49	57
Total		**147**	**147**	**150**

(1) Loans to hotels in the Asia-Pacific region mainly consist of the loan to Tahl (an Australian property company) for €53 million at June 30, 2013 (€59 million at December 31, 2012), paying interest at an average rate of 7%. The decrease in the amount of this loan was due to the change in the Australian dollar exchange rate over the period from end-December 2012 to end-June 2013.

In addition, Accor granted a new loan to A.P.V.C. Finance Pty Limited (a timeshare financing company) for an amount of €20.5 million (€28 million at December 31, 2012), paying interest at an average rate of 14.75%. During first-half 2013, part of the loan was repaid early (€7.5 million).

Lastly, Accor granted a loan to Shree Naman Hotels Private to finance the development of the Sofitel Mumbai in India. The total loan amounted to €17.5 million at June 30, 2013.

Note 22. Investments in Associates

In millions of euros			June 2012	Dec. 2012	June 2013
Accor Asia Pacific subsidiaries (*)		(1) (2) (3) (4)	194	162	146
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands)	(Note 2.A.2.2)	(5)	16	15	14
Société Hôtelière Paris Les Halles		(6)	11	12	12
Egyptian investment fund			6	6	6
Sofitel London St James (Hotels, United Kingdom)			6	6	6
Sofitel Hotels, USA (25%)	(Note 2.A.2.2)	(7)	(12)	2	2
Other			63	60	58
Total			**284**	**263**	**244**

(*) The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited (the development company for ibis hotel in India) for €42 million, Shree Naman Hotels (Sofitel Mumbai) for €18 million, Caddie Hotels (Novotel and Pullman Delhi) for €15 million, a joint-venture for development partnerships under ibis and Novotel brands in India (Triguna) for €14 million, Ambassador Inc., Ambasstel and Ambatel Inc (South Korea) for €24 million and Beijing Peace Hotel Ltd (Novotel Beijing) for €7 million.

(1) Key figures for Ambassador Inc are as follows:

Hotels, Korea Ambassador (Novotel, Seoul) (In millions of euros)	June 2012	Dec. 2012	June 2013
Revenue	12	26	12
Net profit (loss)	2	4	1
Net cash/(Net debt)	(11)	(9)	(10)
Equity	49	52	48
Market capitalization	N/A	N/A	N/A
Total assets	69	72	67
% interest held	30,19%	30,19%	30,19%

(2) Key figures for Ambatel Inc are as follows:

Hotels, Korea Ambatel Inc (Novotel, Seoul) (In millions of euros)	June 2012	Dec. 2012	June 2013
Revenue	5	11	5
Net profit (loss)	1	2	0
Net cash/(Net debt)	(8)	(8)	(7)
Equity	36	38	35
Market capitalization	N/A	N/A	N/A
Total assets	51	53	49
% interest held	21,83%	21,83%	21,83%

(3) Key figures for Ambasstel are as follows:

Hotels, Korea Ambasstel (Ibis, Seoul) (In millions of euros)	June 2012	Dec. 2012	June 2013
Revenue	12	25	11
Net profit (loss)	3	5	2
Net cash/(Net debt)	8	11	9
Equity	28	32	30
Market capitalization	N/A	N/A	N/A
Total assets	32	37	34
% interest held	20,00%	20,00%	20,00%

(4) Key figures for Beijing Peace Hotel Ltd are as follows:

Beijing Peace Hotel (Hotels, China) Novotel Beijing Peace (In millions of euros)	June 2012	Dec. 2012	June 2013
Revenue	7	15	7
Net profit (loss)	0	1	(0)
Net cash/(Net debt)	(8)	(6)	(8)
Equity	5	6	6
Market capitalization	N/A	N/A	N/A
Total assets	22	20	20
% interest held	22,32%	22,32%	22,32%

(5) Key figures for Sofitel The Grand (Netherlands) are as follows:

The Grand Real Estate (Hotels, Netherlands) Sofitel The Grand (In millions of euros)	June 2012	Dec. 2012	June 2013
Revenue	12	23	11
Net profit (loss)	(3)	(5)	(2)
Net cash/(Net debt)	(2)	(1)	(2)
Equity	34	32	30
Market capitalization	N/A	N/A	N/A
Total assets	44	42	39
% interest held	58,71%	58,71%	58,71% (*)

(*) The percentage of control is 40 %

(6) Key figures for Société Hôtelière Paris les Halles are as follows:

Société Hôtelière Paris Les Halles (In millions of euros)	June 2012	Dec. 2012	June 2013
Revenue	60	90	43
Net profit (loss)	0	(5)	1
Net cash/(Net debt)	(91)	(90)	(89)
Equity	38	42	45
Market capitalization	N/A	N/A	N/A
Total assets	167	173	166
% interest held	31,19%	31,19%	31,19%

(7) Key figures for Sofitel Hotels, USA are as follows:

Sofitel Hotels USA (In millions of euros)	June 2012	Dec. 2012	June 2013
Revenue	65	123	38
Net profit (loss) (a)	31	94	(3)
Net cash/(Net debt)	(341)	(173)	(174)
Equity	(46)	9	6
Market capitalization	N/A	N/A	N/A
Total assets	361	244	243
% interest held	25,00%	25,00%	25,00%

(a) At June 30, 2012, the Sofitel San Francisco disposal had a positive impact of €34 million on June 2012 profit.
At December 31, 2012, the Sofitel San Francisco, Chicago and Miami disposals had a positive impact of €96 million on December 2012 profit.

Note 23. Other Financial Investments

In millions of euros	June 2012	Dec. 2012	June 2013
Investments in non-consolidated companies (Available for sale financial assets)	120	147	145
Deposits (Loans and Receivables)	140	140	131
Other financial investments, at cost	**260**	**287**	**276**
Accumulated impairment losses	(65)	(65)	(66)
Other financial investments, net	**195**	**222**	**210**

Accumulated impairment losses relate almost entirely to investments in non-consolidated companies.

Other financial investments break down as follows:

In millions of euros	Note	June 2012	Dec. 2012	June 2013
Deposit for the purchase of the Sofitel Rio de Janeiro	(*)	67	62	55
Tahl (Australian property company)		26	25	23
A-HTrust (Singapore investment fund)	2.B.3	-	24	25
Pullman Tour Eiffel receivable		-	20	20
Deposit paid following the claim under the loan guarantee issued to the owner of the Los Angeles Sofitel		21	20	20
Stone (French property company)		11	11	11
Deposit for hotels in France sold in 2008		10	10	10
Other investments and deposits		60	50	46
Other financial investments, net		**195**	**222**	**210**

(*) Deposit paid in 2011 in preparation for Accor's exercise of its pre-emptive right to purchase the building occupied by the Sofitel Rio de Janeiro Copacabana.

At June 30, 2013, December 31, 2012 and June 30, 2012, the fair value reserve for assets classified as available-for-sale had a nil balance (see Note 26).

Note 24. Receivables and Payables

Note 24.1. Trade receivables and related provision

In millions of euros	June 2012	Dec. 2012	June 2013
Gross value	455	435	487
Provisions	(34)	(33)	(35)
Net	**421**	**402**	**452**

Provisions for impairment in value of trade receivables correspond to numerous separate provisions, none of which are material. Past-due receivables are tracked individually and regular estimates are made of potential losses in order to increase the related provisions if and when required. Past-due receivables not covered by provisions are not material.

Note 24.2. Details of other receivables and accruals

In millions of euros	June 2012	Dec. 2012	June 2013
Recoverable VAT	115	151	118
Prepaid wages and salaries and payroll taxes	8	2	13
Other prepaid and recoverable taxes (1)	311	58	54
Other receivables	252	291	269
Other prepaid expenses	89	59	85
Other receivables and accruals, at cost	**775**	**561**	**539**
Provisions (1)	**(288)**	**(45)**	**(44)**
Other receivables and accruals, net	**487**	**516**	**495**

(1) At June 30, 2012, other prepaid and recoverable taxes included €263 million paid by CIWLT in settlement of a tax reassessment, which had been written down in full. During the second half of 2012, CIWLT lost its appeal before the French Supreme Court of Appeal and the €242.5 million tax reassessment for the years 1998 to 2002 became final. As a result, the tax receivable was cancelled and the corresponding provision was reversed in the amount of €242.5 million (see Note 39).

Note 24.3. Details of other payables

In millions of euros	June 2012	Dec. 2012	June 2013
VAT payable	67	78	82
Wages and salaries and payroll taxes payable	307	351	292
Other taxes payable (1)	222	192	61
Other payables (1)	450	445	445
Deferred income	81	76	85
Other payables	**1 127**	**1 142**	**965**

(1) At June 30, 2012, these amounts included €192.4 million in "précompte" dividend withholding tax, of which €156 million in principle and €36.4 million in interest. Following a ruling handed down by the French Supreme Court of Appeal in December 2012 that entitled Accor to retain approximately €6.3 million of the €156 million already refunded and €1.4 million of the €36.4 million already funded, in the second half of 2012, the Group cancelled €6.3 million by crediting reserves and cancelled €1.4 million by crediting tax expense. The €184.7 million balance was paid back to the French State in first-half 2013 (see Note 39).

Note 24.4. Analysis of other receivables / payables' periods

In millions of euros at June 30,2013	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	June 2013	Dec. 2012	June 2012
Inventories	48	-	-	48	47	47
Trade receivables	452	-	-	452	402	421
Recoverable VAT	107	11	0	118	151	115
Prepaid payroll taxes	13	-	-	13	2	8
Other prepaid and recoverable taxes	36	18	-	54	38	49
Other receivables	225	(0)	-	225	265	226
CURRENT ASSETS	**881**	**29**	**0**	**910**	**905**	**866**
Trade payables	571	0	-	571	580	582
VAT payable	82	0	-	82	78	67
Wages and salaries and payroll taxes payable	292	0	-	292	351	307
Other taxes payable	62	(1)	-	61	192	222
Other payables	444	1	0	445	445	450
CURRENT LIABILITIES	**1 451**	**0**	**0**	**1 451**	**1 646**	**1 628**

Note 25. Potential Ordinary Shares

Following the demerger on July 2, 2010, the exercise price of outstanding stock options and performance shares was adjusted along with the number of shares to be received by grantees (see Note 3.4.1 in the update to the 2009 Registration Document filed with the Autorité des Marchés Financiers on May 18, 2010 under number D.10-0201-A01). The figures presented in this note for plans dating back prior to July 2010 are therefore adjusted figures.

Note 25.1. Number of potential shares

At June 30, 2013, the Company's share capital was made up of 227,579,821 ordinary shares. The average number of ordinary shares outstanding during the period was 227,402,201. **The number of outstanding shares at June 30, 2013 was 227,554,821.**

In addition, employee stock options exercisable for 8,813,700 ordinary shares, representing 3.87% of the capital, were outstanding at June 30, 2013 (see Note 25.3).

Lastly, 600,815 performance shares have been granted but have not yet vested.

Conversion of all of the potential shares presented above would have the effect of increasing the number of shares outstanding to 236,969,336.

Note 25.2. Diluted earnings per share

Based on the above number of potential shares and the average Accor share price for first-half 2013 of €27.17, the diluted weighted average number of shares outstanding at June 30, 2013, was 227,896,117. Diluted earnings per share were therefore calculated as follows:

In millions of euros	Dec. 2012	June 2012	June 2013
Net profit, Group share (continuing operations and discontinued operations)	**(599)**	**(532)**	**34**
Weighted average number of ordinary shares (in thousands)	227 266	227 254	227 402
Number of shares resulting from the exercise of stock options (in thousands)	-	292	345
Number of shares resulting from performance shares grants (in thousands)	-	135	148
Fully diluted weighted average number of shares (in thousands)	227 266	227 681	227 896
Diluted earnings per share (in euros)	**(2,64)**	**(2,34)**	**0,15**

The instruments that may have a dilutive impact on basic earnings per share in the future but that have not been included in the calculation of diluted earnings per share because they did not have a dilutive effect on first-half 2013 are all of the stock options outstanding under the plans 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25 and 26 in force at June 30, 2013 (see Note 25.3).

Note 25.3. Share-based payments

STOCK OPTION PLANS

Description of the main plans

The following table summarizes the characteristics of stock options outstanding at June 30, 2013, as well as of options that were cancelled or expired during the period.

