ACCOR

Société Anonyme au capital de 659 683 569 euros
Siège social : 2, rue de la Mare-Neuve – 91021 Évry cedex
602 036 444 RCS Évry

UPDATE TO THE 2009
REGISTRATION DOCUMENT

The original French version of this translated document was filed with the *Autorité des Marchés Financiers* on may 18, 2010 under number D.10-0201-A01 in accordance with article 212-13-4° of the General Regulations of the *Autorité des Marchés Financiers*. It updates the Registration Document filed with the *Autorité des Marchés Financiers* on April 1, 2010 under no. D.10-0201. The Registration Document and its update may be used in connection with a financial transaction in conjunction with an Information Memorandum approved by the *Autorité des Marchés Financiers*. This update to the Registration Document is the responsibility of the persons who signed it.

1 Corporate Presentation 3

1.3.	Financial highlights	4
1.5.	Strategic vision and outlook	5
1.6.	Human Resources	13
1.7.	Environmental Report	16

2 Corporate Governance 17

2.1.	Administrative, management, and supervisory bodies	18
2.2.	Interests and Compensation	19
2.3.	Risk Management	23

3 Financial Review 27

3.1.	Financial Review	28
3.4.	Significant events of early 2010	34

4 Pro forma Financial Statements 57

Statutory auditors' report on the Pro forma financial statements	58
Pro forma financial statements and notes	59

5 Capital and Ownership Structure 171

5.2.	Share capital	172
5.3.	Ownership Structure	173
5.4.	The Market for Accor Securities	175

7 Other Information 177

7.1.	Investor Relations and Documents Available to the Public	178
7.2.	Person Responsible for the Registration Document and the Audit of the Accounts	179
7.5.	Annual Information Document	180
7.6.	Cross-Reference Table with EC Regulation 809/2004	181
7.7.	Cross-Reference Table with the Annual Financial Report	183

APPENDIX A - Report of the statutory appraisers on the consideration offered for the contribution 186

APPENDIX B - Report of the statutory appraisers on the value of the contribution 195

UPDATE TO THE 2009
REGISTRATION DOCUMENT

In light of the proposed demerger of Accor's two core businesses(*), Hotels and Services, the Registration Document filed with the *Autorité des Marchés Financiers* on April 1, 2010 under number D.10-0201 has been updated. The following chapters update the corresponding chapters in the Registration Document. Only sections that have changed have been updated.

In the pages below, "Accor Group" refers to the Hotels business and the Other Businesses segment

(*) The completion of the Transaction is subject to the satisfaction of the several conditions presented in the section 3.4.1.1.2 of this document, in which the approval by extraordinary resolution of the Combined General Meeting of Shareholders of Accor of the Contribution Agreement and of the Transaction described therein.

1 Corporate Presentation

1.3. Financial highlights 4

1.5. Strategic vision and outlook 5

1.5.1. Demerging the hotels and services businesses: context and background 5

1.5.2. Strategic vision 5

1.5.3. Outlook 11

1.6. Human Resources 13

1.6.1. Key figures 13

1.7. Environmental Report 16

Environmental policy organization 16

1.3. Financial highlights

In compliance with European Commission Regulation 1606/2002 of the European Parliament and of the Council dated July 19, 2002 and European Commission Regulation 1725/2003 dated September 29, 2003, the Accor Group consolidated financial statements have been prepared, as from January 1, 2005, in accordance with the International Financial Reporting Standards (IFRSs), as published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The following financial highlights have been taken directly from the Pro forma consolidated financial statements for the years ending December 31, 2008 and 2009. The main Pro forma adjustments are presented in detail on page 61. The Pro formas were prepared to show the impact that the demerger of Accor Hospitality and Accor Services would have had on the consolidated financial statements had the transaction been completed as of January 1, 2008 (see Section 3.4.1 of this document for description of the demerger and the demerger process).

Consolidated financial highlights

(in € millions)	**2008 (1)**	**2009**	**2008 Pro forma (2)**	**2009 Pro forma (2)**
Operating revenue	7,722	7,065	6,776	6,163
EBITDAR	2,290	1,976	1,872	1,590
Operating profit before tax and non-recurring items	875	448	566	180
Net profit/(loss)	613	(265)	415	(250)
Net profit/(loss)attributable to shareholders	575	(282)	401	(262)

Per share data

(in € millions)	**2008 (1)**	**2009**	**2008 pro forma (2)**	**2009 Pro forma (2)**
Earnings/(loss) per share	2.60	(1.27)	1.81	(1.18)
Diluted earnings/(loss) per share	2.59	(1.26)	1.81	(1.18)

Total assets

(in € millions)	**2008 (1)**	**2009**	**2008 Pro forma (2)**	**2009 Pro forma (2)**
Total non-current assets	7,397	7,290	6,577	6,568
Total current assets	3,984	4,312	1,627	2,000
Assets held for sale	36	144	36	144
Total assets	11,417	11,746	8,240	8,712

Equity and net debt

(in € millions)	**2008 (1)**	**2009**	**2008 Pro forma (2)**	**2009 Pro forma (2)**
Equity attributable to shareholders	3,298	2,997	4,411	4,156
Equity attributable to minority interests	258	257	282	286
Equity	3,556	3,254	4,693	4,442
Net debt	1,072	1,624	749	1,321

(1) Adjusted for the effects of the change of method described in Note 1 concerning customer loyalty programmes.

(2) These financial highlights are directly extracted from Pro forma financial statements for the years 2008 and 2009, which main adjustments are described page 61. The purpose of the Pro forma financial statements is to present Accor's financial statements as if the demerger from New Services Holding had been carried out on January 1, 2008.

1.5. Strategic vision and outlook

1.5.1. DEMERGING THE HOTELS AND SERVICES BUSINESSES: CONTEXT AND BACKGROUND

On 2009, Accor embarked on a major strategic project to demerge its two core businesses, Hotels and Services. Each business is today the market leader, with the critical mass and international reputation that will enable it to operate independently in fast changing markets.

On April 19, 2010, the Accor SA Board of Directors approved the asset contribution-demerger agreement describing the demerger process. Employee representatives have already responded to the demerger project, which will be submitted to shareholders for approval on June 29, 2010, at the Combined Ordinary and Extraordinary Shareholders' Meeting of both Accor and New Services Holding, the company to which the Services assets will be contributed (see section 3.4.1 below for a presentation of the demerger and the demerger process).

1.5.2. STRATEGIC VISION

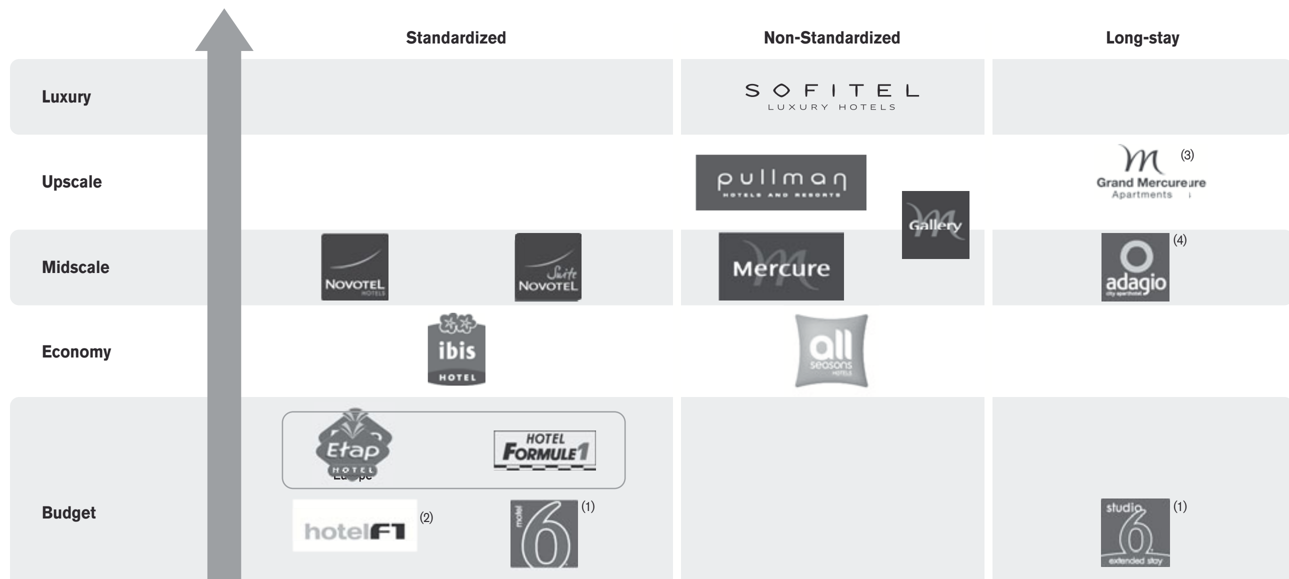
As part of the ARIANE 2015 corporate mission project, Accor is committed to asserting its position as market leader, with three objectives:

- **retain its rank as the world's leading hotel operator,** by emphasizing customer and employee satisfaction, developing the brands and leveraging the expertise acquired over more than 40 years. Today, Accor manages a network of 384,000 rooms in hotels that are owned, leased or operated under management contracts;
- **become the leading franchiser in Europe,** by integrating existing hotels and developing new projects;
- **step up the pace of expansion by opening 35,000 to 40,000 new rooms a year (at cruising speed beginning in 2012),** in Europe and in countries with high growth potential, **to become one of the world's top three hospitality groups**.

This strategic vision is supported by two main competitive advantages: a portfolio of powerful brands and the value-added delivered to the brands by our shared expertise and skills platforms.

A portfolio of powerful brands

Accor has a portfolio of hotel brands, ranging from luxury to budget, that are well established in their respective markets and positioned to meet increasingly segmented demand.



(1) In the US and Canada.
(2) In France only.
(3) In Asia and Brazil.
(4) In EMEA.

Changes in the brand portfolio in 2010

In as much as Novotel and Suitehotel serve the same customer segment and share the same values*, the Group has decided to merge the two brands to create a new brand, Suite Novotel, which will be deployed in summer 2010.

The merger is designed to meet four key objectives:

- extend the Novotel offering to respond more effectively to customer expectations;
- capitalize on Novotel's brand reputation to boost Suitehotel's expansion;
- broaden Novotel's presence in competitive regions worldwide and in city-center locations;
- create an offering that is easy to manage, and therefore suitable for franchising.

(*) Standardization, connectivity and Internet access, family-friendliness, well-being

A hospitality Group federating expertise and skills

In addition to its robust brand portfolio, the Group's ambitious vision is supported by platforms delivering expertise and capabilities in two business-critical areas:

A dynamic marketing and distribution strategy

Accor has deployed **TARS, a centralized, multi-channel booking system** that links travel agencies, tour operators, call centers and online booking sites.

Now accessible in 25 national versions and 10 languages, **the Group's Internet portal** (www.accorhotels.com) was visited by 132 million people in 2009.

Introduced in September 2007, the **AIClub loyalty program** today has **more than four million users**, who account for 14% of the revenue generated by the participating brands. It is helping to increase both the average stay and average spend of cardholders.