	Grant date	Life of plan	Number of options granted	Option exercise date	Number of grantees	Exercise price	Cash-settled or equity settled
Plan 12	January 9, 2006	7 years	1 840 601	from 01/10/10 until 01/09/13	191	30,60 €	Equity
Plan 13	March 24, 2006	7 years	963 293	from 03/25/10 until 03/24/13	818	32,56 €	Equity
Plan 14	March 22, 2007	7 years	2 183 901	from 03/23/11 until 03/22/14	958	45,52 €	Equity
Plan 15	May 14, 2007	7 years	129 694	from 05/15/11 until 05/14/14	11	47,56 €	Equity
Plan 16 (*)	September 13, 2007	8 years	2 139	from 09/13/10 until 09/13/15	40	40,08 €	Equity
Plan 17	March 28, 2008	7 years	2 080 442	from 03/29/12 until 03/28/15	1 022	30,81 €	Equity
Plan 18	September 30, 2008	7 years	110 052	from 10/01/12 until 09/30/15	6	28,32 €	Equity
Plan 19	March 31, 2009	8 years	1 429 456	from 04/01/13 until 03/31/17	1 138	18,20 €	Equity
Plan 20	April 2, 2010	8 years	2 618 770	from 04/03/14 until 04/02/18	1 020	26,66 €	Equity
Plan 21	April 2, 2010	8 years	153 478	from 04/03/14 until 04/02/18	10	26,66 €	Equity
Plan 22	November 22, 2010	8 years	92 448	from 11/23/14 until 11/22/18	5	30,49 €	Equity
Plan 23	April 4, 2011	8 years	621 754	from 04/05/15 until 04/04/19	783	31,72 €	Equity
Plan 24	April 4, 2011	8 years	53 125	from 04/05/15 until 04/04/19	8	31,72 €	Equity
Plan 25	March 27, 2012	8 years	527 515	from 03/28/16 until 03/27/20	390	26,41 €	Equity
Plan 26	March 27, 2012	8 years	47 375	from 03/28/16 until 03/27/20	8	26,41 €	Equity

(*) Plan 16 is stock savings warrants

Stock options granted under Plan 15 are performance options. The stock options vest in four equal tranches in each of the years 2007 to 2010 based on the attainment of performance targets expressed in terms of growth in the Accor Group's return on capital employed (ROCE) and profit after tax and before non-recurring items.
If the performance targets are met at the end of each year, grantees will receive one quarter of the stock options included in the initial grant. If only one of the two targets is met, they will receive one eighth of the options.
For all of the stock options to vest, ROCE and profit after tax and before non-recurring items will have to increase by around 10% or more per year. If ROCE and profit after tax and before non-recurring items increase by less than 10% (but more than 0%), the number of vested options will be reduced based on the ratio between the actual increase and 10%.
The performance criteria were met in 2007. The performance criteria were only partially met in 2008, 2009 and 2010 leading to the cancellation of 44,615 options.

Stock options granted under Plan 21 are performance options based on market conditions. The vesting criterion, which concerned the relative performance of the Accor SA share compared to the CAC 40 index in 2010, 2011, 2012 and 2013, has been adjusted after the Hotels and Services businesses are demerged. The options vest after four years, depending on the annual performance of the Accor share versus the CAC 40 index. The number of options that could be exercised after the four-year vesting period may not exceed 100% of the initial amount. The performance criteria were met in 2010. In 2011 and 2012, only some of the performance criteria were met.

Stock options granted under Plan 24 and Plan 26 are subject to an external performance measure. During each year of the vesting period (from 2011 to 2014 for Plan 24 and from 2012 to 2015 for Plan 26) options representing one quarter of the original grant are subject to an external performance measure based on Accor's Total Shareholder Return (TSR) relative to that of eight international hotel groups. The objectives have been set for four years, with intermediate rankings. A fixed percentage of options vest each year for each level in the ranking achieved. In 2011, the Plan 24's performance criteria were not met. In 2012, the Plan 24's performance criteria were met and the Plan 26's performance criteria were partially met.

Changes in outstanding stock options during 2012 and 2013 are as follows:

	June 30, 2012		December 31, 2012		June 30, 2013	
	Number of options	Weighted average	Number of options	Weighted average	Number of options	Weighted average
Options outstanding at beginning of period	**12 997 382**	**30,13 €**	**12 997 382**	**30,13 €**	**11 587 420**	**31,07 €**
Options granted during the period	576 490	26,41 €	574 890	26,41 €	-	- €
Options cancelled or expired during the period	(1 698 833)	22,86 €	(1 958 326)	23,53 €	(2 674 709)	31,17 €
Options exercised during the period	(6 848)	21,88 €	(26 526)	22,41 €	(99 011)	18,20 €
Options outstanding at end of period	**11 868 191**	**30,99 €**	**11 587 420**	**31,07 €**	**8 813 700**	**31,19 €**
Options exercisable at end of period	**6 705 205**	**35,41 €**	**6 635 261**	**35,46 €**	**5 182 697**	**33,69 €**

Outstanding options at June 30, 2013 are as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 14	45,52 €	1 930 240	9 months
Plan 15	47,56 €	85 079	11 months
Plan 16	40,08 €	2 139	2.2 years
Plan 17	30,81 €	1 899 570	1.8 years
Plan 18	28,32 €	102 544	2.3 years
Plan 19	18,20 €	1 163 125	3.8 years
Plan 20	26,66 €	2 181 968	4.8 years
Plan 21	26,66 €	137 228	4.8 years
Plan 22	30,49 €	92 448	5,5 years
Plan 23	31,72 €	597 444	5.8 years
Plan 24	31,72 €	53 125	5.8 years
Plan 25	26,41 €	521 415	6,8 years
Plan 26	26,41 €	47 375	6,8 years

Fair value of options

The fair value of these options at the grant date has been determined using the Black & Scholes or Monte Carlo option-pricing models, based on data and assumptions that were valid at that date. The information presented in this table for plans 12 to 21 (particularly the exercise price, the share price at the grant date and the fair value) has not therefore been adjusted for the effects of the July 2, 2010 demerger.

The main data and assumptions used for the fair value calculations are as follows:

	Plan 12	Plan 13	Plan 14	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19
Accor share price at the option grant date	49,80 €	48,30 €	70,95 €	70,45 €	62,35 €	47,10 €	37,12 €	25,49 €
Option exercise price	46,15 €	49,10 €	68,65 €	71,72 €	60,44 €	46,46 €	42,70 €	27,45 €
Expected volatility (1)	35,36%	34,60%	31,73%	31,60%	27,57%	27,87%	26,72%	31,91%
Contractual life of the options	7 years	7 years	7 years	7 years	8 years	7 years	7 years	8 years
Expected share yield (2)	3,13%	3,74%	3,94%	4,25%	4,15%	3,84%	4,03%	2,63%
Dividend rate (3)	3,22%	3,22%	2,29%	2,29%	2,29%	2,53%	2,53%	2,53%
Fair value of options (4)	14,11 €	12,57 €	20,38 €	19,36 €	16,66 €	11,55 €	7,00 €	5,78 €

	Plan 20	Plan 21	Plan 22	Plan 23	Plan 24	Plan 25	Plan 26
Accor share price at the option grant date	41,47 €	41,47 €	32,19 €	31,96 €	31,96 €	26,55 €	26,55 €
Option exercise price	40,20 €	40,20 €	30,49 €	31,72 €	31,72 €	26,41 €	26,41 €
Expected volatility (1)	33,96%	33,96%	34,99%	35,74%	35,74%	39,71%	39,71%
Contractual life of the options	8 years	8 years	8 years	8 years	8 years	8 years	8 years
Expected share yield (2)	2,29%	2,29%	1,98%	2,90%	2,60%	1,67%	1,67%
Dividend rate (3)	3,24%	3,24%	2,22%	2,19%	2,19%	2,42%	2,42%
Fair value of options (4)	10,28 €	9,44 €	9,25 €	9,40 €	8,89 €	7,88 €	6,50 €

(1) Weighted volatility based on exercise periods
(2) Expected share yield based on exercise periods
(3) For the plans granted before 2011, the dividend rate used to measure the fair value of options correspond to the average payout rate for the previous two, three or four years. For the plans granted in 2011, this rate corresponds to the expected payout rate for 2011. For the plans granted in 2012, this rate corresponds to the payout rate for 2011.
(4) Fair value of options based on exercise periods

Maturities of stock options

The Group has decided to base the exercise dates of stock options under these plans on observed exercise dates under previous plans. The same principle has been applied to all plans, as follows:

- 35% of options exercised after 4 years
- 20% of options exercised after 5 years
- 35% of options exercised after 6 years
- 5% of options exercised after 7 years – 10% for plans 12, 13, 14, 15, 17 and 18
- 5% of options exercised after 8 years

Maturities stock options correspond to the options' expected lives.

Share price volatility

The Group has chosen to apply a volatility rate calculated by reference to historical data for the eight years preceding the grant date. Different volatility rates have been applied, calculated from granted date, to each maturity as presented above.

PERFORMANCE SHARE PLANS

2011 Plan

On April 4, 2011, Accor granted 249,107 performance shares to senior executives and certain employees. Of these:

- 20,450 have a three-year vesting period followed by a two-year lock-up period.
- 190,331 have a two-year vesting period followed by a two-year lock-up period.
- 38,326 have a four-year vesting period with no subsequent lock-up period.

The performance shares are subject to vesting conditions based on business revenue, EBIT and operating cash flow for each of the years 2011 and 2012. Targets have been set for annual growth in relation to the budget over the next two years, with interim milestones, and a certain percentage of the shares vest each year as each milestone is met.
The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €7.6 million at April 4, 2011 and was being recognized on a straight-line basis over the vesting period under "Employee benefits expense" with a corresponding adjustment to equity. The fair value of the share grants was measured as the average of the Accor share prices for the twenty trading days preceding the grant date multiplied by the number of shares granted under the plan.

In 2011, the performance criteria were met. Plan costs recognized in 2011 amounted to €2.5 million.
In 2012, the performance criteria were almost met. Plan costs recognized in 2012 amounted to €3.3 million.
At June 30, 2013, plan costs recognized amounted to €1 million.

2012 Plan

On March 27, 2012, Accor granted 284,976 performance shares to senior executives and certain employees. Of these:

- 170,332 have a two-year vesting period followed by a two-year lock-up period and are subject to two vesting conditions.
- 67,269 have a four-year vesting period with no subsequent lock-up period, and are subject to two vesting conditions.
- 47,375 have a two-year vesting period followed by a two-year lock-up period and are subject to three vesting conditions.

The performance shares are subject to vesting conditions based on EBIT margin, operating cash flow and disposals' plan for each of the years 2012 and 2013. Targets have been set for annual growth in relation to the budget over the next two years, with interim milestones, and a certain percentage of the shares vest each year as each milestone is met.
The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €7.1 million at March 27, 2012 and was being recognized on a straight-line basis over the vesting period under "Employee benefits expense" with a corresponding adjustment to equity. The fair value of the share grants was measured as the Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares granted under the plan.

In 2012, the performance criteria were met. Plan costs recognized in 2012 amounted to €2.4 million.
At June 30, 2013, plan costs recognized amounted to €1.4 million.

2013 Plan

On April 15, 2013, Accor granted 290,550 performance shares to senior executives and certain employees. Of these:

- 169,605 have a two-year vesting period followed by a two-year lock-up period and are subject to two vesting conditions.
- 48,445 have a four-year vesting period with no subsequent lock-up period, and are subject to two vesting conditions.
- 72,500 have a two-year vesting period followed by a two-year lock-up period and are subject to four vesting conditions.

The performance shares are subject to vesting conditions based on EBIT margin, operating cash flow from operating activities, disposals' plan and an external vesting condition for each of the years 2013 and 2014. Targets have been set for annual growth in relation to the budget over the next two years, with interim milestones, and a certain percentage of the shares vest each year as each milestone is met.
The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €6.6 million at April 15, 2013 and was being recognized on a straight-line basis over the vesting period under "Employee benefits expense" with a corresponding adjustment to equity. The fair value of the share grants was measured as the Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares granted under the plan.

At June 30, 2013, plan costs recognized amounted to €0.7 million.

COST OF SHARE-BASED PAYMENTS RECOGNIZED IN THE ACCOUNTS

The total cost recognized in profit or loss by adjusting equity in respect of share-based payments amounted to €7.2 million at June 30, 2013 (June 30, 2012: €7.4 million and December 31, 2012: €14 million).

Note 26. Fair value adjustments on Financial Instruments reserve

In millions of euros	June 2012	Dec. 2012	June 2013
Convertible bonds	-	-	-
Equity notes	-	-	-
Mutual fund units	-	-	-
Interest rate and currency swaps	(6)	(4)	(1)
Fair value adjustments to non-consolidated investments	-	-	-
Fair value adjustments to available-for-sale investments	-	-	-
Impact on equity	**(6)**	**(4)**	**(1)**

Fair value adjustments to financial instruments recognized in equity

In millions of euros	June 2012	Dec. 2012	June 2013
Available for sale Financial Assets	**-**	**-**	**-**
Gains (losses) recognized in Equity during the period	-	-	-
Gains (losses) reclassified to profit or loss	-	-	-
Cash flow hedges	**1**	**3**	**3**
Gains (losses) recognized in Equity during the period	1	3	3
Gains (losses) reclassified to profit or loss	-	-	-
Changes in Reserve	**1**	**3**	**3**

Note 27. Minority interests

Changes in minority interests break down as follows:

In millions of euros	
At December 31, 2011	**231**
Minority interests in net profit for the period	15
Dividends paid to minority interests	(14)
Increase in capital	2
Translation adjustment	16
Changes in scope of consolidation (1)	(20)
At December 31, 2012	**230**
Minority interests in net profit for the period	5
Dividends paid to minority interests	(11)
Capital increase	-
Translation adjustment	(13)
Changes in scope of consolidation (2)	(3)
At June 30, 2013	**208**

(1) Including €(8) million corresponding to the sale of the Formula 1 Hotels in South Africa (see Note 2.A.2.3).
Including €(4) million corresponding to the buyout of minority interests in Orbis (1.13% - see Note 2.B.2).

(2) Including €(3) million concerning the sale of Orbis Transport.

Note 28. Comprehensive Income

The tax impact of other components of comprehensive income can be analyzed as follows:

In millions of euros	Dec. 2012			June 2012			June 2013		
	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax
Currency translation adjustment	101	-	101	64	-	64	(124)	-	(124)
Effective portion of gains and losses on hedging instruments in a cash flow hedge	3	-	3	1	-	1	3	-	3
Actuarial gains and losses on defined benefits plans	(26)	8	(18)	(21)	6	(15)	1	(0)	1
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-
Total Other Comprehensive income	**77**	**8**	**86**	**44**	**6**	**50**	**(121)**	**(0)**	**(121)**

Note 29. Debt by Currency and Maturity

Note 29.A Long and short-term debt

Long and short-term debt at June 30, 2013 breaks down as follows by currency and interest rate after hedging transactions:

In millions of euros	June 2012	Effective rate June 2012 %	Dec. 2012	Effective rate Dec. 2012 %	June 2013	Effective rate June 2013 %
EUR	1 668	6,27	2 006	5,44	2 209	4,46
JPY	42	0,56	37	0,21	33	0,22
CNY	47	6,52	39	6,32	32	6,31
MUR	26	7,95	25	7,95	24	7,95
DZD	18	5,75	19	5,75	20	5,75
CZK	22	1,31	21	0,54	20	0,29
CHF	21	2,08	21	1,24	19	1,23
Other currencies	318	3,31	70	7,14	63	6,53
Long and short-term borrowings	**2 162**	**5,66**	**2 238**	**5,37**	**2 420**	**4,47**
Long and short-term finance lease liabilities	60		58		51	
Purchase commitments	7		10		8	
Liability derivatives	19		10		14	
Other short-term financial liabilities and bank overdrafts	34		65		32	
Long and short-term debt	**2 282**		**2 381**		**2 525**	

In millions of euros	June 2012	Dec. 2012	June 2013
Long-term debt	1 778	1 552	1 724
Short-term debt	504	829	801
Total long and short-term debt	**2 282**	**2 381**	**2 525**

Note 29.B Maturities of debt

At June 30, 2013, maturities of debt were as follows:

In millions of euros	June 2012	Dec. 2012	June 2013
Year Y+1	504	829	801
Year Y+2	756	439	40
Year Y+3	29	26	27
Year Y+4	29	26	716
Year Y+5	609	975	264
Year Y+6	278	17	607
Beyond	77	69	70
Total long and short-term debt	**2 282**	**2 381**	**2 525**

This analysis of debt by maturity over the long-term is considered as providing the most meaningful liquidity indicator. In the above presentation, all derivatives are classified as short-term. Borrowings and short-term investments denominated in foreign currencies have been translated into euros at the rate on the balance sheet date. Interest rate and currency hedging instruments are analysed by maturity in Note 29.E « Financial Instruments ».

On June 30, 2013, unused long-term committed line is amounting to €1,500 million, expiring in May 2016.

On June 30, 2013 financial costs amounted to €48 million. Future financial costs are estimated at €247 million for the period from July 2013 to June 2017 and €41 million thereafter.

2012 financial costs amounted to €84 million. Future financial costs were estimated at €227 million for the period from January 2013 to December 2016 and €34 million thereafter.

On June 30, 2012 financial costs amounted to €37 million. Future financial costs were estimated at €258 million for the period from July 2012 to June 2016 and €50 million thereafter.

These estimates are based on the average cost of debt of the end of the period, after hedging. They have been determined by applying the assumption that no facilities will be rolled over at maturity.

Note 29.C Long and short-term debt before and after hedging

At June 30, 2013, long and short-term debt breaks down as follows before hedging transactions:

In millions of euros	Total debt		
	Amount	Rate	% of total debt
EUR	2 281	3,90%	94%
JPY	-	0%	0%
CNY	32	6,31%	1%
MUR	24	7,95%	1%
DZD	20	5,75%	1%
CZK	1	1,28%	0%
CHF	19	1,23%	1%
Other currencies	43	8,07%	2%
Total long and short-term debt	**2 420**	**4,04%**	**100%**

Long and short-term debt after currency and interest rate hedging breaks down as follows at June 30, 2013:

In millions of euros	Total debt		
	Amount	Rate	% of total debt
EUR	2 209	4,46%	91%
JPY	33	0,22%	1%
CNY	32	6,31%	1%
MUR	24	7,95%	1%
DZD	20	5,75%	1%
CZK	20	0,29%	1%
CHF	19	1,23%	1%
Other currencies	63	6,53%	3%
Total long and short-term debt	**2 420**	**4,47%**	**100%**

Note 29.D Long and short-term debt by interest rate after hedging

In millions of euros	Total debt	
	Amount	Rate
June 2012	2 162	5,66%
December 2012	2 238	5,37%
June 2013	2 420	4,47%

At June 30, 2013, 92% of long and short-term debt was fixed rate, with an average rate of 4.52%, and 8% was variable rate, with an average rate of 3.90%.

At June 30, 2013, fixed rate debt was denominated primarily in EUR (98%), while variable rate debt was denominated mainly in JPY (16%), CNY (16%) and EUR (13%).

None of the loan agreements include any rating triggers. However, certain loan agreements include acceleration clauses that may be triggered in the event of a change of control, following the acquisition of more than 50% of outstanding voting rights. Of the overall gross debt of €2,420 million, a total of €1,943 million worth is subject to such clauses. In the case of bonds, the acceleration clause can be triggered only if the change of control leads to Accor's credit rating being downgraded to non-investment grade.

Note, however, that in the case of the syndicated loan negotiated in May 2011, the acceleration clause can be triggered if Accor does not comply with the leverage ratio covenant (consolidated net debt to consolidated EBITDA).

None of the loan agreements include a cross default clause requiring immediate repayment in the event of default on another facility. Cross acceleration clauses only concern loans for periods of at least three years; these clauses would be triggered solely for borrowings and only if material amounts were concerned.

Note 29.E Financial instruments

1. Currency hedges

The following tables analyze the nominal amount of currency hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at June 30, 2013:

Forward sales and currency swaps In millions of euros	Maturity 2013	Maturity 2014	June 30, 2013 Nominal amount	June 30, 2013 Fair value
JPY	34	-	34	-
CZK	19	-	19	-
AUD	11	-	11	(1)
HUF	5	-	5	-
Other	1	3	4	-
Forward sales	**70**	**3**	**73**	**(1)**

Forward purchases and currency swaps In millions of euros	Maturity 2013	Maturity 2014	June 30, 2013 Nominal amount	June 30, 2013 Fair value
GBP	107	-	107	1
HKD	126	-	126	3
CHF	10	5	15	-
PLN	9	-	9	-
Other	2	3	5	-
Forward purchases	**254**	**8**	**262**	**4**

TOTAL CURRENCY HEDGING	**324**	**11**	**335**	**3**

For each currency, the nominal amount corresponds to the amount of currency sold or purchased forward. Fair value corresponds to the difference between the amount of the currency sold (purchased) and the amount of the currency purchased (sold), converted in both cases at the period-end forward exchange rate.

All the currency instruments listed above are used for hedging purposes. Most are designated and documented fair value hedges of intra-group loans and borrowings that qualify for hedge accounting.

At June 30, 2013, currency instruments had a negative fair value of €3 million.

2. Interest rate hedges

The following tables analyze the notional amount of interest rate hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at June 30, 2013:

In millions of euros	2013	2014	2015	Beyond	June 30, 2013 Nominal amount	June 30, 2013 Fair value
EUR: Fixed-rate borrower swaps and caps	352	4	-	-	356	11
Interest rate hedges	**352**	**4**	**-**	**-**	**356**	**11**

The "notional amount" corresponds to the amount covered by the interest rate hedge. "Fair value" corresponds to the amount that would be payable or receivable if the positions were unwound on the market.
All the interest rate instruments listed above are used for hedging purposes.

At June 30, 2013, interest rate instruments had a negative fair value of €11 million.

3. Fair value

3.1 Fair value of financial instruments

The carrying amount and fair value of financial instruments at June 30, 2013 are as follows:

In millions of euros		June 30, 2013 Carrying amount	June 30, 2013 Fair value
FINANCIAL LIABILITIES		**2 525**	**2 604**
Bonds	(1)	1 943	2 022
Bank borrowings		273	273
Finance lease liabilities		51	51
Other financial liabilities		244	244
Interest rate derivatives (Cash Flow Hedge)	(2)	11	11
Currency derivatives (Fair Value Hedge)	(2)	3	3
FINANCIAL ASSETS		**(1 944)**	**(1 944)**
Money market securities		(1 750)	(1 750)
Cash		(141)	(141)
Other		(53)	(53)
Interest rate derivatives (Cash Flow Hedge)	(2)	-	-
Currency derivatives (Fair Value Hedge)	(2)	-	-
NET DEBT		**581**	**660**

(1) The fair value of listed bonds corresponds to their quoted market value on the Luxembourg Stock Exchange and on Bloomberg on the last day of the period (level 1 valuation technique).
(2) The fair value of derivative instruments (interest rate and currency swaps and forward contracts) is determined by reference to the market price that the Group would pay or receive to unwind the contracts (level 2 valuation technique).

3.2 Fair value of money market securities

The carrying amount and fair value of money market securities at June 30, 2013 are as follows:

In millions of euros		June 30, 2013 Carrying amount	June 30, 2013 Fair value
Other negotiable debt securities	(a)	-	-
Money market securities	(b)	(1 712)	(1 712)
Mutual fund units convertible into cash in less than three months (*)	(c)	(31)	(31)
Other (accrued interest)		(7)	(7)
Total Money market securities		**(1 750)**	**(1 750)**

(*) The fair value of mutual fund units corresponds to their net asset value (level 1 valuation technique).

(a) Held to maturity investments
(b) Loans and receivables issued by the Group
(c) Held for sale financial assets

Note 29.F Credit rating

At June 30, 2013, Accor's credit ratings were as follows:

Rating Agency	Long-term debt	Short-term Debt	Last update of the rating	Outlook	Last update of the outlook
Standard & Poor's	BBB-	A-3	April 05, 2011	Stable	March 9, 2012
Fitch Ratings	BBB-	F-3	May 25, 2011	Stable	May 25, 2011

Standard & Poor's reaffirmed Accor's ratings on March 9, 2012 whereas Fitch reaffirmed Accor's ratings and outlooks on June 12, 2013.

Note 30. Net Debt and Net Cash

Net debt breaks down as follows:

In millions of euros	June 2012	Dec. 2012	June 2013
Other long-term financial debt (1)	1 719	1 496	1 675
Long-term finance lease liabilities	58	56	49
Short-term borrowings	483	811	785
Bank overdrafts	3	8	2
Liabilities derivatives	19	10	14
Total debt	**2 282**	**2 381**	**2 525**
Short-term loans	(36)	(34)	(31)
Money market securities (2)	(1 200)	(1 752)	(1 750)
Cash	(129)	(122)	(141)
Asset derivatives	(3)	(4)	-
Short-term receivables on disposals of assets	(110)	(48)	(22)
Financial Assets	**(1 478)**	**(1 960)**	**(1 944)**
Net debt	**804**	**421**	**581**

(1) See Note 2.D.
(2) See Note 29.E.

Net debt at December 31, 2012 does not include the €184.7 million of the "précompte" dividend withholding tax refund that Accor repaid to the French State at the beginning of April 2012, following the Supreme Court of Appeal ruling in December 2012 in the dispute concerning this tax (see Note 39).