Lastly, the **Brand Marketing** process enables central teams to provide expertise to each of the brands.

Operational excellence

The operational excellence process is designed to improve Group performance in the following areas – Hotel Revenue & Cost Management, Purchasing, Construction and Maintenance, Human Resources & Training, Asset Management and Development, Innovation & Technology – and to leverage these capabilities to support franchisers, investors and other partners.

Accor responded to the crisis by successfully adjusting its organization and reducing its support costs. It intends to maintain the focus on lowering costs, with additional savings of **€45 million projected for 2010**. By 2015, optimization of support costs will help to drive a 1.5 to 2.0 point improvement in normalized EBITDAR margin.

RevPAR index

Thanks to its portfolio of powerful brands and federating expertise platforms, the Group's RevPAR index has outperformed the competition's, particularly in countries where Accor is market leader. Examples include Ibis in France, Belgium and the Netherlands, Novotel in France and Germany and Mercure in France and Germany.

A unique asset-right model

Underway since 2005, the ongoing deployment of the asset-right model is based on adapting each hotel's ownership structure to its segment and location. In this way, the Group is building a hotel portfolio offering a consistent mix of capital-intensive and asset-light ownership structures, so as to leverage the benefits of each one:

- **hotels owned or operated under fixed leases**: retain control over operations and pricing policy (notably in the Economy segment); enhance the Group's credibility with hotel property owners; develop brand standards and innovation; generate income streams and hold property assets in key locations;
- **hotels operated under variable leases, management contracts and franchise agreements**: capitalize on the resilience of these structures and their lower earnings volatility in cyclical troughs; expand the portfolio with lower capital intensity; drive faster growth in the network and the brands.

The expertise platforms described above support all of the hotels, regardless of their ownership structure.

Strengthening the Asset Management program

The Asset Management program is designed to encourage the use of asset-light ownership structures in order to reduce capital employed and attenuate earnings volatility. As of December 31, 2009, **40% of the rooms in the hotel base were either owned or held under fixed leases**.

The **economic environment in 2010 and beyond** is expected to support a recovery in the **property markets**.

Accor intends to take advantage of the projected upturn in asset values via its Asset Management 2010-2013 program.

As of April 30, 2010, the Group had met more than 50% of the Asset Management program's annual objectives, in particular through two major transactions completed in the first quarter:

- **in February 2010**, the Group announced the further sale of five hotels, comprising more than 1,100 rooms in four European countries. Carried out with the Invesco Real Estate hotel investment fund, the transaction covered the sale and variable leaseback of two Novotel and two Mercure units and the sale and management-back of a Pullman property. The **€154 million disposal** will have a **€93 million impact on net debt in 2010**;
- a 91-room Mercure hotel in Paris was sold under a sale and management-back arrangement for €19 million.

In this more favorable environment, the 2010-2013 Asset Management program will dispose of 450 hotels, as follows:

	Number of Hotels
Sale & variable lease back	95
Sale & management back[1]	35
Sale & franchise back[2]	220
Outright Sales	100
TOTAL[3]	**450**

(1) Of which primarily Sofitel and Pullman.
(2) Of which approximately 40% for Motel 6 in the US.
(3) Approximately 100 of these hotels are currently under fixed lease agreements.

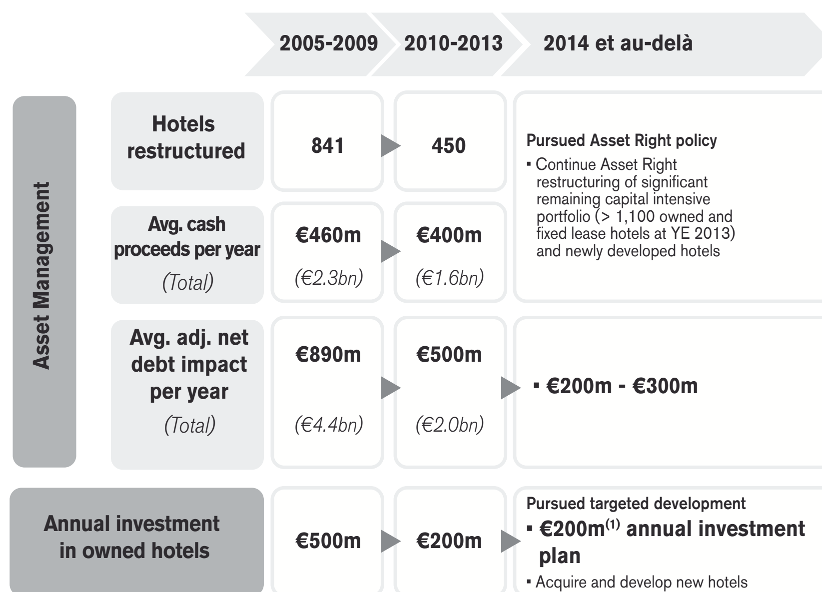
P&L impact of the Asset management program

Based on the currently projected market environment, the 2010-2013 asset disposal program is expected to **increase cash by €1.6 billion and reduce adjusted net debt by €2.0 billion** (i.e. by an average €500 million a year from 2010).

By income statement item, the program would have the following impacts, on a normalized, annual basis:

- a €150-200 million reduction in revenue (including a €5-10 million increase in outside fees);
- a €35-45 million reduction in EBITDAR;
- a €30-40 million reduction in EBITDA.

Beyond 2013, **after the asset disposal program has been completed**, Accor will continue to restructure its portfolio of more than 1,100 properties owned or operated under fixed leases, plus the hotels developed over the period. **This process should continue to reduce adjusted net debt by around €200-300 million a year.** In the same time, Capex Investment for development should amount €200 million per year.



Ambitious expansion

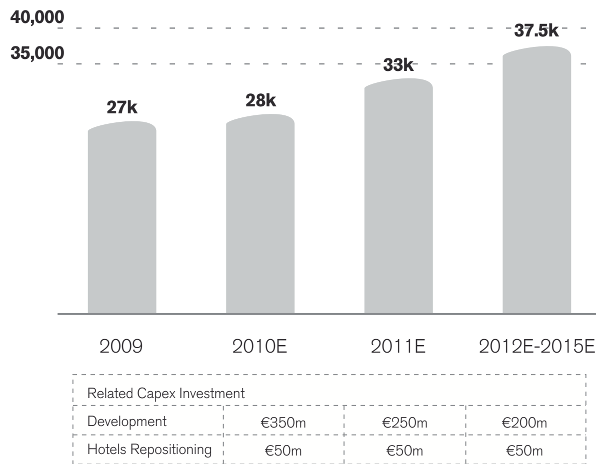
The asset-right strategy is providing the financial resources to step up an ambitious expansion plan, with a budget of €200 million a year.

In addition, another €50 million a year has been allocated to major renovation and refurbishment programs.

As a result, by 2012, the Group expects to open 35,000 to 40,000 rooms a year at cruising speed.
Expansion capital expenditure is focused on:

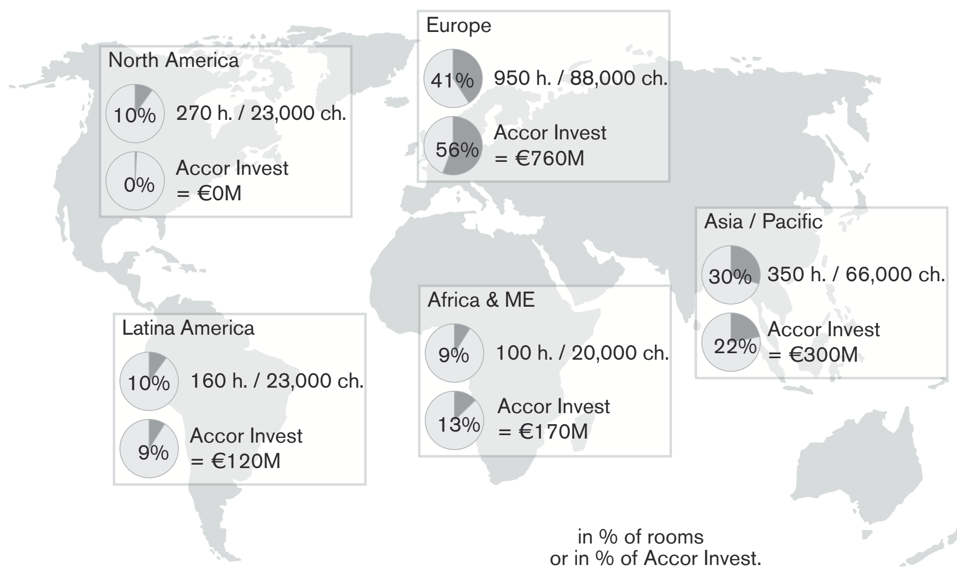
1. management contracts and franchise agreements (80% of new rooms).
   - franchise agreements in mature economies (30% of annual room openings of which 75% in Europe),
   - management contracts (50% of annual room openings,of which 75% in emerging markets).
2. targeted acquisitions of new rooms of hotel properties outright or under fixed leases (20% of new rooms), in leading cities and primarily in the Ibis and Etap brands (which represent 90% of the €165 million budget allocated to developing hotels held under capital-intensive structures);
3. three brands, Ibis, Etap and Novotel, which account for 85% of projected expansion capital expenditure in 2015.

Room openings per year (in number of rooms)



Related Capex Investment			
Development	€350m	€250m	€200m
Hotels Repositioning	€50m	€50m	€50m

By the end of 2015, the annual €200-million expansion plan is expected to drive the opening of more than 1,800 hotels, or around 220,000 rooms, with a strong focus on Europe and Asia.



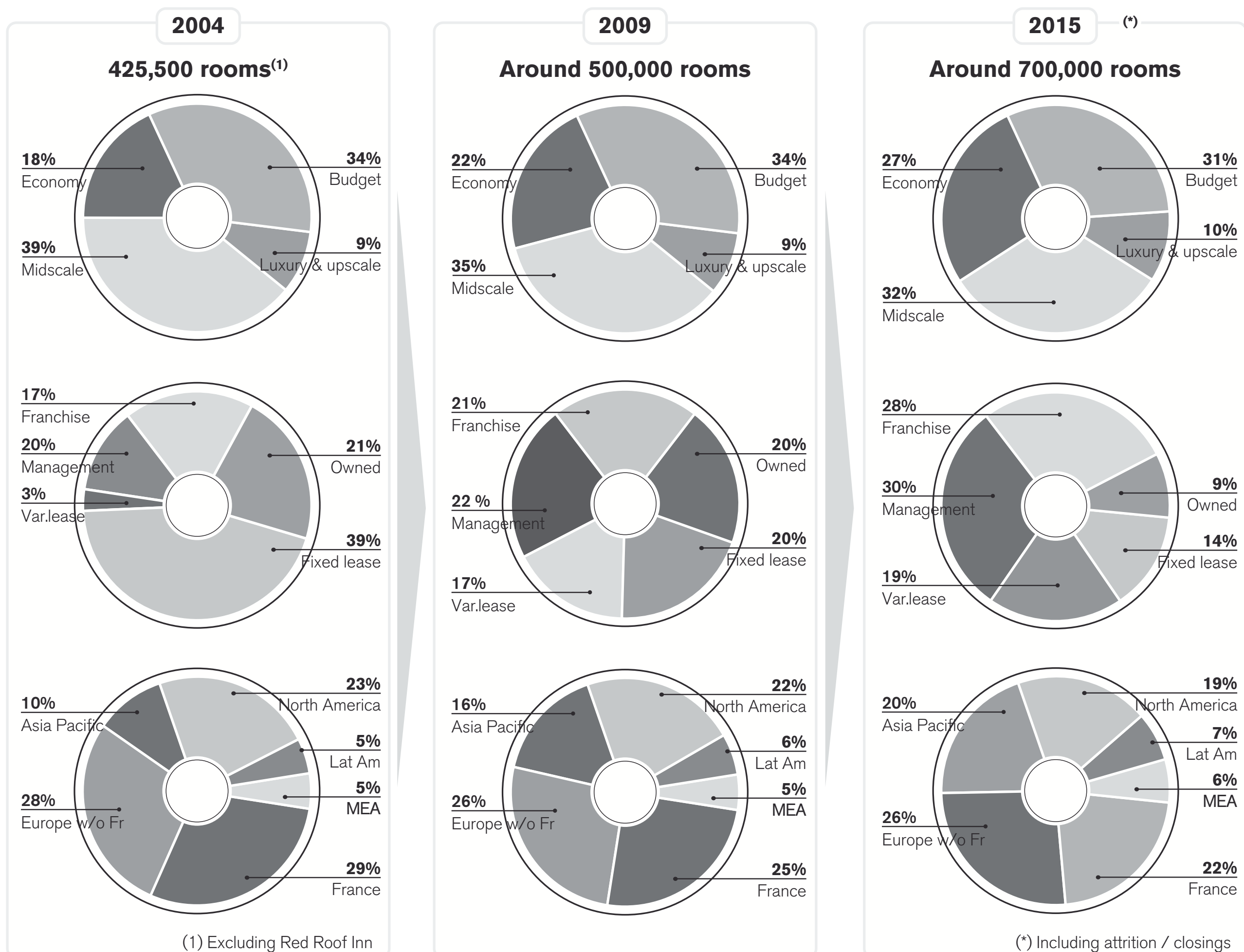
At cruising speed, the expansion plan to open 35,000 to 40,000 rooms a year would have the following impacts on income statement items, on an annual basis:

- a €150-200 million increase in revenue (of which a €30-40 million increase in outside fees);
- a €65-80 million increase in EBITDAR;
- a €40-55 million increase in EBITDA.

1.5.3. OUTLOOK

By 2015, the change in the Group's business model will lead to a significant shift in the hotel base and a clear improvement in margins.

Shift in the hotel base



Introduction of the P&L Performance system

To support its evolving business model, the Group has deployed the new P&L Performance reporting system, which reports three types of income statement data:

- from management contracts and franchise agreements (including contract fees and related costs);
- from shared services (including sales, distribution and marketing fees, shared service fees and related costs);
- from subsidiaries (owned or leased hotels).

The Group will provide services for all of the hotels, whether owned, leased or operated under management contracts or franchise agreements.

For information, the total amount of Gross Revenue generated by all Accor-branded hotels (subsidiaries, management and franchise) is 10.052 billion in 2008 and 9.038 billion in 2009.

For each of these P&L Performance categories, the following objectives have been set:

- EBITDAR margin of more than 50% on **management contracts and franchise agreements**;
- breakeven in **shared services** (in EBITDAR);
- **for owned and leased hotels**, sustained deployment of the Asset Management program, with a normalized flow-through ratio of 40 to 50%.

Target financial structure

Accor has set the following objectives:

- an **investment grade** credit rating;
- **full repayment of debt** for 2011;
- p**ositive operating cash flow** after expansion expenditure and before proceeds from disposals;
- **a dividend payout up to 50%** of operating profit before tax and non-recurring items;
- **an improvement in ROCE** thanks to the sustainable implementation of a less capital-intensive asset-light model.

1.6. Human Resources

1.6.1. KEY FIGURES

As of December 31, 2009, Accor Hospitality employed 144,421 people in its various brands around the world, compared with 152,336 a year earlier.

Workforce indicators are based on the average number of employees for the year.

Figures are based on full-scope data, which cover:

- full and part-time employees with permanent contracts, fixed-term contracts exceeding three months, or apprenticeship contracts;
- total headcount of subsidiaries and units managed by Accor under contract. Full-scope data do not reflect units in which Accor holds a stake but is not responsible for managing the teams.

Accor Hospitality workforce by business and region at December 31, 2009

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the word	Total 2009	Total 2008
HOTELS	**18,032**	**29,635**	**14,626**	**9,640**	**67,784**	**139,717**	**144,679**
Upsacle and Midscale Hotels	12,490	23,322	3,501	7,502	61,467	108,282	112,594
Economy Hotels	5,542	6,313	-	2,138	6,317	20,310	19,951
US Economy Hotels	-	-	11 125	-	-	11 125	12,134
OTHER BUSINESSES	**3,045**	**1,372**	**-**	**287**	**-**	**4,704**	**7,657**
Restaurants	1,208	336	-	-	-	1,544	1,401
Onboard train services	1,032	925	-	-	-	1,957	4,931
Other	805	111	-	287	-	1,203	1,325
TOTAL	**21,077**	**31,007**	**14,626**	**9,927**	**67,784**	**144,421**	**152,336**

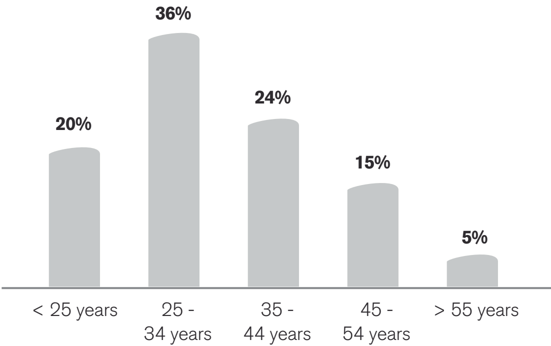
Human resources data at December 31, 2009

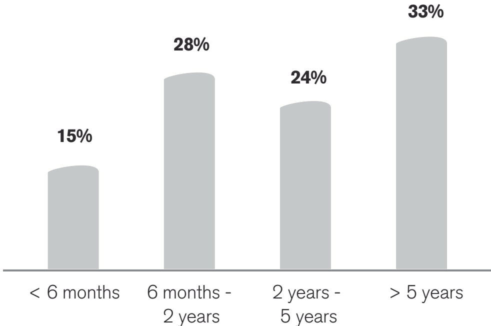
	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
Number of employees	**21,077**	**31,007**	**14,626**	**9,927**	**67,784**	**144,421**	**152,336**
% women	54%	56%	70%	50%	39%	49%	49%
% men	46%	44%	30%	50%	61%	51%	51%
% under permanent contracts	94%	82%	100%	93%	80%	85%	85%
% women	54%	55%	70%	50%	40%	49%	49%
% men	46%	45%	30%	50%	60%	51%	51%
Management							
% of total workforce [(1)]	26%	15%	13%	11%	14%	16%	17%
% women	45%	47%	61%	46%	36%	43%	45%
% men	55%	53%	39%	54%	64%	57%	55%
Training							
Training expenditure as a % of total payroll	2.2%	1.8%	1.3%	6.0%	3.5%	2.4%	2.0%
Number of days of training	32,096	32,543	41,740	23,339	181,352	311,070	312,781
Number of employees having attended at least one training course	10,983	13,134	18,594	9,122	79,242	131,075	156,577
Number of managershaving attended at least one training course	4,205	2,741	2,632	1,043	12,341	22,962	24,709
Number of non-managers having attended at least one training course	6,778	10,393	15,962	8,079	66,901	108,113	131,868
Occupational accidents							
Lost-time incident frequency rate (LTIF) [(2)]	-	-	-	-	-	18.2	18.6
Number of fatal accidents in the workplace	-	-	-		3	3	1
Number of fatal accidents commuting	-	-	-	1	1	2	6

(1) A manager is definited as an employee who manages a team and/or has a high level of expertise.

(2) Number of workplace accidents with lost time (as defined in accordance with local legislation) per million hours worked.

Employees by age and seniority at December 31, 2009

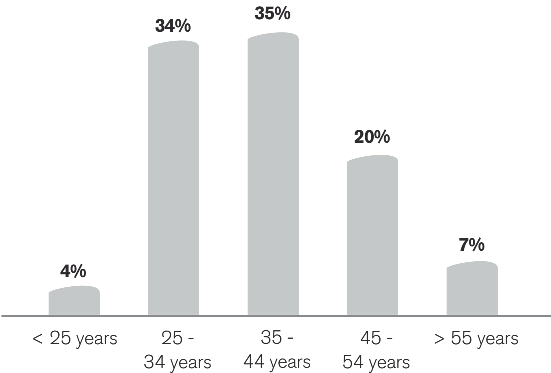




Accor continues to have a young workforce, with 56% of employees under 35 at year-end 2009.

Managers by age at December 31, 2009

Accor managers are also young, with 38% under 35.



1.7. Environmental Report

ENVIRONMENTAL POLICY ORGANIZATION

From now on, environmental policies are defined by the Sustainable Development Department, which is now part of Group's Business Transformation, Innovation, Technologies and Sustainable Development Department.

This change in organization will not impact the environmental policy of the Group.

2 Corporate Governance

2.1.	Administrative, management, and supervisory bodies	18
2.1.1.	Presentation	18
2.2.	Interests and Compensation	19
2.2.2.	Directors' and Managers' Interests	19
2.3.	Risk Management	23
2.3.1.	Risk factors	23
2.3.2.	sensitivity analysis	25

2.1. Administrative, management, and supervisory bodies

2.1.1. PRESENTATION

2.1.1.1. Directors and Corporate Officers

Board of Directors

The Board of Directors noted the resignation from the Board of Gabriele Galateri di Genola (Chairman of Telecom Italia) and Alain Quinet (Vice President Finance, Strategy and Sustainable development and Member of the Executive Committee of Caisse des Dépôts et Consignations).

At the Annual Meeting of June, 29, 2010, shareholders will also be asked to elect Sophie Gasperment as a new member of the Board of Directors.

Executive Committee

The membership of the Executive Committee reflects the Group's managerial and operational organization.

Gilles Pélisson

Chairman and Chief Executive Officer

Yann Caillère

Chief Operating Officer, Europe, Africa and Middle East

In charge of Sofitel Worldwide, Construction and Maintenance

Jean-Luc Chrétien

Executive Vice President, Hotel Marketing and Distribution

Michael Flaxman

Chief Operating Officer, Americas

Sophie Goldblum-Flak

Executive Vice President, Business Transformation, Innovation, Technologies and Sustainable Development

Michael Issenberg

Chief Operating Officer, Asia Pacific

Patrick Ollivier

Executive Vice President, Global Human Resources

Pascal Quint

Corporate Secretary and Secretary of the Board of Directors

Sophie Stabile

Chief Financial Officer

Marc Vieilledent

Executive Vice President, Strategy, Asset Management, Mergers & Acquisitions

2.2. Interests and Compensation

2.2.2. DIRECTORS' AND MANAGERS' INTERESTS

Stock option plans

As part of its policy of regularly granting options to purchase new shares of Company stock, Accor set up, at the usual time of the year, the two stock option plans described below.