In millions of euros	June 2012	Dec. 2012	June 2013
Net debt at beginning of period	**226**	**226**	**421**
Change in long-term debt	185	(42)	172
Change in short-term financial liabilities	380	706	(28)
Cash and cash equivalents change	38	(508)	(13)
Changes in other current financial assets	(25)	39	29
Changes for the period	**578**	**195**	**160**
Net debt at end of period	**804**	**421**	**581**

The following table reconciles cash and cash equivalents in the balance sheet to cash and cash equivalents in the cash flow statement:

In millions of euros	June 2012	Dec. 2012	June 2013
Balance sheet cash and cash equivalents	**1 332**	**1 878**	**1 891**
Bank overdrafts	(3)	(8)	(2)
Derivatives included in liabilities	(19)	(10)	(14)
Cash flow Statement cash and cash equivalents	**1 310**	**1 860**	**1 875**

Note 31. Analysis of financial assets and liabilities under IFRS 7

At June 30, 2013, and December 31, 2012, financial assets and liabilities broke down as follows by category:

In millions of euros	**Category in the balance-sheet**						**Fair value for financial instruments recognized at fair value**			
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial investments	Trade receivables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Held to maturity financial assets										
Bonds and other negotiable debt securities										
Loans and receivables						**2 503**				
Short-term loans		31				**31**				
Long-term loans		150				**150**				
Receivables on disposals of assets			22			**22**				
Deposits				129		**129**				
Trade receivables					452	**452**				
Money market securities	1 712					**1 712**				
Other	7					**7**				
Available for sale financial assets						**112**				**112**
Investments in non-consolidated companies				81		**81**			81	**81**
Mutual fund units convertible into cash	31					**31**	31			**31**
Other										
Financial assets at fair value										
Interest rate derivatives	-					**-**				**-**
Currency derivatives	-					**-**				**-**
Cash at bank	141					**141**				
Financial assets at June 30, 2013	**1 891**	**181**	**22**	**210**	**452**	**2 756**	**31**		**81**	**112**

In millions of euros	**Category in the balance-sheet**						**Fair value for financial instruments recognized at fair value**			
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial investments	Trade receivables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Held to maturity financial assets										
Other negotiable debt securities										
Loans and receivables						**2 514**				
Short-term loans		34				**34**				
Long-term loans		147				**147**				
Receivables on disposals of assets			48			**48**				
Deposits				138		**138**				
Trade receivables					402	**402**				
Money market securities	1 741					**1 741**				
Other	4					**4**				
Available for sale financial assets						**91**				**91**
Investments in non-consolidated companies				84		**84**			84	**84**
Mutual fund units convertible into cash	7					**7**	7			**7**
Other										
Financial assets at fair value						**4**				**4**
Interest rate derivatives	-					**-**				**-**
Currency derivatives	4					**4**		4		**4**
Cash at bank	122					**122**				
Financial assets at December 31, 2012	**1 878**	**181**	**48**	**222**	**402**	**2 731**	**7**	**4**	**84**	**95**

En millions of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Bank overdrafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Financial liabilities at fair value through profit or loss						**14**				
Currency derivatives	3					**3**		3		**3**
Interest rate derivatives	11					**11**		11		**11**
Financial liabilities at amortised cost						**3 080**				
Other bonds		1 541	402			**1 943**				
Bank Borrowings		122	151			**273**				
Finance lease liabilities			2	49		**51**				
Other debts		12	230			**242**				
Trade payables					571	**571**				
Cash at bank	**2**					**2**				
Financial liabilities at June 30, 2013	**16**	**1 675**	**785**	**49**	**571**	**3 096**	**-**	**14**	**-**	**14**

En millions of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Bank overdrafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Financial liabilities at fair value through profit or loss						**10**				**10**
Currency derivatives	-					**-**		-		**-**
Interest rate derivatives	10					**10**		10		**10**
Financial liabilities at amortised cost						**2 943**				
Other bonds		1 347	393			**1 740**				
Bank Borrowings		136	157			**293**				
Finance lease liabilities			2	56		**58**				
Other debts		13	259			**272**				
Trade payables					580	**580**				
Cash at bank	**8**					**8**				
Financial liabilities at December 31, 2012	**18**	**1 496**	**811**	**56**	**580**	**2 961**	**-**	**10**	**-**	**10**

* The fair value hierarchies have the following levels:

(a) Level 1: fair value measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2: fair value measured by reference to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

(c) Level 3: fair value measured by reference to inputs for the asset or liability that are not based on observable data (unobservable inputs).

Fair value hierarchies are presented only for financial instruments measured at fair value.

The methods used to measure the fair value of derivative instruments, mutual fund unit convertible into cash and bonds are described in Note 29. The method used to measure the fair value of investments in non-consolidated companies is described in Note 1.N.1.

No assets were transferred between fair value measurements levels during the periods presented.

Note 32. Assets and Liabilities Held for Sale

Assets and liabilities held for sale break down as follows:

In millions of euros	June 2012	Dec. 2012	June 2013
Economy Hotels US business	1 567	-	-
Onboard Train Services business	31	32	36
Disposal groups classified as held for sale	92	58	69
Non-current assets classified as held for sale	37	66	53
Total Assets classified as Assets held for sale	**1 727**	**156**	**158**
Economy Hotels US business	(1 046)	-	-
Onboard Train Services business	(23)	(23)	(25)
Liabilities related to Disposal Groups classified as held for sale	(7)	(13)	(16)
Total Liabilities classified as Liabilities associated with assets classified as held for sale	**(1 076)**	**(36)**	**(41)**

A. Economy Hotels US Business

In May 2012, Accor decided to sell all of its Economy Hotels US Business. The disposal to Blackstone Real Estate Partners VII was completed in October 2012 (see Note 2.A.1.1).

At June 30, 2012, in accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”, all of the Economy Hotels US assets and liabilities (excluding equity and intra-group debt amounting to €521 million) were reclassified in the consolidated accounts as “Assets held for sale” and “Liabilities associated with assets held for sale”.

In millions of euros	June 2012
Property, plant and equipment and intangible assets	1 518
Other assets	49
Total Assets classified as Assets held for sale	**1 567**
Non-bank debt related to the acquisition of leased hotels following the exercise of purchase options	876
Other liabilities	170
Total Liabilities classified as Liabilities associated with assets classified as held for sale	**1 046**

It was highly probable at June 30, 2012 that the purchase options on the leased hotels would be exercised and firm agreements had been signed before the interim accounts had been closed. Consequently, the assets, liabilities and costs related to the acquisition of the hotels for which the purchase options had been exercised before the sale of the Economy Hotels US business at the beginning of October 2012, has been completed are recognized in the first-half 2012 consolidated financial statements.

B. Onboard Train Services

During the second half of 2010, as part of its strategic refocusing on hotels, Accor sold Onboard rail catering businesses in France, Austria and Portugal and part of the Italian business to Newrest through a joint venture that was 60% owned by Newrest and 40% by Accor.

During the first-half of 2012, the 40% stake in the joint venture and Accor's remaining 17% direct interest in the Austrian subsidiary were sold to Newrest (see Note 2.A.1.2). As Accor still intends to sell its Italian Onboard day Train Services business, the related assets and liabilities remained classified under "Assets held for sale" and "Liabilities associated with assets held for sale" at June 30, 2013.

In millions of euros	**June 2012**	**Dec. 2012**	**June 2013**
Property, plant and equipment and intangible assets	4	3	1
Other assets	27	29	35
Total Assets classified as Assets held for sale	**31**	**32**	**36**
Financial debt	-	-	-
Other liabilities	(23)	(23)	(25)
Total Liabilities classified as Liabilities associated with assets classified as held for sale	**(23)**	**(23)**	**(25)**

C. Other assets held for sale

In millions of euros		**June 2012**	**Dec. 2012**	**June 2013**
Disposal group to be sold in Germany	(a)	31	33	33
Disposal group to be sold in China	(b)	50	18	36
Disposal group to be sold in Poland	(c)	11	7	-
Disposal groups classified as held for sale		**92**	**58**	**69**
Hotels to be sold in France	(d)	10	20	24
Hotels to be sold in Belgium	(e)	-	-	15
Hotels to be sold in the Netherlands		16	-	-
Hotels to be sold in Canada	(f)	-	12	10
Hotels to be sold in Poland	(c)	6	12	1
Hotels to be sold in Australia	(g)	-	11	-
Hotels to be sold in China	(b)	-	7	2
Land to be sold in Brazil		4	-	-
Other		1	4	1
Non-current assets classified as held for sale		**37**	**66**	**53**

In accordance with IFRS 5, these assets were reclassified in the consolidated balance sheet under "Assets held for sale", measured at the lower of their carrying amount and fair value less costs to sell.

(a) At December 31, 2010, the Group planned to sell one Novotel unit in Germany. The carrying amount of this asset at December 31, 2012 was €33 million. The hotel will be sold during the second half of 2013.

(b) At December 31, 2012, the Group planned to sell seven ibis units in China. Two of these hotels were sold during first-half 2013. At June 30, 2013, another three ibis units were reclassified as assets held for sale, for an aggregate carrying amount of €19 million.

(c) As of December 31, 2012, the Group had agreed to sell Orbis Transport's remaining car rental business (carried in the balance sheet for €7 million) and the Zakopane Mercure hotel (carried in the balance sheet for €11 million) along with a €1 million plot of land. Orbis Transport's car rental business and the Zakopane Mercure hotel were sold during first-half 2013.

(d) At December 31, 2012, 11 hotels had been reclassified as Assets held for sale, for an aggregate carrying amount of €20 million of which €14 million concerned the Suite Novotel Paris Saint Denis and the Suite Novotel Paris Porte de Montreuil. During first-half 2013, eight hotels were sold and a further six hotels were reclassified as held for sale, for an aggregate carrying amount of €22 million of which €13 million concerned the Suite Novotel Roissy Paris Nord 2 and the Mercure Lyon Perrache.

(e) At June 30, 2013, the Sofitel Le Louise and three Formule 1 units in Belgium were reclassified as held for sale, for an aggregate carrying amount of €15 million.

(f) At December 31, 2012, the Novotel Mississauga in Canada was reclassified as held for sale, for a carrying amount of €12 million. At June 30, 2013, the hotel was written down to €10 million, corresponding to the price offered by the purchaser (fair value determined based on Level 1 inputs as defined in IFRS 13).

(g) At December 31, 2012, the Sebel Mandurah in Australia was reclassified as held for sale, for a carrying amount of €11 million. The hotel was sold during first-half 2013.

Note 33. Provisions

Movements in long-term provisions between December 31, 2012 and June 30, 2013 can be analyzed as follows:

In millions of euros	Dec. 2012 (*)	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	June 2013
- Provisions for pensions (**)	94	-	6	(2)	(8)	(0)	(0)	90
- Provisions for loyalty bonuses (**)	22	-	2	(1)	(0)	(1)	0	22
- Provisions for claims and litigation and others contingencies	6	-	(0)	-	-	(0)	(0)	6
TOTAL LONG-TERM PROVISIONS	**122**	**-**	**8**	**(3)**	**(8)**	**(1)**	**(0)**	**118**

(*) Adoption of the amendment to IAS 19 "Employee Benefits" from January 1, 2013 with retrospective application to all periods presented led to the immediate recognition in the opening balance sheet at January 1, 2012 of all unrecognized past service costs. The effect of this change of method was a €9 million reduction in provisions for pensions at December 31, 2012 (see Note 1 page 16).

(**) See Note 33.C

Movements in short-term provisions between December 31, 2012 and June 30, 2013 can be analyzed as follows:

In millions of euros	Dec. 2012	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	June 2013
- Tax provisions	38	0	(1)	(0)	(1)	0	36
- Restructuring provisions	20	40	(10)	(1)	(0)	(0)	49
- Provisions for claims and litigation and others contingencies	127	11	(5)	(7)	(2)	3	127
TOTAL SHORT-TERM PROVISIONS	**185**	**51**	**(16)**	**(8)**	**(3)**	**3**	**212**

At June 30, 2013, ordinary provisions for claims and litigation and others include:

- €39 million provisions for various claims;
- €10 million in provisions for various litigations;
- €10 million in provisions for performance bonds issued in connection with real estate transactions;
- €9 million provision for employee-related claims;
- Other provisions for unit amounts that are not material.

At December 31, 2012, ordinary provisions for claims and litigation and others include:

- €34 million in provisions for various claims;
- €12 million in provisions for various litigations;
- €10 million in provisions for performance bonds issued in connection with real estate transactions;
- €8 million in provisions for employee-related claims;
- Other provisions for unit amounts that are not material.

Net provision expense – corresponding to increase in provisions less reversals of utilized and unutilized provisions set up in prior periods – is recorded under the following income statement captions:

In millions of euros	June 2012	Dec. 2012	June 2013
EBIT	2	5	3
Finance cost, net	1	1	2
Provision for losses on hotel properties	(7)	(17)	(2)
Provision on other assets and restructuring provisions	(5)	(2)	21
Provision for tax	0	8	-
TOTAL	**(9)**	**(5)**	**24**

Provisions for pensions and other post-employment benefits

A. Description of the plans

Group employees receive various short-term benefits (paid vacation, paid sick leave and profit-shares), long-term benefits (long-service awards, long-term disability benefits, loyalty bonuses and seniority bonuses), as well as various post-employment benefits provided under defined contribution and defined benefit plans (length-of-service awards payable on retirement, pension benefits).

Short-term benefit obligations are recognized in the balance sheets of the Group entities concerned.
Post-employment benefits are provided under either defined contribution or defined benefit plans.

Defined contribution plans

Obligations under these plans are funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The external organization is responsible for all benefit payments and the Group has no liability beyond the payment of contributions. Examples of defined contribution plans include the government-sponsored basic pension and supplementary pension (ARRCO/AGIRC) schemes in France and defined contribution pension schemes in other countries.
Contributions to these plans are recognized in the period to which they relate.

Defined benefit plans

Benefits paid under the Group's defined benefit plans are determined based on employees' years of service with the Group. The benefit obligation is generally funded by plan assets, with any unfunded portion recognized as a liability in the balance sheet.

The defined benefit obligation (DBO) is determined by the projected unit credit method, based on actuarial assumptions concerning future salary levels, retirement age, mortality rates, staff turnover rates and the discount rate. These assumptions take into account the macro-economic situation and other specific circumstances in each host country and region.
Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity, in accordance with Group accounting policy.

At Accor, the main post-employment defined benefit plans concern:

- Length-of-service awards in France:

These are lump-sum payments made to employees on retirement. They are determined by reference to the employee's years of service and end-of-career salary. The calculation is based on parameters defined by Corporate Finance and Human Resources once a year during the second semester. The related obligation is covered by a provision.

- Length-of-service awards in Italy:

These are lump-sum payments made to employees on retirement. They are determined by reference to the employee's years of service, end-of-career salary, and whether they leave on their own initiative or on that of the company. The related obligation is covered by a provision.

- Pensions: the main defined benefit pension plans are for employees in France and in the Worldwide Structures (50% of the obligation), in the Netherlands (23% of the obligation), in Belgium (8% of the obligation) and in Switzerland (7% of the obligation). The plan in the Netherlands is closed to new participants and is fully funded, with the result that no provision has been recognized in the balance sheet for this plan. Pension benefit obligations are determined by reference to employees' years of service and end-of-career salary. They are funded by payments to external organizations that are legally separate from Accor Group.

B. Actuarial assumptions

Actuarial valuations are based on a certain number of long-term parameters supplied by the Group, which are reviewed each year.

2012	France	Europe excluding France						Worldwide Structures	Other countries
		Netherlands	Germany	Belgium	Poland	Switzerland	Italy		
Rate of future salary increases	3,0%	3,0%	1,5%	3,0%	3,0%	1,5%	2,0%	3% - 4%	2%-10%
Discount rate	3,0%	3,0%	3,0%	3,0%	4,5%	1,8%	3,0%	3,0%	4% - 8,7%

2013	France	Europe excluding France						Worldwide Structures	Other countries
		Netherlands	Germany	Belgium	Poland	Switzerland	Italy		
Rate of future salary increases	3,0%	3,0%	1,5%	3,0%	3,0%	1,5%	2,0%	3% - 4%	2%-10%
Discount rate	3,0%	3,0%	3,0%	3,0%	4,5%	1,8%	3,0%	3,0%	4% - 8,7%

The assumptions concerning the discount rate applied to calculate the present value of benefit obligations were determined based on the recommendations of independent experts. For subsidiaries located in the euro zone, the discount rate is determined based on the iBoxx Corporate AA 10+ euro zone index. For subsidiaries outside the euro zone, the discount rate is based on an analysis of investment grade corporate bond yields in each region. The calculation method is designed to obtain a discount rate that is appropriate in light of the timing of cash flows under the plan.

The Accor Group's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly of the classes of assets held in insurers' general portfolios managed according to conservative investment strategies. Since January 1st, 2013, in line with IAS 19 (revised), the expected long-term return on plan assets had been matched to the discount rate (see Note 1).

C. Funded status of post-employment defined benefit plans and long-term employee benefits

The method used by the Group is the "Projected Unit Credit" method.

At June 30, 2013

In millions of euros	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	148	-	**148**
Fair value of plan assets	(102)	-	**(102)**
Excess of benefit obligation/(plan assets)	**46**	**-**	**46**
Present value of unfunded obligation	-	66	**66**
Liability recognized in the balance sheet	**46**	**66**	**112**

(*) Including length-of-service awards and loyalty bonus

At December 31, 2012

In millions of euros	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	151	-	**151**
Fair value of plan assets	(101)	-	**(101)**
Excess of benefit obligation/(plan assets)	**50**	**-**	**50**
Present value of unfunded obligation	-	65	**65**
Liability recognized in the balance sheet (**)	**50**	**65**	**115**

(*) Including length-of-service awards and loyalty bonus

(**) Adoption of the amendment to IAS 19 "Employee Benefits" from January 1, 2013 with retrospective application to all periods presented led to the immediate recognition in the opening balance sheet at January 1, 2012 of all unrecognized past service costs. The effect of this change of method was a €9 million reduction in provisions for pensions at December 31, 2012.

Change in the funded status of post-employment defined benefit plans and long-term employee benefits by geographical area

In millions of euros	Pensions										Other benefits	Total June 2013	Total Dec. 2012 (*)
		Europe excluding France											
	France	Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total			
Projected benefit obligation at the beginning of the period	**26**	**44**	**12**	**16**	**1**	**14**	**4**	**73**	**5**	**195**	**22**	**217**	**172**
Current service cost	1	0	0	0	0	0	-	3	**0**	**4**	**1**	**6**	**10**
Interest Cost	0	1	0	0	0	0	0	1	**0**	**3**	**0**	**3**	**7**
Employee contributions for the period	-	0	-	0	-	0	-	-	**-**	**1**	**-**	**1**	**1**
(Gains) losses on curtailments/settlements	(0)	-	-	-	-	-	-	(6)	**(1)**	**(7)**	**(0)**	**(8)**	**(2)**
Taxes and administrative expenses	-	-	-	-	-	(0)	-	(0)	**-**	**(0)**	**-**	**(0)**	**-**
Effect of changes in scope of consolidation	0	-	-	-	(0)	-	-	-	**-**	**0**	**0**	**0**	**(0)**
Benefits paid during the period	-	(1)	(0)	(0)	(0)	(1)	(0)	(1)	**(0)**	**(3)**	**(1)**	**(4)**	**(11)**
Actuarial (gains)/losses recognised during the period	-	-	-	-	0	-	-	0	**-**	**0**	**0**	**0**	**39**
Exchange differences	-	-	-	-	(0)	(0)	-	-	**(0)**	**(0)**	**(0)**	**(1)**	**0**
Transfers at beginning of period	(0)	-	-	0	-	-	-	0	**-**	**1**	**0**	**1**	**0**
Other	-	-	-	-	-	-	-	-	**(0)**	**(0)**	**0**	**(0)**	**(0)**
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	0	-	**-**	**0**	**-**	**0**	**(0)**
Projected benefit obligation at the end of the period	**26**	**44**	**12**	**16**	**1**	**14**	**4**	**70**	**4**	**192**	**22**	**214**	**217**

In millions of euros		Europe excluding France									Other benefits	Total June 2013	Total Dec. 2012 (*)
	France	Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total			
Fair value of plan assets at the beginning of the period	**-**	**45**	**5**	**12**	**-**	**10**	**-**	**30**	**-**	**101**	**-**	**101**	**88**
Return on plan assets, excluding interest income	-	-	-	-	-	-	-	-	-	**-**	**-**	**-**	**14**
Interest income	-	1	0	0	-	0	-	0	-	**1**	**-**	**1**	**-**
Employer contributions for the period	-	0	0	1	-	0	-	-	-	**1**	**-**	**1**	**4**
Employee contributions for the period	-	0	-	0	-	0	-	-	-	**1**	**-**	**1**	**1**
Benefits paid during the period	-	(1)	(0)	(0)	-	(1)	-	(1)	-	**(2)**	**-**	**(2)**	**(6)**
(Gains) losses on curtailments/settlements	-	-	-	-	-	(0)	-	-	-	**(0)**	**-**	**(0)**	**-**
Taxes and administrative expenses	-	-	-	-	-	(0)	-	-	-	**(0)**	**-**	**(0)**	**-**
Exchange differences	-	-	-	-	-	(0)	-	-	-	**(0)**	**-**	**(0)**	**0**
Fair value of plan assets at the end of the period	**-**	**44**	**5**	**13**	**-**	**10**	**-**	**30**	**-**	**102**	**-**	**102**	**101**

In millions of euros		Europe excluding France									Other benefits	Total June 2013	Total Dec. 2012 (*)
	France	Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total			
Unfunded obligation at the beginning of the	**26**	**(1)**	**7**	**4**	**1**	**4**	**4**	**43**	**5**	**94**	**22**	**115**	**84**
Expense for the period	**1**	0	0	0	0	0	0	(3)	**(1)**	**(2)**	**2**	**0**	**13**
Benefits paid during the period	**-**	-	(0)	-	(0)	(0)	(0)	(0)	**(0)**	**(1)**	**(1)**	**(2)**	**(5)**
Employer contributions for the period	**-**	(0)	(0)	(1)	-	(0)	-	-	**-**	**(1)**	**-**	**(1)**	**(4)**
Employee contributions for the period	**-**	-	-	-	-	0	-	-	**-**	**0**	**-**	**0**	**(0)**
Taxes and administrative expenses	**-**	-	-	-	-	(0)	-	(0)	**-**	**(0)**	**-**	**(0)**	**-**
Effect of changes in scope of consolidation	**0**	-	-	-	(0)	-	-	-	**-**	**0**	**0**	**0**	**(0)**
Exchange differences	**-**	-	-	-	(0)	(0)	-	-	**(0)**	**(0)**	**(0)**	**(1)**	**0**
Actuarial (gains)/losses recognised during the period	**-**	-	-	-	0	-	-	0	**-**	**0**	**0**	**0**	**27**
Transfers at beginning of period	**(0)**	-	-	0	-	-	-	0	**-**	**1**	**0**	**1**	**0**
Other	**-**	-	-	-	-	-	-	-	**(0)**	**(0)**	**0**	**(0)**	**(0)**
Reclassification of Onboard Train Services in "Assets held for sale"	**-**	-	-	-	-	-	0	-	**-**	**0**	**-**	**0**	**(0)**
Unfunded obligation at the end of the period	**26**	**0**	**7**	**4**	**1**	**3**	**4**	**41**	**4**	**90**	**22**	**112**	**115**
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	(0)	-	-	**(0)**	**-**	**(0)**	**(0)**
Adjustment to plan assets and plan surplus recognized in assets	-	-	-	-	-	-	-	-	-	**-**	**-**	**-**	**-**
Provision at the end of the period	**26**	**0**	**7**	**4**	**1**	**3**	**4**	**41**	**4**	**90**	**22**	**112**	**115**

In millions of euros		Europe excluding France									Other benefits	Total June 2013	Total Dec. 2012 (*)
	France	Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total			
Current service cost	1	0	0	0	0	0	-	3	0	**4**	**1**	**6**	**10**
Interest cost	0	-	0	0	0	0	0	1	0	**1**	**0**	**2**	**3**
(Gains) losses on curtailments/settlements	(0)	-	-	-	-	0	-	(6)	(1)	**(7)**	**(0)**	**(8)**	**(3)**
Others	-	-	-	-	-	(0)	-	(0)	-	**(0)**	**-**	**(0)**	**2**
Actuarial (gains)/losses recognised during the period for long-term employee benefits	-	-	-	-	-	-	-	-	-	**-**	**-**	**-**	**2**
Expense for the period	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**(3)**	**(1)**	**(2)**	**2**	**0**	**13**

In millions of euros		Europe excluding France									Other benefits	Total June 2013	Total Dec. 2012 (*)
	France	Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total			
Actuarial (gains) losses recognized in equity	**-**	**-**	**-**	**-**	**0**	**-**	**-**	**0**	**-**	**0**	**-**	**0**	**27**

(*) Adoption of the amendment to IAS 19 "Employee Benefits" from January 1, 2013 with retrospective application to all periods presented led to the immediate recognition in the opening balance sheet at January 1, 2012 of all unrecognized past service costs. The effect of this change of method was a €9 million reduction in provisions for pensions at December 31, 2012.

Reconciliation of provisions for pensions between January 1, 2012 and June 30, 2013

In millions of euros	Amount
Provision at January 1, 2012 (*)	**84**
Expense for the period	13
Benefits paid	(9)
Actuarial gains and losses recognized in equity	27
Changes in exchange rates	0
Other	0
Provision at December 31, 2012 (*)	**115**
Expense for the period	0
Benefits paid	(3)
Actuarial gains and losses recognized in equity	0
Changes in exchange rates	-
Other	(0)
Provision at June 30, 2013	**112**

(*) Adoption of the amendment to IAS 19 "Employee Benefits" from January 1, 2013 with retrospective application to all periods presented led to the immediate recognition in the opening balance sheet at January 1, 2012 of all unrecognized past service costs. The effect of this change of method was a €9 million reduction in provisions for pensions at January 1, 2012 and December 31, 2012.