- Under the first plan, set up on April 2, 2010, options to purchase new shares of Accor SA stock were granted to 1,020 Group employees, ranging from senior executives to middle managers, in some sixty countries worldwide.
- Under the second plan, also set up on April 2, 2010, performance stock options were granted to two executive directors and to members of the Executive Committee. The vesting criterion, which concerned the relative performance of the Accor SA share compared to the CAC 40 index in 2010, 2011, 2013 and 2013, will be adjusted after the Hotels and Services businesses are demerged. The options vest after four years, depending on the annual performance of the Accor SA share versus the CAC 40 index, according to the following table. The number of options that could be exercised after the four-year vesting period may not exceed 100% of the initial amount.

Under both plans, the exercise price is €40.20, corresponding to the average of the opening prices quoted for Accor shares over the twenty trading days preceding the grant date, without any discount. The option plan was authorized by shareholders at the Annual Meeting of May 13, 2008 (13th resolution) and is therefore not governed by Article L. 225-186-1 of the French Commercial Code[*], arising from Article 22 of the Act of December 3, 2008 on job-related revenue.

The stock options issued on April 2, 2010 have an eight-year life and are exercisable as from the fifth year.

Table 5: Stock options granted to employees and/or executive directors as of April 30, 2010

PLAN Date of Management Board or Board of Directors meeting	Total number of options										
	Total options granted	Of which to executive directors	Of which to the top ten grantees	Total number of grantees	Exercisable from	Expiry date	Exercise price *(in euros)*	Options exercised from Jan. 1 to April 30, 2010	Options exercised as of April 30, 2010	Options canceled(1)	Options outstanding at April 30, 2010
Plans set up prior to 2010, described on page 87 of the 2009 Registration Document and updated as of April 30, 2010											
									2,996,617	1,866,574	7,536,293
Stock option plans set up by Accor as of April 30, 2010											
Conventional plan	1,827,850	142,500	210,500	1,020	April 3, 2014	April 3, 2018	40.20	0	0	0	1,827,850
Performance plan	107,250	47,500	59,750	10	April 3, 2014	April 3, 2018	40.20	0	0	0	107,250
TOTAL									**2,996,617**	**1,866,574**	**9,471,393(2)**

(1) Options canceled due to grantees leaving the Group or because certain performance criteria were not met.
(2) Representing 4.16% of the Company's share capital at April 30, 2010.

(*) This article states that when a listed company decides to grant stock options or performance shares to executive directors ("mandataires sociaux" as defined in Articles 225-185 par. 4 and 225-97-1 II, par. 1), it must also grant stock options or performance shares to its employees and at least 90% of the employees of its direct subsidiaries headquartered in France, or set up a discretionary or statutory profit-sharing scheme for these employees.

For companies that already have a discretionary or statutory profit-sharing scheme, when the first stock option or performance share plan is authorized after the Act's publication, each of these entities (the listed company and its direct subsidiaries headquartered in France) must adjust the calculation base of the plan (or one or other of the plans) or pay an additional discretionary or statutory share of profits.

Gilles Pélisson, Chairman and Chief Executive Officer, and Jacques Stern, Deputy Chief Executive Officer, were the only executive directors to receive performance shares under the 2010 plans, which were authorized by shareholders at the Annual Meeting of May 13, 2008.

Under the terms of the April 2, 2010 grants, the Chairman and Chief Executive Officer and Deputy Chief Executive Officer will be required to hold registered shares representing at least 40% of the net capital gain on the exercised options until they leave the Accor Group.

The Compensation, Appointments and Corporate Governance Committee recommended to the Board that, as the Company's stock market changes determines whether the options are exercised, no other performance conditions should be attached to any of the options granted, notwithstanding the recommendations in the AFEP-MEDEF Corporate Governance Code.

Table 6: Stock options granted to each executive director from January 1 to April 30, 2010

	Grantee	Grant date	Type of options	Value based on the method used in the consolidated financial statements *(in euros)*	Number of options	Exercise price *(in euros)*	Exercise period
Conventional options granted during the period to the Chairman and Chief Executive Officer	Gilles Pélisson	April 2, 2010	Options to purchase new shares	963,750[1]	93,750	40.20	April 3, 2010 to April 2, 2018
Performance options granted during the period to the Chairman and Chief Executive Officer	Gilles Pélisson	April 2, 2010	Options to purchase new shares	295,000[2]	31,250	40.20	April 3, 2010 to April 2, 2018
Conventional options granted during the period to the Deputy Chief Executive Officer	Jacques Stern	April 2, 2010	Options to purchase new shares	501,150[1]	48,750	40.20	April 3, 2010 to April 2, 2018
Performance options granted during the period to the Deputy Chief Executive Officer	Jacques Stern	April 2, 2010	Options to purchase new shares	153,400[2]	16,250	40.20	April 3, 2010 to April 2, 2018

(1) Stock options are measured at their theoretical value at the grant date determined using the Black & Scholes option pricing model, in accordance with AFEP-MEDEF guidelines set out in the Corporate Governance Code for listed companies, rather than at the value of the compensation received. Stock options are forfeited if the grantee leaves the Group before the exercise date.

(2) Stock options are measured at their theoretical value at the grant date determined using the Monte Carlo option pricing model, in accordance with AFEP-MEDEF guidelines set out in the Corporate Governance Code for listed companies, rather than at the value of the compensation received. Stock options are forfeited if the grantee leaves the Group before the exercise date.

The 190,000 stock options granted to executive directors in 2010 represented 0.08% of the Company's share capital at April 30, 2010.

From January 1 to April 30, 2010, Jacques Stern, Deputy Chief Executive Officer, exercised 10,000 options granted under the January 12, 2005 plan and sold the shares issued upon exercise.

From January 1 to April 30, 2010, no stock options were exercised by executive directors.

Table 7: Stock options granted to and exercised by the top ten grantees other than executive directors from January 1 to April 30, 2010

	Number of options	Weighted average exercise price *(in euros)*
Options granted as of April 30, 2010 to the ten employees other than executive directors who received the largest number of options	270,250	40.20
Options exercised as of April 30, 2010 by the ten employees other than executive directors who exercised the largest number of options	272,450[1]	33,36

(1) Of which 10,000 stock options from the 1/8/2002 stock option plan, 62,500 stock options from the 1/7/2004 stock option plans and 199,950

Following signature of the Hotels and Services asset contribution-demerger agreement on April 19, 2010, the Accor Board of Directors has suspended the exercise of all previously granted stock options from April 30 (included) until July 26, 2010 (included).

Performance share plans

Table 8: Performance shares granted to employees and/or executive directors from January 1 to April 30, 2010

PLAN Date of the Board of Directors meeting	Total number of unvested shares[1]									
	Total shares granted	Of which to executive directors	Of which to the top ten grantees	Shares canceled[2]	Number of grantees	Vesting date	End of lock-up period	Number of vested shares subject to lock-up	Number of vested shares no longer subject to lock-up	Performance criteria
Accor performance share plans										
March 28, 2008[3]	107,034	15,625	33,625	80,868[4]	92	March 28, 2010	March 28, 2012	26,166	0	ROCE and recurring operating profit after tax[5]

(1) Unvested at April 30, 2010: two- or four-year vesting period from the grant date.
(2) Shares canceled due to grantees leaving the Group or because certain performance criteria were not met.
(3) Granted by the Chief Executive Officer pursuant to the Board authorization of February 26, 2008.
(4) Of which 78,368 shares cancelled because the performance criteria were only partly met.
(5) Recurring operating profit after tax = profit before tax and non-recurring items, less tax on recurring items, less minority interests.

Following signature of the Hotels and Services asset contribution-demerger agreement on April 19, 2010, the Accor Board of Directors has suspended the early delivery of performance shares from April 30, 2010 until close of business on July 26, 2010.

Table 9: Vested performance shares subject to lock-up and vested performance shares whose lock-up period ended from January 1 to April 30, 2010, for each executive director

	Grantee	Grant date	Number of vested shares subject to lock-up, Jan. 1 to April 30, 2010	Number of vested shares whose lock-up period ended, Jan. 1 to April 30, 2010
Vested shares subject to lock-up from January 1 to April 30, 2010 and vested shares whose lock-up period ended from January 1 to April 30, 2010 for the Chairman and Chief Executive Officer	Gilles Pélisson	March 28, 2008	3,907	None
Vested shares subject to lock-up from January 1 to April 30, 2010 and vested shares whose lock-up period ended from January 1 to April 30, 2010 for the Deputy Chief Executive Officer	Jacques Stern	March 28, 2008	1,407	None

Share equivalents

Employee stock options

At April 30, 2010, a total of 9,471,593 stock options were outstanding.

Exercise of all of these options would lead to the issuance of 9,471,593 shares representing 4.16% of the Company's capital at April 30, 2010.

Following signature of the Hotels and Services asset contribution-demerger agreement on April 19, 2010, the Accor Board of Directors has suspended the exercise of all previously granted stock options from April 30 to July 26, 2010.

Transactions involving Accor SA shares

Schedule of transactions involving shares of the Company carried out from January 1 to April 30, 2010, within the meaning of Article L. 621-18-2 of the French Monetary and Financial Code

Person concerned	Transaction	Number of shares
Jacques Stern	Sale of shares	15,000
Jacques Stern	Purchase of new shares	10,000

2.3. Risk Management

2.3.1. RISK FACTORS

Financial risks

In its business operations, Accor is more or less exposed to liquidity, credit, currency, interest rate and other financial risks. Policies to manage financial risks are designed to meet three core objectives: security, liquidity and cost-effectiveness. These risks are managed centrally by the Corporate Treasury, Financing and Credit Management Department.

Liquidity risk

Liquidity risks are managed by the Corporate Treasury, Financing and Credit Management Department. By centralizing cash management at Group level, requirements and surpluses can be offset before having to raise funds in the financial markets.

Financing policies are designed to ensure that Accor has immediate access – at the lowest possible cost – to the cash it requires to finance corporate assets, meet short-term cash needs and fund expansion.

Short-term financing needs are secured by undrawn medium-term confirmed lines of credit obtained from leading banks (see Note 28 E to the pro forma consolidated financial statements, page 143). At December 31, 2009, the amounts available under undrawn long-term confirmed lines of credit totaled €2,530 million, of which €2,000 million expire in June 2012.

In addition, Accor has €466 million in cash investments that can be converted into liquidity at any time (see Note 28B to the pro forma consolidated financial statements, page 141). These investments consist mainly of term deposits and money market funds.

In all, at December 31, 2009, Accor had a total of €2,996 million in unused liquidity facilities.

The Group can also secure diversified medium and long-term financial resources, comprising bank debt and bond issues, to finance its development.