Actuarial gains and losses related to changes in demographic and financial assumptions and experience adjustment

In millions of euros	June 2012	Dec. 2012	June 2013
Actuarial debt			
Actuarial gains and losses related to experience adjustment	-	4	-
Actuarial gains and losses related to changes in demographic assumptions	-	-	-
Actuarial gains and losses related to changes in financial assumptions	21	33	0
Fair value on assets			
Actuarial gains and losses related to experience adjustment	-	(10)	-

Detail of plan assets

Detail of plan assets	Netherlands	Germany	Belgium	Switzerland	Worldwide Structures
Shares	10%	15% - 25%	15% - 25%	23%	15% - 25%
Bonds	90%	75% - 80%	75% - 80%	44%	75% - 80%
Other	0%	0% - 5%	0% - 5%	33%	0% - 5%

Sensitivity analysis

At June 30, 2013, the sensitivity of provisions for pensions and other post-employment benefits to a change in discount rate is as follows: a 0.5-point increase in the discount rate would lead to a €9.0 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €10.4 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

At December 31, 2012, the sensitivity of provisions for pensions and other post-employment benefits to a change in discount rate is as follows: a 0.5-point increase in the discount rate would lead to a €10 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €11.2 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

Note 34. Reconciliation of Funds from Operations

In millions of euros	Dec. 2012	June 2012	June 2013
Net Profit, Group share	80	80	33
Minority interests	15	9	6
Depreciation, amortization and provision expense	327	163	171
Share of profit of associates, net of dividends received	(17)	(7)	4
Deferred tax	13	3	(14)
Change in financial provisions and provisions for losses on asset disposals	140	53	35
Impairment losses	-	-	59
Funds from operations from discontinued operations	(576)	(394)	2
FUNDS FROM OPERATIONS INCLUDING NON-RECURRING TRANSACTIONS	**(18)**	**(93)**	**296**
(Gains) losses on disposals of assets, net	(0)	(47)	(55)
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	137	56	54
Non-recurring items from discontinued activities	668	434	1
FUNDS FROM OPERATIONS EXCLUDING NON-RECURRING TRANSACTIONS	**786**	**350**	**296**

Note 35. Change in Working Capital

The change in working capital can be analyzed as follows:

In millions of euros	Dec. 2012	June 2013	Change
Inventories	47	48	1
Trade receivables	402	452	50
Other receivables and accruals	516	495	(21)
WORKING CAPITAL ITEMS - ASSETS	**965**	**995**	**30**
Trade payables	580	571	(9)
Other payables	1 142	965	(177)
WORKING CAPITAL ITEMS - LIABILITIES	**1 722**	**1 536**	**(186)**
WORKING CAPITAL	**757**	**541**	**(216)**

December 31, 2012 WORKING CAPITAL	**757**
Change in operating working capital	(13)
Change in operating working capital of discontinued operations	(3)
Change in non-operating working capital (1)	(185)
Working capital items included in assets disposals and assets reclassified as held for sale	(7)
Translation adjustment	(11)
Change in provisions	2
Reclassifications	1
NET CHANGE IN WORKING CAPITAL	**(216)**
June 30, 2013 WORKING CAPITAL	**541**

(1) This amount corresponds to the payment of “précompte” dividend withholding tax for €184.7 million (see Note 39).

Note 36. Renovation and Maintenance Expenditure

The amounts reported under "Renovation and maintenance expenditure" correspond to capitalized costs for maintaining or improving the quality of assets held by the Group at the beginning of each period (January 1) as a condition of their continuing operation. This caption does not include development expenditure corresponding to the property, plant and equipment and working capital of newly consolidated companies and the purchase or construction of new assets.

Renovation and maintenance expenditure breaks down as follows:

In millions of euros	**2012**	**June 2012**	**June 2013**
HOTELS	**287**	**93**	**79**
- Upscale and Midscale Hotels	161	55	49
- Economy	126	38	30
OTHER BUSINESSES	**12**	**2**	**2**
RENOVATION AND MAINTENANCE EXPENDITURE	**299**	**95**	**81**

In 2012 and at June 30, 2013, expenditure on existing assets included €39 million and €3 million respectively related to the ibis Megabrand project to overhaul the entire Economy brand line-up under the umbrella of the ibis brand (see Note 2.B.5).

Note 37. Development Expenditure

Development expenditure corresponds to the property, plant and equipment, and working capital of newly consolidated companies (in accordance with IAS 7 “Statement of cash flows”) and includes the purchase or construction of new assets and the exercise of call options under sale-and-leaseback transactions, as follows:

Development expenditure excluding discontinued operations

In millions of euros		France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other countries	Worldwide Structures (*)	June 2013	June 2012	2012
HOTELS		**9**	**62**	**11**	**1**	**6**	**-**	**89**	**269**	**639**
Upscale and Midscale Hotels	(1)	9	46	7	(3)	5	-	**64**	**220**	**511**
Economy Hotels	(2)	0	16	4	4	1	-	**25**	**49**	**128**
OTHER BUSINESSES		**-**	**3**	**-**	**-**	**-**	**1**	**4**	**5**	**37**
Total June 2013		**9**	**65**	**11**	**1**	**6**	**1**	**93**		
Total June 2012		**3**	**52**	**183**	**3**	**25**	**8**		**274**	
Total 2012		**47**	**283**	**227**	**69**	**38**	**12**			**676**

(*) “Worldwide Structures” corresponds to development expenditure that is not specific to a single geographic region.

(1) Including:

a. €27 million corresponding to the purchase of the freehold on the Canary Wharf Novotel in London.

b. Other amounts of less than €10 million each.

(2) Including:

a. €6 million for the development of ibis and ibis *budget* hotels in Berlin.

b. Other amounts of less than €3 million each.

Note 38. Segment Information

A. Chief operating decision maker

Accor's chief operating decision maker is Executive management, assisted by the Executive Committee. Executive management assesses the results and performance of each operating segment and makes resource allocation decisions.

B. Operating segments

1) Hotels

Considering the way in which:

a. The internal reporting system is organized (by country in Europe, by region in the rest of the world, i.e. Asia-Pacific, Latin America & Caribbean, North America, and Africa Middle East)
b. The chief operating decision-maker analyzes the Group's performance and results (by country in Europe, by region in the rest of the world, i.e. Asia-Pacific, Latin America & Caribbean, North America, and Africa Middle East)
c. The Group is organized and managed (by country in Europe, by region in the rest of the world, i.e. Asia-Pacific, Latin America & Caribbean, North America, and Africa Middle East)

based on the principles set out in IFRS 8, the Group's operating segments consist of geographical areas that can be broadly defined as:

- Countries in Europe, and
- Regions in the rest of the world.

Under IFRS 8, two or more operating segments may be aggregated into a single operating segment if they exhibit similar economic characteristics and are similar in respect of the nature of their products and services and the type or class of customer they have for their products and services, but also in respect of the methods used to distribute their products or provide their services. Therefore, following an analysis of each of its operating segments, the Group has aggregated all of the European countries except for France in the "Rest of Europe" segment. France, where the entity's headquarters are located, is treated as a separate segment.

The other operating segments correspond to the following regions:

- Asia-Pacific, corresponding to the Asia Oceania region
- Latin America & Caribbean, corresponding to the Latin America & Caribbean region
- Other Countries, corresponding to the North America region and the Africa Middle East region

To improve the quality of its disclosures, the Group has decided to continue publishing segment information for the following three hotel sub-segments:

- Upscale and Midscale hotels, comprising the Sofitel, Pullman, MGallery, Novotel, Suite Novotel, Mercure and Adagio brands.
- Economy hotels, comprising the ibis, ibis Styles, ibis *budget*, Adagio Access, Formule 1 and HotelF1 brands.
- Economy hotels in the United States, comprising the Motel 6 and Studio 6 brands. During 2012, the business was being sold and was therefore no longer included in the Group's segment reporting (see Note 2.A.1.1).

2) Other businesses

Other businesses, which are not material compared with the hotel business, include the Group's corporate departments and the casinos business. These are presented as part of the 'Other' segment.

C. Segment information

For each of the segments presented, management monitors the following indicators:

- Revenue
- EBITDAR
- Rents
- EBIT

No balance sheet information by segment is reported to the chief operating decision maker.

The above indicators are presented by operating segment in the following notes:

- Note 3 for revenue.
- Note 5 for EBITDAR.
- Note 6 for rents.
- Note 9 for EBIT.

Note that the Group's revenue is derived from a very large number of transactions, of which less than 10% involve a single external customer.

For information, revenue in Germany amounted to €394 million at June 30, 2013 and to €409 million at June 30, 2012.

Total assets break down as follows:

At June 30, 2013 **In millions of euros**	**Hotels**	**Other Businesses**	**Total consolidated**
Goodwill	754	-	754
Intangible assets	268	3	271
Property, plant and equipment	2 328	86	2 414
Non-current financial assets	*560*	*44*	*604*
Deferred tax assets	116	29	145
Total non-current assets	*4 026*	*162*	*4 188*
Total current assets	*1 396*	*1 543*	*2 939*
Assets held for sale	122	36	158
TOTAL ASSETS	**5 544**	**1 741**	**7 285**
Shareholders' Equity & Minority Interests	4 564	(1 830)	2 734
Total non-current liabilities	*377*	*1 584*	*1 961*
Total current liabilities	*588*	*1 961*	*2 549*
Liabilities associated to assets classified as held for sale	15	26	41
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5 544**	**1 741**	**7 285**

At December 31, 2012 **In millions of euros**	**Hotels**	**Other Businesses**	**Total consolidated**
TOTAL ASSETS	**5 804**	**1 756**	**7 560**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5 804**	**1 756**	**7 560**

At June 30, 2013 In millions of euros	Up and Midscale Hotels	Economy Hotels	Total Hotels
Goodwill	687	67	754
Intangible assets	221	47	268
Property, plant and equipment	1 289	1 039	2 328
Non-current financial assets	511	49	560
Deferred tax assets	106	10	116
Total non-current assets	*2 814*	*1 212*	*4 026*
Total current assets	*1 040*	*356*	*1 396*
Assets held for sale	82	40	122
TOTAL ASSETS	**3 936**	**1 608**	**5 544**
Shareholders' Equity & Minority Interests	3 681	883	4 564
Total non-current liabilities	*276*	*101*	*377*
Total current liabilities	*(21)*	*609*	*588*
Liabilities associated to assets classified as held for sale	0	15	15
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3 936**	**1 608**	**5 544**

At December 31, 2012 In millions of euros	Up and Midscale	Economy Hotels	Total Hotels
TOTAL ASSETS	**4 181**	**1 623**	**5 804**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4 181**	**1 623**	**5 804**

At June 30, 2013 In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Worldwide Structures	Other countries	Total
Goodwill	183	203	237	104	-	27	754
Intangible assets	9	106	73	40	41	2	271
Property, plant and equipment	590	1 174	225	227	35	163	2 414
Non-current financial assets	66	63	296	73	25	81	604
Total non-current assets excluding deferred tax assets	*848*	*1 546*	*831*	*444*	*101*	*273*	*4 043*
Deferred tax assets	30	51	8	21	34	1	145
Other assets	*495*	*482*	*276*	*118*	*1 591*	*135*	*3 097*
TOTAL ASSETS	**1 373**	**2 079**	**1 115**	**583**	**1 726**	**409**	**7 285**

At December 31, 2012 In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Worldwide Structures	Other countries	Total
Goodwill	188	207	258	160	-	27	840
Intangible assets	10	113	81	21	37	2	264
Property, plant and equipment	691	1 232	266	191	38	174	2 592
Non-current financial assets	61	56	328	81	25	81	632
Total non-current assets excluding deferred tax assets	*950*	*1 608*	*933*	*453*	*100*	*284*	*4 328*
Other assets	*479*	*458*	*267*	*108*	*1 617*	*152*	*3 081*
TOTAL ASSETS	**1 462**	**2 123**	**1 212**	**583**	**1 743**	**437**	**7 560**

For information, total non-current assets (excluding deferred tax assets) in Germany amounted to €325 million at June 30, 2013 and to €331 million at December 31, 2012.

Note 39. Claims and litigation

CIWLT tax audit

A tax audit was carried out on the permanent branch in France of Compagnie Internationale des Wagons Lits et du Tourisme (CIWLT), a Belgian company that is 99.78%-owned by Accor SA. Following the audit for the years 1998 to 2002 and 2003, the French tax authorities concluded that CIWLT's seat of management was located in France not in Belgium.

Accordingly, the French tax authorities added back CIWLT's profits in Belgium for the purpose of calculating income tax payable in France. The resulting reassessments, for a total of €263 million including late interest, had been contested by CIWLT, on the basis of the notice received from the Belgian tax authorities confirming that its seat of management was in Belgium.

CIWLT subsequently asked the Cergy Pontoise Administrative Court to rule on the contested reassessments. On December 12, 2008 and May 12, 2011, the court found against CIWLT concerning the reassessments for the years 1998 to 2002 and the year 2003. CIWLT decided to appeal these rulings before the Versailles Administrative Court of Appeal on February 10, 2009 and on July 11, 2011 respectively.

Under French law, collection of the tax deficiencies is not suspended while the appeal is being heard. For the years 1998 to 2002, €242.5 million was paid at the end of February 2009. The tax deficiencies and penalties for 2003, in an amount of €17.5 million, were paid in July 2011, while the estimated €2.7 million in late interest was paid in August 2011. They were recognized as an asset in the balance sheet (see Note 24.2).

For the years 1998 to 2002, on February 1, 2011, the reporting judge read out his conclusions and stated that he did not support CIWLT's case.

In a ruling handed down on March 15, 2011, the Versailles Administrative Court of Appeal found against CIWLT for the period 1998 to 2002. To appeal the ruling, CIWLT filed a summary motion to institute proceedings with the French Supreme Court of Appeal (Conseil d'Etat) on May 12, 2011, followed by a supplementary brief on August 10, 2011. As regards 2003, the appeal has not yet been heard by the Versailles Administrative Court of Appeal.

In light of these unfavorable developments, the tax receivable recognized as an asset in the balance sheet at December 31, 2010 was written down by €242.5 million in 2010 (see Note 24.2) and an additional provision of approximately €20.6 million was set aside, corresponding to the tax deficiency for 2003 and estimated late interest up to December 31, 2010. Following payment of the tax deficiency in July and August 2011, a tax receivable was recognized as an asset in the balance sheet in an amount of €20.2 million. The asset was immediately written down in full by transferring the same amount from the existing €20.6 million provision, of which the remainder, i.e. €0.4 million, was reversed.

Based on the reporting judge's conclusions, on December 28, 2012 the Supreme Court of Appeal issued a ruling rejecting CIWLT's application to appeal the Versailles Court's ruling.

This decision meant that the €242.5 million tax reassessment became final. However, this had no impact on CIWLT's income statement because the tax receivable was already written down in full. In CIWLT's 2012 financial statements, the €242.5 million tax receivable was written off and the corresponding provision was reversed (see Note 24.2). These accounting entries had no adverse effect on the company's cash position, as the tax had been paid in February 2009.

In a ruling handed down on May 21, 2013, the Versailles Administrative Court of Appeal also found against CIWLT for the year 2003. CIWLT appealed this ruling before the French Supreme Court of Appeal (Conseil d'Etat) in August 2013.

Dividend withholding tax (précompte)

In 2002, Accor mounted a legal challenge to its obligation to pay "précompte" dividend withholding tax on the redistribution of European source dividends.

Until 2004, French parent companies were entitled to a 50% tax credit on dividends received from French subsidiaries, which could be set off against the "précompte" dividend withholding tax. However, no tax credit was attached to European source dividends.

Accor contested this rule, on the grounds that it breached European Union rules.

In the dispute between Accor and the French State, on December 21, 2006 the Versailles Administrative Court ruled that Accor was entitled to a refund of the "précompte" dividend withholding tax paid in the period 1999 to 2001, in the amount of €156 million. The amount of €156 million was refunded to Accor during the first-half of 2007, together with €36.4 million in late interest due by the French State.

However, on March 8, 2007, the French State appealed the ruling before the Versailles Administrative Court of Appeal. The French State's appeal was rejected on May 20, 2008.

As the State had not yet exhausted all avenues of appeal, a liability was recognized for the amounts received (see Note 24.3) and the financial impact of the rulings by the Versailles Administrative Court and Court of Appeal was not recognized in the financial statements.

On July 3, 2009, the French Supreme Court of Appeal announced that it would postpone ruling on the French State's appeal and on August 4, 2009, it applied to the Court of Justice of the European Communities (ECJ) for a preliminary ruling on this issue.

After reviewing the matter, the ECJ's final ruling was handed down on September 15, 2011. In this ruling, the ECJ held that the French précompte/tax credit system restricts the freedom of establishment and free movement of capital.

During 2011 and 2012, Accor and the tax authorities submitted various briefs to the Supreme Court of Appeal and Accor produced documentary evidence of the EU source dividends and of the tax paid by its European subsidiaries on the distributed amount.

On November 21, 2012, the Supreme Court of Appeal met to review the reporting judge's conclusions. In summary, the reporting judge considered that the dividend tax credit and "précompte" dividend withholding tax systems had been shown to be incompatible. However, he also considered that the amount to be refunded was subject to strict rules which, to all intents and purposes, restricted Accor's right to a refund.

On December 10, 2012, the Supreme Court of Appeal handed down a ruling closely aligned with the reporting judge's conclusions, according to which Accor was entitled to €6.3 million of the €156 million already refunded. In addition to the €149.7 million to be returned to the French State, Accor was also required to repay the late interest received in 2007, amounting to approximately €36.4 million, less the portion related to the retained refund of €6.3 million. In all, €184.7 million in principal and interest was repaid to the French State during first-half 2013.

In the 2012 financial statements, the €6.3 million "précompte" dividend withholding tax refunded to Accor and not repayable to the French State has been credited to a reserve account (see Changes in Consolidated Shareholders' Equity). The estimated €1.4 million in late interest received on this amount was considered as offsetting the early payment of tax, and was therefore recorded as a tax benefit in the income statement. The total amount repaid to the French State, representing approximately €184.7 million, led to an increase in net debt of the same amount.

Accor has noted the Supreme Court of Appeal's decision and intends to continue to use the avenues available to it to defend its position in the dispute with the French tax authorities.

On February 7, 2007, Accor filed an application originating proceedings before the Cergy Pontoise Adminstrative Court on the same grounds, to obtain a refund of the €187 million in "précompte" dividend withholding tax paid in the period 2002 to 2004. There were no developments concerning this matter in the first half of 2013.

Tax dispute in Italy

In October 2011, the Italian tax authorities notified several Accor and Edenred subsidiaries of a €27.4 million tax reassessment concerning registration duties. The reassessment is based on the requalification as the sale of a business subject to registration duty of a number of transactions carried out as part of the reorganization of Accor's Services division in Italy between 2006 and 2010.

The Accor and Edenred companies concerned wrote to the Italian authorities on December 16, 2011 contesting the reassessments.

The reassessment notices required settlement of the tax deficiencies within 60 days and the companies concerned therefore paid the amounts claimed on December 16, 2011. The cost was shared equally between Accor and Edenred pursuant to an agreement assigning the risk and any resulting costs to the two parties on a 50/50 basis.

The companies believe that the tax reassessment is without merit and, after consulting with their legal and tax advisors, consider that their challenges have a reasonable chance of success. No related impact was recorded in Accor's 2011 consolidated income statements. There were no developments concerning this matter in the first-half of 2013.

Other claims and litigation

In the normal course of its business, the Group is exposed to claims, litigations and proceedings that may be in progress, pending or threatened. The Company believes that these claims, litigations and proceedings have not and will not give rise to any material costs at Group level and have not and will not have a material adverse effect on the Group's financial position, business and/or results of operations.

Note 40. Off-Balance Sheet Commitments at June 30, 2013

Note 40.1 Off-balance sheet commitments given

Off-balance sheet commitments (not discounted) given at June 30, 2013 break down as follows:

In millions of euros		Less than 1 year	1 to 5 years	Beyond 5 years	June 30, 2013	31 Dec. 2012	June 30, 2012
Security interests given on assets	(1)	**5**	**51**	**63**	**119**	**136**	**150**
Purchase commitments	(2)	**58**	**15**	**-**	**73**	**84**	59
. Renovation commitment in Germany	(3)	3	32	-	35	15	17
. Renovation commitment in the Netherlands	(4)	11	9	-	20	25	21
. Renovation commitment in Switzerland	(5)	6	6	-	12	14	-
. Renovation commitment in Poland	(6)	3	-	-	3	7	9
. Other renovation commitments	(7)	14	15	10	39	40	47
Capex Commitments		**37**	**62**	**10**	**109**	**101**	**94**
Loan guarantees given		**0**	**21**	**7**	**28**	**25**	**55**
Commitments given in the normal course of business		**11**	**27**	**22**	**60**	**62**	**51**
Contingent liabilities		**1**	**3**	**-**	**4**	**7**	**8**
Total June 30, 2013 (*)		**112**	**179**	**102**	**393**		
Total December 31, 2012		**77**	**223**	**115**		**415**	
Total June 30, 2012		**118**	**147**	**151**			**417**

(*) In line with IFRS 5, off-balance sheet commitments given by the Onboard Train Services business are not presented in this note. Off-balance sheet commitments given by the Onboard Train Services business amounted to €6 million at June 30, 2013.

(1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets.

a. Repayment guarantees for mortgage loans from Crédit Populaire d'Algérie. The mortgages amount to €31 million and concern land, buildings and fixtures for the ibis Bab Ezzouar, ibis Oran, ibis Tlemcen and ibis/Novotel Constantine projects.

b. The Sofitel Bel Ombre hotel assets (€16 million at December 31, 2012) were given as collateral for a loan used to finance 50% of the hotel's construction cost.

(2) In connection with property development projects:

a. Accor is committed to carrying out €47 million worth of renovation work on the Pullman Paris Tour Eiffel in its capacity as developer. As of June 30, 2013, the remaining work amounted to €32 million (see Note 2.A.2.2).

b. Accor is committed to carrying out €25 million worth of renovation work on the Sofitel Arc de Triomphe in its capacity as developer. As of June 30, 2013, the remaining work amounted to €7 million.

(3) In connection with development plans in Germany, commitments to carry out work mainly concerned renovation of the ibis and Novotel Arnulfstrasse (€29 million), the Mercure Frankfurt Residenz (€2 million) and the MGallery Köln Mondial (€2 million) that began in late 2012.

(4) In the Netherlands, in 2012, Accor was committed to financing construction of the Suite Novotel Den Haag for €13 million, construction of the ibis Rotterdam Center for €8.5 million, construction of the ibis *budget* Zaandam for €4 million and renovation works of the MGallery Covent for €3 million.
Commitments for work in progress in the Netherlands as of June 30, 2013 amounted to €20 million of which €8 million for the Suite Novotel Den Haag and €6 million for the ibis Rotterdam Center.

(5) In connection with development plans in Switzerland, commitments to carry out work concerned construction of the ibis *budget* Glattbrugg (€12 million) that began in late 2012.

(6) In connection with development plans in Poland, Accor agreed to finance mainly renovation work on the Sofitel Victoria Warszawa for €1 million and on several Novotel units for €1 million.

(7) Other commitments mainly include €25 million in committed capital expenditure on Australian hotels.

Most sale and leaseback contracts include a commitment by the Group to spend a specified amount on hotel maintenance, generally expressed as a percentage of revenue. These commitments are not included in the above table due to the difficulty of estimating the amounts involved.

To the best of the Group's knowledge and in accordance with generally accepted accounting principles, no commitments given have been omitted from the above list.

Note 40.2 Off-balance sheet commitments received

Off-balance sheet commitments (not discounted) received at June 30, 2013 break down as follows:

In millions of euros		Less than 1 year	1 to 5 years	Beyond 5 years	June 30, 2013	Dec. 31, 2012	June 30, 2012
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment	(1)	1	31	-	**32**	**47**	**11**
Irrevocable commitments received for the purchase of financial assets	(2)	2	-	18	**20**	**20**	**16**
Purchase commitments received		**3**	**31**	**18**	**52**	**67**	**27**
Sellers' warranties received		0	1	-	**1**	**1**	**1**
Other guarantees received in the normal course of business	(3) + (4) + (5) + (6)	19	16	-	**35**	**43**	**68**
Other commitments and guarantees received		**19**	**17**	**-**	**36**	**44**	**69**
Total June 30, 2013 (*)		**22**	**48**	**18**	**88**		
Total December 31, 2012		**32**	**61**	**18**		**111**	
Total June 30, 2012		**46**	**34**	**16**			**96**

(*) In line with IFRS 5, off-balance sheet commitments received by the Onboard Train Services business are not presented in this note. Off-balance sheet commitments received by the Onboard Train Services business amounted to €1 million at June 30, 2013.

(1) In connection with irrevocable commitments received for the purchase of intangible assets and property, plant and equipment :
   a. In connection with the Pullman Paris Tour Eiffel sale-and-management back transaction in 2012 (see Note 2.A.2.2), Accor is committed to carrying out renovation work on the hotel in its capacity as developer. The investor is committed to paying €47 million for these renovations. As of December 31, 2012, the remaining amount due by the investor stood at €41 million. As of June 30, 2013, the remaining amount due by the investor stood at €31 million.
   b. In connection with the Sofitel Arc de Triomphe sale-and-management back transaction in 2011, Accor is committed to carrying out renovation work on the hotel in its capacity as developer. The investor is committed to paying €25 million for these renovations. As of December 31, 2012, the remaining amount due by the investor stood at €6 million. As of June 30, 2013, the remaining amount due by the investor stood at €1 million.

(2) Under the sale-and-management-back transaction concerning the Sofitel The Grand in Amsterdam with Société Hôtelière Paris Les Halles (SHPH), Accor has an option to sell its 40% interest in this hotel to SHPH for €15 million in the event that SHPH decides not to renew the 25-year management agreement.

(3) In connection with two properties transactions between Accor and Foncière des Murs in 2005 and 2006 (see Note 2.A.2.1), Foncière des Murs, in an addendum signed in 2010, agreed to finance an additional €39 million work program over the period to end-2014. At the end of December 2011, a new addendum has been signed, raising the total work program to €49 million.
As of December 31, 2012, the remaining work amounted to €21 million. As of June 30, 2013, the remaining work amounted to €15 million.