To strengthen its liquidity position, Accor carried out three bond issues in 2009, representing an aggregate amount of €1,450 million and with maturities staggered between May 2013 and November 2017. This financing has enabled the Group to extend the average maturity of its debt (see Note 2 to the pro forma consolidated financial statements, page 108).

Accor is not subject to any restrictions on the use of its capital that could significantly impact its operations.

The Group is therefore not exposed to any liquidity risk.

The maturities of the Group's financial assets and liabilities were as follows at December 31, 2009:

	Within one year	From one to five years	Beyond five years	Total
Bonds	-	1,191	249	1,440
Bank and other borrowings	192	18	29	239
Finance lease liabilities	7	49	95	151
Derivatives	21	-	-	21
Bank overdrafts and others	102	1	10	113
FINANCIAL LIABILITIES	**322**	**1,259**	**383**	**1,964**
Marketable securities	(466)	-	-	(466)
Other current financial assets	(177)	-	-	(177)
CURRENT FINANCIAL ASSETS	**(643)**	**-**	**-**	**(643)**
NET DEBT	**(321)**	**1,259**	**383**	**1,321**

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 €1,679 million, a total of €1,440 million worth is subject to such clauses. In the case of bonds, the acceleration clauses can only be triggered if the change of control leads to Accor's credit rating being downgraded to non-investment grade.

In addition, none of the loan agreements include a cross default clause requiring immediate repayment of a debt 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.

Credit and country risk

Exposure to credit risk relating to trade receivables is not material due to the breadth and geographic diversity of the customer base.

However, Accor is exposed to credit risk arising from transactions with banks and financial institutions.

This risk is limited by:

- carrying out transactions only with tier-one counterparties and factoring in country risks;
- diversifying the portfolio of counterparties;
- setting credit ceilings per counterparty; and
- using a monthly reporting procedure to track the different types of counterparties and their credit quality (based on credit ratings issued by rating agencies for financial institutions).

In view of the business base's broad geographic footprint, country risk is limited.

A total of 56% of financial investments are in the euro zone.

Currency and interest rate risks

A variety of financial instruments, including swaps, caps and forward purchases and sales of foreign currencies, are used to manage and hedge interest rate and currency risks arising in the normal course of business. Financial instruments are used to support Group investment, financing and hedging policies, to help manage debt and to minimize the risks on business transactions.

Sensitivity Analysis

Sensitivity to exchange rates

The impact on operating profit before tax and non-recurring items of a 10% increase or decrease in the exchange rates of the Group's major currencies is analyzed in section 2.3.2 on page 29 below.

Sensitivity to interest rates

The impact on consolidated net debt of a 50-basis point decline in interest rates is analyzed in section 2.3.2 on page 29 below.

Management of currency risks

Long-term investment policy

When Accor SA invests directly or indirectly in a foreign subsidiary, the investment is generally made in the subsidiary's local currency. These are very long-term positions and until now, the policy has been not to hedge the related currency risk.

Financing

An internationally recognized signature allows Accor to raise various forms of financing either through banks or through the issue of *billets de trésorerie* (commercial paper) in France and bonds in both French and international markets.

From time to time, the Group also takes advantage of market opportunities by raising financing in a given currency and at a given rate of interest and then using a swap to convert the facility into the currency and interest rate required to finance business needs (see Note 28E to the pro forma consolidated financial statements, page 162).

Generally, the Group's policy is to finance its assets and operating requirements in the currency of the country concerned in order to create a natural hedge and avoid any currency risk.

By using these financial instruments, the Group is also able to optimize the cost of its resources and use subsidiaries' excess cash without taking any currency risks.

Other currency hedges

Currency hedges are rarely used other than for financing operations as the volume of intercompany transactions in foreign currencies is limited and revenues are denominated in the same currency as the related costs.

The Group does not hedge currency translation risk.

The volume of forward sales and purchases of foreign currencies represented €103 million and €655 million respectively at December 31, 2009. All of these futures expire in 2010.

Accor is not exposed to any currency risk on transactions or investments in currencies other than the Group's functional currency.

Management of interest rate risks

A total of 79% of consolidated borrowings are denominated in euros, with 73% at fixed rates and 27% at floating rates. The average maturity of fixed-rate debt is 4.2 years. An analysis of the Group's exposure to interest rate risks before and after hedging is provided in Note 28D to the pro forma consolidated financial statements on page 142. Target breakdowns between fixed and floating rate debt are determined separately for each currency, giving due regard to anticipated trends in interest rates and to changes in the composition of debt as a result of new borrowings and the repayment of existing borrowings.

The target breakdowns are reviewed at regular intervals and new targets are set for future periods by senior management. The related financing strategy is implemented by the Corporate Treasury, Financing and Credit Management Department.

The most commonly used instruments are interest rate swaps and caps; they are contracted with banks rated investment grade based on the model recommended by the French Banking Federation.

The volume of interest rate hedges represented €356 million at December 31, 2009, of which €352 million corresponded to fixed-rate swaps where the Group is the euro borrower, which expire in 2013.

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

Insurance – Risk coverage

The amount paid in insurance premiums in 2009 represented approximately 0.39% of Accor Hospitality's consolidated revenue for the year.

2.3.2. SENSITIVITY ANALYSIS

Based on pro forma 2009 data, sensitivity analyses have been performed to measure the impact on operating profit before tax and non-recurring items of any changes in (i) the euro exchange rate against the main operating currencies, (ii) interest rates and (iii) revenue per available room (RevPAR, as calculated by occupancy times average room rate).

Hotels

Sensitivity to RevPAR In the Hotels business, a one-point change in RevPAR would impact operating profit before tax and non-recurring items as follows:

Sensitivity to RevPAR				
1-point decline in RevPAR	**Upscale and Midscale**	**Economy outside the US**	**US Economy**	**Total**
Impact	€(14.7) million	€(10.0) million	€(3.9) million	€(28.6) million

Sensitivity to RevPAR				
1-point increase in RevPAR	**Upscale and Midscale**	**Economy outside the US**	**US Economy**	**Total**
Impact	€9.6 million	€5.7 million	€2.7 million	€18.0 million

In absolute terms, a 1% decrease in RevPAR has a larger impact on operating profit before tax and non-recurring items than a 1% increase.

The rebound in hotel demand initially results in an increase in occupancy rates. This feeds through to higher variable costs, which in turn weigh on growth in operating profit before tax and non-recurring items. In a second phase, the stronger demand drives an increase in average room rates, which does not affect operating costs and therefore has a stronger impact on growth in operating profit before tax and non-recurring items. The flow-through ratio[2] of a 1% increase in RevPAR resulting from higher average room rates is higher than the flow-through ratio of a 1% increase in RevPAR resulting from higher occupancy rates.

A 10% increase or decrease in exchange rates would have the following impact on operating profit before tax and non-recurring items:

Sensitivity to exchange rates

Currency		Impact of a 10% increase/ decrease in exchange rates[1]
GBP	United Kingdom	**€5.0 million**
BRL	Brazil	**€1.7 million**
USD	United States	**€0.2 million**

(1) Operating profit before tax and non-recurring items.

Group

A 50-basis point decline in interest rates would feed through to a €6.6 million reduction in consolidated net debt.

(2) The ratio of the change in like-for-like EBITDAR/change in like-for-like revenue is known as the flow-through ratio when like-for-like revenue goes up.

3 Financial Review

3.1. Financial Review 28

Analysis of Pro forma consolidated financial results 28

3.4. Significant events of early 2010 34

3.4.1. Description and Terms of the Separation of the Hotel and Services Businesses 34

3.4.2. Issuance by Accor SA of 1,985,428 new shares as consideration for the contribution of shares in société d'exploitation et d'investissement hôtelier (SEIH) S.A.R.L. 51

3.4.3. Quarterly report – first quarter 2010 revenue 53

3.4.4 Notice of Shareholders' Meeting, June 29, 2010 54

3.1. Financial Review

ANALYSIS OF PRO FORMA CONSOLIDATED FINANCIAL RESULTS

Pro forma revenue

Accor's consolidated revenue for 2009 totaled €6,163 million, down 9.2% at constant scope of consolidation and exchange rates (like-for-like) and 9.1% on a reported basis. Performance for the year was shaped by the following factors:

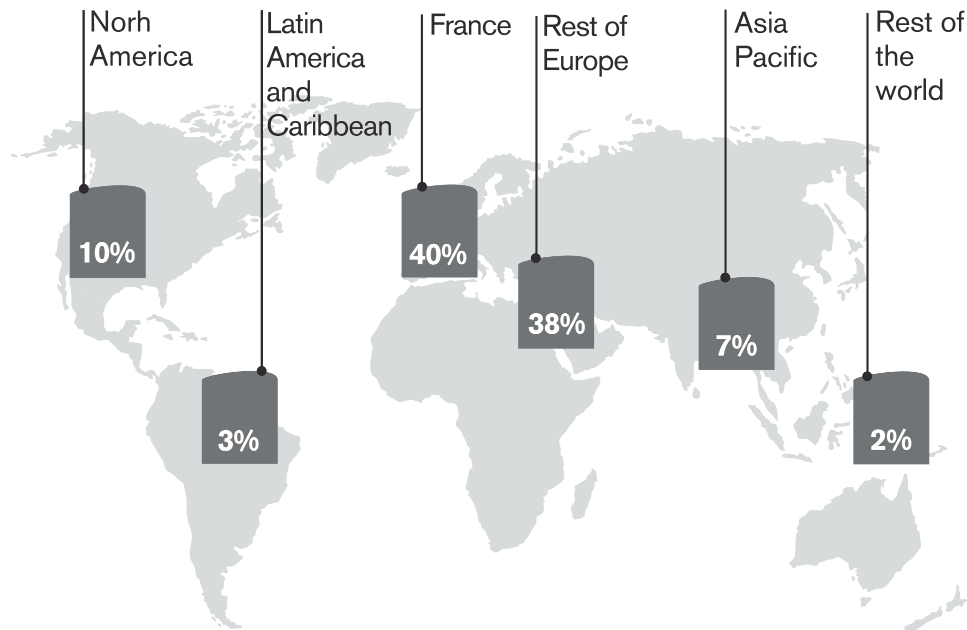
- the expansion strategy, which increased revenue by €336 million, adding 5.0% to reported growth. The increase was led by the opening of 27,300 rooms over the year, as well as by the €103 million impact of consolidating 49% of Groupe Lucien Barrière's revenue since July 1, 2009;
- the impact of refocusing on the Hotels business (which led to the disposal of the Brazilian foodservices operations), the ongoing deployment of the asset-right strategy and the loss of the onboard train services contract in France. Together, these factors reduced revenue by €267 million and reported growth by 3.9%;
- the 0.9% negative currency effect, which trimmed €61 million from revenue and was primarily due to the euro's appreciation against the British pound and Brazilian real.

Revenue by business

(in € millions)	2008 Pro forma	2009 Pro forma	% change 2009 vs. 2008 as reported	% change 2009 vs. 2008 like-for-like[1]
Hotels	**5,750**	**5,186**	**- 9.8%**	**- 10.1%**
Upscale and Midscale	3,427	3,026	- 11.7%	- 11.5%
Economy	1,723	1,626	- 5.6%	- 6.1%
Economy - US	600	534	- 11.0%	- 13.8%
Other businesses	**1,026**	**977**	**- 4.9%**	**- 4.0%**
Casinos	346	441	27.2%	- 4.8%
Restaurants	187	98	- 47.6%	- 9.0%
Onboard train services	306	248	- 19.0%	2.8%
Holding companies and other	187	190	1.6%	- 8.7%
TOTAL	**6,776**	**6,163**	**- 9.1%**	**- 9.2%**

(1) At constant scope of consolidation and exchange rates.

2009 Pro forma revenue by region



Hotels

Revenue information for the Hotels business may be found in the 2009 Registration Document filed with the *Autorité des Marchés Financiers* on April 1, 2010, under number D. 10-0201. They remain unchanged in the Pro forma financial statements and, as such, are not discussed in this update.

Other Businesses

Revenue from the Other Businesses declined in 4.9% as reported in 2009, as the loss of the onboard train services contract offset the positive impact of consolidating 49% of Groupe Lucien Barrière's revenue since July 1, 2009.

All of the businesses were hard hit by the recession during the year, with Casinos revenue declining 4.8% like-for-like, revenue from the Restaurant business (represented by Lenôtre) falling 9.0% like-for-like and Onboard Train Services revenue increasing by only 2.8%.

Pro forma EBITDAR

EBITDAR (earnings before interest, taxes, depreciation, amortization and rental expense) represents a key financial performance indicator.

Consolidated EBITDAR amounted to €1,590 million in 2009, a 15.1% year-on-year decline that may be analyzed as follows:

- like-for-like growth: €(290) million;
- business development: €48 million;
- currency effect: €(20) million;
- disposals: €(20) million.

EBITDAR by business

(in € millions)	2008 Pro forma	2009 Pro forma	% change 2009 vs. 2008	% change 2009 vs. 2008 like-for-like[(1)]
Hotels	**1,815**	**1,507**	**- 17.0%**	**- 17.4%**
Upscale and Midscale	950	765	- 19.5%	- 19.3%
Economy	636	577	- 9.3%	- 10.4%
Economy - US	229	165	- 27.9%	- 29.2%
Other businesses	57	83	45.6%	45.7%
TOTAL	**1,872**	**1,590**	**- 15.1%**	**- 15.5%**

(1) At constant scope of consolidation and exchange rates.

EBITDAR represented 25.8% of consolidated revenue in 2009, a decline of 1.8 points over the previous year. In the **Upscale and Midscale segment,** EBITDAR margin contracted by 2.5 points like-for-like to 25.3%. Margin held up relatively well in **Economy Hotels outside the US**, declining 1.7 points like-for-like to 35.5%. Lastly, EBITDAR margin in the **US Economy Hotels** business declined by 6.6 points like-for-like, to 30.8%.

Pro forma EBIT

EBIT, corresponding to EBITDAR after rental expense, depreciation, amortization and provisions, fell 54.1% to €261 million in 2009 from €569 million the year before. The decrease may be analyzed as follows:

(in € millions)	2008 Pro forma	2009 Pro forma	% change 2009 vs. 2008	% change 2009 vs. 2008 like-for-like[(1)]
EBITDAR	1,872	1,590	- 15.1%	- 15.5%
Rental expense	(888)	(867)	2.4%	2.4%
Depreciation, amortization and provisions	(415)	(462)	- 11.3%	- 4.4%
EBIT	**569**	**261**	**- 54.1%**	**- 50.4%**

(1) At constant scope of consolidation and exchange rates.

Depreciation, amortization and provisions represented 9.9% of the carrying amount of property, plant and equipment and intangible assets.

The shift to variable leases with rents pegged to hotel revenue or EBITDAR helped to reduce rental expense by €30 million over the year.

Pro forma operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items – corresponding to EBIT less net financial expense plus share of profit of associates – represents the result of operations after the cost of financing Group businesses and before tax.

In 2009, it totaled €180 million, representing a decline of 68.4% as reported and of 60.5% like for like.

(in € millions)	2008 Pro forma	2009 Pro forma	% change 2009 vs. 2008	% change 2009 vs. 2008 like-for-like[1]
EBIT	569	261	- 54.1%	- 50.4%
Net financial expense	(23)	(78)	- 231.0%	- 188.9%
Share of profit/(loss) of associates	20	(3)	N/A	N/A
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**566**	**180**	**- 68.4%**	**- 60.5%**

(1) At constant scope of consolidation and exchange rates.

Net financial expense amounted to €78 million, versus €23 million in 2008, and primarily reflected €91 million in interest expense. Total fixed asset holding costs (rental expense plus depreciation and interest) increased to €1,407 million from €1,326 million in 2008, and represented 22.8% of revenue, versus 19.6% in 2008.

The increase in financial costs in the separate Pro forma Accor Hospitality and Accor Services financial statements compared with the Group's historical financial statements reflects the use of projected future financing rates, instead of the actual rates used in the historical statements. These projected rates would lead to higher borrowing costs.

After the impact of deleveraging, share of profit of associates came to a loss of €3 million, down from a €20 million profit in 2008, primarily as a result of the full consolidation of Orbis since July 1, 2008.

Pro forma net loss, Group share

(in € millions)	2008 Pro forma	2009 Pro forma	% change 2009 vs. 2008
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**566**	**180**	**- 68.2%**
Restructuring costs	(53)	(112)	N/A
Impairment losses	(55)	(249)	N/A
Gains and losses on management of hotel properties	111	7	N/A
Gains and losses on management of other assets	23	(27)	N/A
OPERATING PROFIT/(LOSS) BEFORE TAX	**592**	**(201)**	**N/A**
Income tax expense	(177)	(49)	- 72.3%
Profit or loss from discontinued operations	-	-	N/A
NET PROFIT/(LOSS)	**415**	**(250)**	**N/A**
NET LOSS, GROUP SHARE	**401**	**(262)**	**N/A**
EARNINGS/(LOSS) PER SHARE (IN EUROS)	**1.81**	**(1.18)**	**N/A**
NET PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	**14**	**12**	**- 14.3%**

Restructuring costs totaled €112 million for the year, compared with €53 million in 2008. They primarily comprised costs related to the various reorganization programs, including the voluntary separation plan announced in June 2009.

Impairment losses, in an amount of €249 million versus €55 million in 2008, mainly comprised write-downs of Motel 6 assets in the United States (€113 million), hotel assets in Italy (€33 million) and hotel assets in Hungary (€23 million).

Gains and losses on the management of hotel properties, corresponding to capital gains and losses on disposals of hotel assets, represented a net gain of €7 million, versus €111 million in 2008. They mainly included the €39 million gain on the sale and variable leaseback of 159 hotels in Europe and the €67 million loss on other non-recurring hotel asset transactions.

The **loss on management of other assets** amounted to €27 million.

Income tax expense (excluding tax on the profits of associates and discontinued operations) came to €49 million versus €177 million in 2008. The effective tax rate was 30.1%, compared with 29.1% the year before.

After minority interests in the amount of €12 million, the **net loss, Group share** came to €262 million, versus a €401 million net profit in 2008.

As a result, the **loss per share**, based on the weighted average 222,932,096 shares outstanding in 2009, amounted to €(1.18), compared with earnings per share of €1.81 for the previous year.

Pro form statement of cash flows

(in € millions)	**2008 Pro forma**	**2009 Pro forma**
Funds from operations before non-recurring items	874	604
Renovation and maintenance expenditure	(464)	(297)
FREE CASH FLOW	**410**	**307**
Expansion expenditure	(1,063)	(725)
Expenditure on assets held for sale	(5)	-
Proceeds from disposals of assets	558	346
Ordinary dividends paid	(387)	(396)
Special dividends paid	(332)	-
Proceeds from issue of share capital	9	168
Return to shareholders	(62)	
Decrease/(increase) in working capital	(80)	(45)
CIWLT withholding tax refund	-	(242)
Other	(23)	15
DECREASE/(INCREASE) IN NET DEBT	**(975)**	**(572)**

Funds from operations before non-recurring items declined 30.9% to €604 million for the year.

Renovation and maintenance expenditure amounted to €297 million, versus €464 million in 2008, and represented 4.8% of 2009 revenue, compared with 6.8% in 2008.

After renovation and maintenance expenditure, free cash flow stood at €307 million, down 25.1% year-on-year.

Expansion expenditure totaled €725 million during the year, compared with €1,068 million in 2008. Outlays mainly comprised €112 million in organic expansion capital expenditure and €271 million for the acquisition during the year of an additional 15% interest in Groupe Lucien Barrière (which raised Accor's total stake to 49%). In 2008, acquisitions of equity interests amounted to €175 million.

Proceeds from disposals of assets came to €346 million, down from €558 million the year before, primarily reflecting the following:

- €290 million from the sale of hotel assets, including i) €181 million from the sale and variable lease-back of 159 hotels, including 157 hotelF1 units in France; ii) €3 million from sale and management-back transactions; (iii) €33 million from sale and franchise-back transactions; and (iv) €73 million from outright sales;

- €106 million from the disposal of non-strategic assets, of which €12 million from the sale of the remaining Club Med shares and €12 million from the sale of onboard train services assets.

Working capital increased by €45 million during the year.

The €15 million balance primarily included the translation adjustment and technical impacts from the demerger of the Hotels and Services businesses.

In all, Accor's net debt stood at €1,321 million, after a €216 million increase in 2009 as a result of the above-described cash flows.

Pro forma financial ratios

The main financial ratios generally declined in 2009, reflecting the difficult economic and business environment.

Gearing

Consolidated net debt amounted to €1,321 million at December 31, 2009, compared with €750 million a year earlier, while gearing stood at 30%, compared with 16% at December 31, 2008.

Funds from operations before non-recurring items/Adjusted net debt

The ratio of funds from operations before non-recurring items to adjusted net debt is calculated according to a method used by the main rating agencies, with net debt adjusted for the 8% [(1)] discounting of future minimum lease payments.

The ratio stood at 16.4% at December 31, 2009, compared with 22.6% a year earlier.

It is analyzed in the consolidated financial statements.

Pro forma return on capital employed

Return on capital employed (ROCE), corresponding to EBITDA expressed as a percentage of fixed assets at cost plus working capital, amounted to 8.5% in 2009, versus 11.9% in 2008. This ratio is also analyzed in the consolidated financial statements.

Value creation

Value created is calculated as follows:

$$\left(\text{ROCE after tax} - \text{Weighted average cost of capital}\right) \times \text{Capital employed}$$

Based on an ROCE after tax of 7.33%, a weighted average cost of capital of 7.89% and capital employed of €8.64 billion, Accor destroyed €49 million in Economic Value Added (EVA®) in 2009, versus creating €163 million in 2008.

(1) Rate used by the Standard & Poor's rating agency.

3.4. Significant events of early 2010

Section 3.4 of the 2009 Registration Document has been updated with a description of the process of demerging the Hotels and Services businesses and with the press releases or excerpts from press releases published by Accor between January 1 and May 18, 2010, as presented below.