(4) In connection with the sale-and-variable leaseback transactions in France, Belgium and Germany in 2010-2011 (see Note 2.A.2.1), Predica and Foncière des Murs agreed to finance €31 million worth of renovation work. As of June 30, 2013, the remaining work amounted to €1 million.

(5) In connection with the early-2011 takeover of the Pullman Paris Montparnasse (ex Méridien Montparnasse), the lessor (Lehwood Montparnasse) agreed to finance a program of renovation work. Lehwood Montparnasse's commitment amounted to €18 million. As of June 30, 2013, the remaining work to be financed by Lehwood Montparnasse represented less than €0.5 million.

(6) Other commitments received consist mainly of guarantees related to an MGallery hotel in the Netherlands for €6 million.

Purchase options under finance leases are not included in this table.

Note 41. Main Consolidated Companies at June 30, 2013

The main subsidiaries and associates represent 97% of consolidated revenue, 94% of EBITDAR and 88% of EBIT. The many other subsidiaries and associates represent individually less than 0.11% of consolidated revenue, EBITDAR and EBIT.

IG : fully consolidated
IP : consolidated using the proportional method
MEE : accounted for by the equity method
The percentages correspond to the Group's percentage interest

ACCOR SA

HOSPITALITY

France			
Académie Accor	France	IG	100,00%
Accor Afrique	France	IG	100,00%
Adagio	France	IP	50,00%
All Seasons Hôtels	France	IG	100,00%
Devimco	France	IG	100,00%
Compagnie Etap hôtels Roissy	France	IG	96,00%
Ecotel	France	IG	99,45%
Etap Hôtels	France	IG	96,00%
Exhotel	France	IG	100,00%
Hôtel de Porticcio	France	IG	100,00%
Ibis Styles Hôtels	France	IG	100,00%
Mer & Montagne	France	IG	100,00%
Paris Clichy	France	IG	100,00%
Paris Porte de Saint-Cloud	France	IG	100,00%
Pradotel	France	IG	100,00%
Pro-Fid	France	IG	100,00%
Société Hôtelière Défense Grande Arche	France	IG	100,00%
SHNM	France	IG	100,00%
SIGEST	France	IG	100,00%
SNC Exploitation Hôtels Suitehotels	France	IG	100,00%
SNC NMP France	France	IG	100,00%
Société Commerciale des Hôtels Economiques	France	IG	99,96%
Société de Management Intermarques	France	IG	100,00%
Société d'Etude et de Promotion Hôtelière Internationale	France	IG	100,00%
Société Hôtelière de Montparnasse	France	IG	100,00%
Hotexco	France	IG	100,00%
Société Hôtelière Toulouse Centre	France	IG	51,44%
Sofitel Luxury Hôtels France	France	IG	100,00%
SOGECA	France	IG	100,00%
SoLuxury HMC	France	IG	100,00%
Société Parisienne des Hôtels Economiques	France	IG	100,00%
Société d'exploitation Hôtel Monegasque	France	IG	100,00%
Société d'Hôtelerie et d'Exploitation Marseillaise	France	IG	100,00%
Société Hôtelière 61 quai de Grenelle	France	IG	100,00%
Société Hôtelière Paris Eiffel Suffren	France	IG	75,00%
Société Hôtelière Paris Les Halles	France	MEE	31,19%
Société de la Porte de Montreuil	France	IG	99,96%
Thalamer	France	IG	100,00%
WBA Saint-Honoré	France	IG (***)	100,00%

Rest of Europe			
Accor Gestion Hôteliere & Services	Switzerland	IG	100,00%
Accor Hospitality Germany GMBH	Germany	IG	100,00%
Accor Hospitality Italia	Italy	IG	100,00%
Accor Hospitality Nederland	The Netherland	IG	100,00%
The Grand Real Estate	The Netherland	MEE	58,71% (**)
Accor Hotelbetriebs GMBH	Austria	IG	100,00%
Accor Hoteles Espana	Spain	IG	100,00%
Accor Hotels Belgium	Belgium	IG	100,00%
Accor Hotels Romania	Romania	IG	100,00%
Pannonia Hotels ZRT	Hungary	IG	99,94%
Accor UK Business & Leisure	United Kingdom	IG	100,00%
Accor UK Economy Hotels	United Kingdom	IG	100,00%
Saint James Hotel	United Kingdom	MEE	51,83% (**)
Berne Messe	Switzerland	IG	60,00%
Hekon-Hotele Ekonomiczne	Poland	IG	52,69%
Katerinska Hotels	Czech Republic	IG	100,00%
Orbis	Poland	IG	52,69%
Pannonia Hotelbetriebs	Austria	IG	99,94%
Portis	Portugal	IG	100,00%
Russian Management Hotel Comany LLC	Russia	IG	100,00%
Société d'exploitation hôtelière	Switzerland	IG	99,78%
Upsite Investimentos Hoteleiros	Portugal	IG	100,00%

Asia Pacific			
Accor Asia Pacific Corp	Asia/Australia	IG	100,00%
Accor Australia and New Zealand Hospitality	Australia/New Zealand	IG	100,00%
AAPC India Hotel Management Private	India	IG	70,00%
Safari club	French Polynesia	IG	100,00%

Latin America/Caribbean			
Accor Chile	Chile	IG	100,00%
Accor Hospitality Arg	Argentina	IG	100,00%
Caesar Park Argentina	Argentina	IG	100,00%
Hotelaria Accor Brasil	Brazil	IG	100,00%
Posadas Do Brasil	Brazil	IG	100,00%
SI Hotelera de Mexico	Mexico	IG	100,00%
Sociedad de desarollo de hoteles peruanos (SDHP)	Peru	IG	100,00%

Other Countries			
Accor Business And Leisure North America	USA	IG	100,00%
Accor Canada	Canada	IG	100,00%
Accor Gestion Maroc	Marocco	IG	77,94%
Accor Hôtel SAE	Egypt	IG	99,77%
RISMA	Marocco	MEE	33,21%
Hotel Union Pullman	Senegal	IG	100,00%
Premier Lodge	South Africa	IG	100,00%
Saudi Franch Company Hotel MGT	Saudi Arabia	IG	99,98%
Société Abidjannaise Hôtelière	Ivory Coast	IG	99,99%
Société Hôtelière Barachois	Senegal	IG	90,58%
Société immobilière d'exploitation algérienne	Algeria	IP	50,00%
Société Hôteliere La Lagune	Ivory Coast	IG	100,00%
Société Togolaise d'investissement et d'exploitation hôtelière	Togo	IG	100,00%
Tamaris Turizm Try	Turkey	IG	100,00%

(**) For these entities, the percentage shown corresponds to Accor's direct interest plus the interest held indirectly through Société Hôtelière Paris Les Halles which owns 60% of the Grand Real Estate and 70% of Saint James Hotel.

(***) Company sold on March, 28 2013

OTHER SERVICES

Soc. d'Exploitation des Résidences Hôtelières Rail	France	IP	50,00%
Compagnie Internationale des Wagons Lits & du Tourisme (*) - Belgium			
Treno (*)	Italy	Asset held for sale	99,78%

(*) These entities are not held directly by Accor SA, except for Compagnie Internationale des Wagons Lits & du Tourisme

Note 42. Additional Information about Jointly-controlled Entities

In millions of euros	Current assets	Non-current assets	Current liabilities	Non-current liabilities (excluding shareholders' equity and minority interests)	Revenue for the Group	Costs for the Group
Reef Casinos	6	28	(9)	43	11	(10)
Adagio	16	12	26	2	13	(12)
Société d'Exploitation des Résidences Hôtelières Rail	9	0	7	2	22	(20)
Société Immobilière d'Exploitation Hôtelière Algérienne	8	16	4	20	6	(5)
Ibis Colombie	0	5	1	4	1	(1)
Blaha (Nemzeti hotel)	0	(1)	0	(1)	0	(0)

The above figures correspond to Group share.

Accor has not incurred any material contingent liabilities or entered into any binding capital commitments in relation to these investments.

Note 43. Related Party Transactions

For the purpose of applying IAS 24, the Group has identified the following related parties:

- All fully and proportionately consolidated companies and all associated companies accounted for by the equity method;
- All members of the Executive Committee and the Board of Directors and the members of their direct families;
- All companies in which a member of the Executive Committee or the Board of Directors holds material voting rights;
- Companies that exercises significant influence over Accor;
- Fully or proportionately consolidated companies by a company that exercise significant influence over Accor.

✓ **Fully and proportionately consolidated companies and all associated companies accounted for by the equity method.**

Relationships between the parent company and its subsidiaries, joint ventures and associates are presented in Note 41. Transactions between the parent company and its subsidiaries – which constitute related party transactions – are eliminated in consolidation and are therefore not disclosed in these notes. Transactions between the parent company and its joint ventures and associates were not material in 2012 and 2013.

✓ **Members of the Executive Committee and the Board of Directors**

Transactions with members of the Executive Committee and Board of Directors are disclosed in full in Note 44. Commitments towards members of the Executive Committee and the Board of Directors, and direct or indirect agreements with one or several Board members are described in the Auditors' special report on related party agreements included in Section III of the 2012 Registration Document.

✓ **Companies in which a member of the Executive Committee or the Board of Directors holds material voting rights.**

All transactions with companies in which a member of the Executive Committee or the Board of Directors holds material voting rights are conducted in the course of business on arm's length terms and are not material.

✓ **Companies that exercises significant influence over Accor**

Colony Capital and Eurazeo, acting in concert, together exercise significant influence over Accor through their shareholders' pact (see Note 2.C). Transactions between the parent company and Eurazeo and Colony Capital were not material in 2012 and 2013.

Note 44. Corporate Officers' Compensation

In millions of euros	2012		June 2012		June 2013	
	Charges	Montant au bilan	Expenses	Balance sheet amount	Expenses	Balance sheet amount
Short-term benefits received	7	4	3	3	4	2
Post-employment benefits	3	17	1	6	2	14
Other long-term benefits	-	-	-	-	-	-
Compensation for loss of office	-	-	-	-	6	1
Share-based payments	3	-	2	-	1	-
Rémunération globale	**13**	**21**	**6**	**9**	**13**	**17**

Corporate officers are defined as members of the Executive Committee and the Board of Directors.

Compensation only concerned the members of the Executive Committee, which currently has seven members at June 30, 2013.

Members of the Board of Directors do not receive any compensation and receive only attendance fees. Directors' fees paid in 2013 by the Group to the members of the Supervisory Board for year 2012 amounted to €550,720.

Note 45. Fees Paid to the Auditors

The table below shows the total fees billed by the Auditors recognized in the income statements in 2013 and prior year.

In millions of euros	2012 (*)	June 2012 (*)	June 2013
Statutory and contractual audit fees	(8)	(5)	(4)
Fees for audit-related services	(2)	(0)	(0)
Total fees billed by the Auditors	**(10)**	**(5)**	**(4)**

(*) The fees paid by companies reclassified as discontinued operations according to IFRS 5 are included in this chart.

Note 46. Subsequent Events

Sébastien Bazin appointed as Chairman and CEO

On August 27, 2013, the Board of Directors of Accor has appointed Sébastien Bazin as Chairman and CEO. Philippe Citerne has been appointed as Vice-Chairman of Accor's Board of Directors.

Auditors' Report on the Interim Financial Information

DELOITTE & ASSOCIES
185 avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex

ERNST & YOUNG ET AUTRES
1/2 place des Saisons
92400 Courbevoie – Paris-La Défense 1

Commissaires aux Comptes
Membres de la Compagnie
Régionale de Versailles

ACCOR S.A.

Auditor's Report on the Half-year Financial Information

Six months period ended June 30, 2013

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*"Code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying half-year consolidated financial statements of ACCOR, for the six months ended June 30, 2013 ;

- the verification of the information contained in the half-year management report.

These half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of half-year financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-year consolidated financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the Group as at June 30, 2013 and of the results of its operations for the period then ended in accordance with IFRSs as adopted by the European Union.

II. Specific verification

We have also verified the information given in the half-year management report on the half-year consolidated financial statements subject to our review.
We have no matters to report as to its fair presentation and consistency with the half-year consolidated financial statements.

Neuilly-sur-Seine ans Paris-La Défense, August 27, 2013

The statutory auditors

French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG ET AUTRES
Pascale CHASTAING-DOBLIN	Jacques PIERRES

Statement by the Person Responsible for the Interim Financial Report

Statement by the Person Responsible for the 2013 Interim Financial Report

I hereby declare that, to the best of my knowledge, the consolidated financial statements have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of all the companies within the consolidation taken as a whole and that the interim management report includes a fair review of the material events that occurred in the first six months of the financial year and their impact on the interim accounts, a description of the principal risks and uncertainties for the remaining six months of the year and the main related-party transactions.

Paris - August 26, 2013

Yann Caillère
President and Chief Operating Officer