3.4.1. DESCRIPTION AND TERMS OF THE SEPARATION OF THE HOTEL AND SERVICES BUSINESSES

3.4.1.1. General presentation of the transaction

The separation of Accor's Hotels and Services businesses will be accomplished through a contribution by Accor under the legal regime for spinoffs, of the entire Services Business (as such term is defined in section 3.4.1.3.2.1) to its subsidiary New Services Holding, followed by the spinoff by Accor to its shareholders (other than Accor itself) of the shares issued as consideration for the contribution (together, the "**Transaction**"). The Transaction will be followed by the admission of New Services Holding's shares for trading on Euronext Paris. The completion of the Transaction is subject to the satisfaction of certain conditions precedent described in section 3.4.1.1.2.

The Transaction will be carried out within the framework of the separation plan approved by Accor's Board of Directors on February 23, 2010. The Contribution Agreement (the "**Contribution Agreement**") is a private deed (*acte sous seing privé*) that was executed by Accor and New Services Holding on April 19, 2010.

Subject to the satisfaction or the waiver of the conditions precedent described in further detail in section 3.4.1.1.2, the contribution of assets will be completed on the date that New Services Holding's Combined General Meeting records the final completion of the contribution (the "**Completion Date**"). This meting is scheduled to take place on June 29, 2010.

The contribution of the Services Business (as such term is defined in section 3.4.1.3.2.1) will be followed by the spinoff of New Services Holding's shares issued as consideration for the contribution to Accor's shareholders (other than Accor itself) and the admission of New Services Holding's shares for trading on Euronext Paris on July 2, 2010 (the "**Ex-Date**").

3.4.1.1.1. Projected timetable of the transactions

Execution of the Contribution Agreement	April 19, 2010
AMF's visa on the prospectus prepared for the admission for trading of the New Services Holding shares	May 12, 2010
Publication in the BALO of the notice of Accor's Combined General Meeting	May 21, 2010
Visa on the supplement of the prospectus Combined General Meetings of the shareholders of Accor and New Services Holding Completion Date of the contribution of assets (Completion Date)	First half of June 2010 June 29, 2010 June 29, 2010
Ex-Date for the spinoff of New Services Holding's shares and Accor's cash dividend (Ex-Date)	July 2, 2010
Delivery of New Services Holding's shares to Accor's shareholders (other than Accor itself)	July 2, 2010
Admission of New Services Holding's shares for trading on Euronext Paris	July 2, 2010
Payment of Accor's cash dividend	July 2, 2010

3.4.1.1.2. Conditions precedent

As of the date hereof, the completion of the Transaction is subject to the satisfaction of the following conditions precedent:

- the final completion of the Preliminary Transactions (as defined in section 3.4.1.2);
- the approval by extraordinary resolution of the Combined General Meeting of Shareholders of Accor of the Contribution Agreement, and of the Transaction described therein, including the spinoff by Accor to its shareholders (other than Accor itself) of the New Services Holding shares issued as consideration for the contribution;

- the approval by an extraordinary resolution of the Combined General Meeting of Shareholders of New Services Holding of the Contribution Agreement, and of the Transaction, including the capital increase that will be carried out in consideration for the contribution and the distribution by Accor to its shareholders of the New Services Holding shares issued as consideration for the contribution;
- the execution of a term loan agreement in a principal amount of €900,000,000 between New Services Holding as borrower and a group of lending banks and the delivery to New Services Holding of theamount drawn down pursuant to such agreement no later than the day before the date of the Combined General Meeting of Shareholders of Accor called to approve the Contribution Agreement and the Transaction, in order to reimburse the current cash account granted by Accor that is excluded from the contribution of assets; and
- the execution of a term loan agreement in a principal amount of €600,000,000 between New Services Holding as borrower and a group of lending banks, and the delivery to New Services Holding of the amount drawn pursuant to such agreement no later than the day before the date of the Combined General Meeting of Shareholders of Accor called to approve the Contribution Agreement and the Transaction, in order to reimburse the current cash account granted by Accor that is excluded from the contribution of assets.

3.4.1.2. Preliminary transactions

The Transaction requires the execution of certain preliminary transactions involving the transfer of interests, assets or activities, and refinancings in order to separate the Services business (as such term is defined below) and to optimize the organization of the future New Services Group and the Accor group following the Transaction, which are summarized below and described in greater detail in a schedule to the Contribution Agreement (the "**Preliminary Transactions**").

3.4.1.2.1. Reorganization of businesses and equity holdings

As a general matter, the businesses that make up the Services Business are carried out by distinct ad-hoc subsidiaries within the Accor group. At the beginning of 2010, only two companies (in Argentina and Switzerland) had combined operations (i.e. hotel and services businesses). These operations were separated in each of these countries during the first quarter of 2010:

- in Argentina, the separation was achieved through a spinoff of the Argentine company's hotel business;
- in Switzerland, the separation was achieved through a sale by Accor Gestion Hôtelière et Services SA of its services business to a special purpose vehicle, New Services Suisse SA.

The separation of the hotel and services businesses also requires certain of the Accor group's equity holdings to be transferred, either because these equity holdings are held through companies that are involved in hotel operations, or in order to optimize the organization of the future Group and of the Accor group following the Transaction. The main transfers, which are expected to occur prior to the Completion Date, are:

- the sale by the holding company that controls the Accor group's Italian businesses of its interest in the Italian services subsidiary to Accor Services France (42.28%), the Spanish services subsidiary (11.38%) and the Belgian services subsidiary (44.64%);
- the sale by the holding company that controls the Accor group's United Kingdom businesses of its interest in the United Kingdom services subsidiary to the Italian services subsidiary;
- the contribution by the holding company that controls the Accor group's Belgian businesses of its 39.25% interest in the Brazilian services holding company to the Belgian services subsidiary, followed by the sale of the Belgian services subsidiary to a French holding company ("**ASH**") that is expected to be contributed to the Company;
- the purchase by ASH of the interest in the share capital of the U.S. services subsidiary from the holding company that controls the Accor Group's U.S. businesses, and of the interest in the Australian services subsidiary held by the holding company that controls the Australian business;
- the sale by Accor of its interest in two Swedish services companies to the main Swedish services subsidiary, and of its interest in the Uruguayan services subsidiary to the Belgian services subsidiary; and
- the transfer to the Italian services subsidiary of certain interests that are currently held by the Belgian services subsidiary (Romania, Slovakia, Turkey).

The reclassification transactions were carried out through sales and contributions. The purchases of securities by the Services Entities (as defined below) represented net indebtedness of €2.1 billion based on the Pro forma financial statements as at December 31, 2007. New Services Holding and the Services Entities benefit (directly and indirectly) from a loan extended by Accor until all amounts due to Accor from a loan extended by Accor until all amounts due to Accor have been refinanced as provided for in section 3.4.1.2.2 below.

3.4.1.2.2. Restructuring of the intra-group financings

It is expected that prior to the Completion Date, all of the existing intra-group financings (borrowings, loans as well as any ancillary hedging transactions, other than debit or credit current accounts, dividends payable and any accrued interest relating thereto) between Accor and the entities that are expected to remain within the scope of the Accor group of entities (collectively the "**Accor Group Entities**") on the one hand, and the entities whose shares will be in whole or in part, directly or indirectly transferred to New Services Holding pursuant to the Transaction (collectively the "**Services Entities**") on the other hand, will be restructured in order to maintain a single global financing arrangement between the Accor Group Entities and the Services Entities by way of a current account between Accor and New Services Holding (New Services Holding is expected to become the central entity of all of the loans and advances granted to or by the Services Entities, replacing the Accor Group Entities as the lender or borrower for such Services Entities).

3.4.1.3. The Transaction

3.4.1.3.1. Economic aspects of the Transaction

3.4.1.3.1.1. Existing relationship between the companies

(a) Capital links

As of the date hereof, Accor holds substantially all of New Services Holding's share capital and voting rights.

(b) Common corporate officers

As of the date hereof, Accor and New Services Holding do not have any corporate officer in common other than Mr. Jacques Stern, who is both Deputy General Manager of Accor and Chairman of the Board of Directors and Chief Executive Officer (*Président-directeur général*) of New Services Holding.

(c) Common subsidiaries

None.

(d) Technical and commercial agreements

Pursuant to the Contribution Agreement, New Services Holding and Accor have agreed to enter into various service and assistance agreements in the areas of office administration, management, accounting and payroll tools, information technology and cash management, for terms ranging from three months to five years, depending on the relevant areas, under arm's length financial terms to be agreed upon between the parties. The amount to be paid based on the Company's appraisals, the re-invoiced items, and future claims paid by the Company to Accor as compensation for these service and assistance agreements amounts to €0.8 million and is accounted for in the Pro forma financial statements.

The Transaction will not include the contribution of the "Accor Services" brands, logos and domain names, but Accor will grant an exclusive licensing agreement to use these intellectual property rights free of charge for a period of 24 months. This license is intended to allow New Services Holding and the Services Entities to continue to use such rights for the time required to remove the reference to "Accor" in the intellectual property rights in question.

Finally, Accor will conclude a tax consolidation exit agreement with each of the French Services Entities that were included in the scope of the Accor tax consolidation for 2009, which will govern the consequences of the exit of such companies from the scope of Accor's tax consolidation as a result of the Transaction.

3.4.1.3.1.2. Purpose and objectives of the Transaction

The Transaction is part of a plan to separate the Accor Group's hotel business from the Services business in order to create an autonomous group dedicated exclusively to the Services Business (as defined in section 3.4.1.3.2.1).

Each of these two businesses, which are currently the leaders in their respective markets, have reached a critical size and earned an international reputation allowing them to act independently in evolving markets.

With 4,100 hotels in 90 countries and 145,000 employees, the Hotels business is a European market leader and global hotel manager, with a unique foundation in the midscale to economy segments.

Likewise, due to its presence in 40 countries with 33 million users, 490,00 companies and public authorities as customers and 1.2 million affiliated merchants and an issue volume of €12.4 billion in 2009, the Services business is now the global leading provider of employee and public benefits products and services, and one of the leaders in the Performance product market.

Today, it is clear that:

- the Hotels and Services businesses require specific skills and expertise, and operate in different business environments;
- backed by sufficient independent financial resources, the Hotels and Services operations will be better positioned in today's increasingly competitive global marketplace; and

- separately, the two businesses, each with its own business model, should attract a larger number of investors.

The purpose of the separation of the two businesses is to allow the resulting entities to:

- pursue two corporate missions, led by dedicated management teams, strengthening team spirit;
- become "pure players", listed separately without any capital ties, with targeted investors for each business, which will enhance each entity's visibility; and
- benefit from new opportunities for partnerships, strategic alliances and financial transactions in order to finance future growth, in particular through the ability to pay in shares.

3.4.1.3.1.3. Transaction costs

Accor will be liable for estimated transaction costs amounting to €22 million. This estimate takes into account the allocation agreed upon by New Services Holding and Accor in the Contribution Agreement.

3.4.1.3.2. Legal aspects of the Transaction

3.4.1.3.2.1. The Transaction

The Transaction consists of:

(i) the contribution by Accor to the Company of its complete and autonomous business division consisting of the following activities: (x) the provision of employee and public benefits products and services, and (y) the provision of prepaid products and services that enhance the performance of organizations such as companies, associations, and public authorities (the "**Services Business**"), through a contribution of assets under the legal regime applicable to spinoffs; followed by

(ii) the spinoff by Accor to its shareholders (other than Accor itself) of the shares of New Services Holding issued as consideration for the contribution. The New Services Holding shares will be listed on Euronext Paris concurrently with their delivery to the Accor shareholders.

The contribution of assets and the distribution by Accor to its shareholders of the New Services Holding shares issued as consideration for the contribution contemplated in the Contribution Agreement are two related transactions deemed to be a single transaction.

Subject to the satisfaction of the conditions precedent set forth below in section 3.4.1.1.2 of this update and the stipulations set forth below, Accor shall contribute to New Services Holding all of the assets and liabilities relating to the Accor Group's Services Business (the "**Contributed Business**") in their existing condition on the Completion Date, taking into account in particular the Preliminary Transactions. New Services Holding will own and take possession of the rights and assets relating to the Contributed Business and will be liable for the debts and obligations attached to the Contributed Business as of the Completion Date. The contribution of assets contemplated in the Contribution Agreement will imply the universal transfer of the Contributed Business, with no joint liability between Accor and New Services Holding.

The contribution will not include:

- the loans and advances (other than debit or credit current accounts, dividends payable and any accrued interest relating thereto) extended by Accor to the Services Entities or by the Services Entities to Accor, nor the related hedging transactions, since these financings and transactions are expected to be unwound in connection with the Preliminary Transactions;
- the securities held by Accor in the share capital of New Services Holding as of the date hereof; and
- rights and obligations that relate to the service agreements described in section 3.4.1.3.1.1(d) herein.

As far as the intellectual property rights are concerned, it is specified that:

- the contribution will include all of the brands, logos and domain names, copyrights, know-how, software, and other intellectual property rights exclusively attached to the Contributed Business that do not include a reference to "Accor Services" or "Accor";
- the contribution will include all of the brands, logos and domain names attached to the Contributed Business that combine a reference to "Accor Services" or to "Accor" with a reference to a brand, name or logo specific to the Contributed Business; provided, however, that New Services Holding undertakes to take certain measures in connection with the substitution of its new name; and
- the contribution will not include the "Accor Services" brands, logos and domain names; provided, however, that Accor (x) will grant an exclusive license to New Services Holding to use these intellectual property rights for a period of 24 months, and (y) undertakes to maintain the "Accor Services" domain names at New Services Holding's expense for a period of ten (10) years.

Pursuant to article L. 1224-1 of the French Labor Code, the employment contracts of the employees shall be automatically transferred to New Services Holding on the Completion Date, along with all of the individual rights accrued under such contracts.

The Transaction is subject to the provisions of articles L. 236-16 through L. 236-21 of the French Commercial Code, in accordance with the election provided for in article L. 236-22 of such Code. Accordingly, the Transaction will result in the New Services Holding being substituted for Accor in all its rights and obligations in respect of the Contributed Business as of the Completion Date.

Pursuant to the terms of the Contribution Agreement, Accor and New Services Holding have expressly waived any joint liability between them, particularly with regard to the liabilities of Accor, in accordance with the provisions of article L. 236-21 of the French Commercial Code. Accordingly, as of the Completion Date, solely New Services Holding will be responsible for the liabilities transferred pursuant to the contribution of assets contemplated in the Contribution Agreement.

Given the absence of joint liability, and pursuant to the provisions of articles L. 236-14 and L. 236-21 of the French Commercial Code, creditors (other than bondholders) of Accor and New Services Holding whose claims arise prior to the publication of this Agreement are entitled to object to the Transaction within thirty (30) days of the last publication date of the announcements issued pursuant to articles R. 236-2 and R. 236-8 of the French Commercial Code. Any opposition concerning Accor must be filed with the Commercial Court of Évry, which may either reject it, order the repayment of the debts in question, or the delivery of guarantees if Accor so offers and if such guarantees are considered to be sufficient. Any opposition concerning New Services Holding must be filed with the Commercial Court of Nanterre, which may either reject it, order the repayment of the debts in question, or the delivery of guarantees if New Services Holding so offers and if such guarantees are considered to be sufficient. Pursuant to article L. 236-14 of the French Commercial Code, an objection filed by a creditor (who is not a bondholder) of Accor or New Services Holding shall not prevent the completion of the Transaction.

Moreover, pursuant to article L. 236-18 of the French Commercial Code, the Transaction will be submitted to the Accor bondholders. The Accor bondholders were convened to meetings on May 25, 2010 in order to render an opinion on the Transaction. If the quorum requirements are not met at this meeting, the Accor bondholders will be reconvened. If the Accor bondholders do not approve the Transaction at their meetings, or if they cannot validly decide because the quorum requirements are not met, the Board of Directors of Accor may disregard their opposition as provided by applicable laws and regulations. If they do not approve the Transaction, the general meetings of the bondholders may grant their representatives (*représentants des masses*) the authority to oppose the Transaction as provided in article L. 236-14 of the French Commercial Code. The opposition of the bondholders as provided for above shall not prevent the Transaction from being completed.

The Company will publish a press release in the event that a bondholder raises a significant opposition to the Transaction.

(a) Date of the Contribution Agreement

The Contribution Agreement was executed on April 19, 2010.

(b) Date of the financial statements used to determine the values of the contribution

Accor's Financial Statements: The terms of the Transaction are based on the financial statements of Accor as at December 31, 2009, which were adopted by Accor's Board of Directors on February 23, 2010, and which will be submitted for the approval of the shareholders on June 29, 2010, and the projected accounting position of the Contributed Business as of the Completion Date (the "**Projected Contribution Statement**").

The Company's Financial Statements: The terms of the Transaction are based on the financial statements of the Company as at December 31, 2009, adopted by the Chairman on February 15, 2010 and approved by the Company's sole shareholder on March 15, 2010 (prior to the conversion of the Company into a *société anonyme*). The impact of certain recapitalization transactions that took place on April 9, 2010, (prior to the conversion of New Services Holding into a *société anonyme*) has also been taken into account.

(c) Completion and effective dates of the Transaction

The Transaction will be completed on the Completion Date. The distribution of New Services Holding's shares to Accor shareholders (other than Accor itself) will occur on the Ex-Date. The contribution of assets will be effective (including for both tax and accounting purposes) on the Completion Date.

(d) Dates of the Board of Directors' meetings approving the Transaction

The principle and the terms of the Transaction were approved at the meetings of the Board of Directors of Accor and New Services Holding that were held on April 19, 2010.

(e) Filing date of the Contribution Agreement with the Commercial Court

The Contribution Agreement was filed with the clerks of the Commercial Court of Évry and Nanterre on April 20, 2010.

3.4.1.3.2.2. Tax regime of the Transaction

Tax regime applicable to Accor and New Services Holding

Accor and the Company have agreed that the Transaction will be implemented under the standard tax regime (*régime de droit commun*) for corporate income tax purposes. As for the registration fees, the Transaction will be registered subject to the sole payment of a €500 fixed duty.

Tax consequences for Accor shareholders

The following is a summary of the French tax consequences of the Transaction to Accor shareholders. This summary is based on the applicable French laws and regulations in effect as of the date hereof. In certain cases, the following discussion addresses issues on which there is no official interpretation and only reflects the Company's own interpretation. The Company has not sought any ruling from French or other tax authorities with respect to the Transaction. Accor shareholders are advised that they should consult their own tax advisor with respect to their particular situation.

Persons who are not French residents for French tax purposes must comply with the applicable tax laws in their country of residence, subject to the provisions of a tax treaty entered into between France and that country, if any.

Important notice: the Transaction is subject to the standard tax regime applicable to distributions.

The distribution of New Services Holding shares to Accor shareholders pursuant to the Transaction will be treated:

- in part as a taxable dividend distribution (the "**Dividend Portion**"); and
- for the excess of the fair market value of the New Services Holding share as at the Ex-Date over the Dividend Portion, as a return of capital contribution.

Accor estimates the Dividend Portion to be equal to €0.94 per New Services Holding share.

For purposes of determining the capital gain realized on the subsequent disposal of the New Services Holding shares received pursuant to the Transaction, the tax basis in a New Services Holding share so received will be equal to its fair market value as at the Ex-Date.

Withholding taxes and deductions at source on account of tax and social contributions assessed on the Dividend Portion may be withheld or deducted, in whole or in part, from the cash dividend that will be paid by Accor on the Ex-Date.

(a) Shareholders who are French resident for tax purposes

(i) Individuals holding Accor shares as part of their personal assets and who are not engaged in stock exchange transactions in conditions similar to those that characterize the activity exercised by a person carrying out such transactions on a professional basis

French tax treatment of the distribution – Dividends (including the cash dividend and the Dividend Portion) are: (i) either included in the shareholder's global income subject to income tax at a progressive rate, or (ii) upon election, subject to a withholding tax paid in full satisfaction of income tax (*prélèvement libératoire*) at a rate of 18%.

They may be income tax-exempt if the Accor shares are held through a Share Savings Plan (*plan d'épargne en actions,* "PEA") and the PEA holder complies with the conditions for the special PEA regime to apply. In that respect, Accor shareholders who hold their Accor shares through a PEA will receive their New Services Holding shares within the PEA.

Pursuant to Article 158 of the French General Tax Code ("CGI"), dividends subject to income tax under the progressive schedule benefit from an uncapped general allowance of 40% of the gross amount received (the "40% Allowance") and from a global annual allowance of 3,050 euros for married couples and partners of a civil union contract (*pacte civil de solidarité,* as defined under Article 515-1 of the French Civil code, the "PACS") who are subject to joint taxation and 1,525 euros for single persons, widows or widowers, divorced or married individuals and partners of a PACS subject to separate taxation, such allowance being applied after the 40% Allowance and after deduction of tax deductible expenses.

Furthermore, pursuant to Article 200 *septies* of the CGI, dividends paid to individual shareholders give rise to a tax credit. Such tax credit is equal to 50% of the gross amount of dividends received, before application of the 40% Allowance and the global annual allowance of 1,525 euros or 3,050 euros, provided however that such tax credit is capped at 115 euros per annum for single persons, divorced, widows or widowers or married individuals and partners of a PACS subject to separate taxation and 230 euros per annum for married couples and partners of a PACS who are subject to joint taxation. This tax credit is offset against the total amount of income tax due for the year in which the dividends were received. Any excess tax credit amounting to 8 euros or more is refundable.

However, in accordance with Article 158-3 3° f) of the CGI, neither the two allowances nor the tax credit described above are available if the shareholder elected to subject all or part of the dividends received during the same year to the 18% withholding tax described below.

Pursuant to Article 117 *quater* of the CGI, dividends may, upon irrevocable election of the beneficiary (with the paying agent if the latter is established in France) at the latest when the dividends are received, be subject to a withholding tax paid in full satisfaction of income tax at the rate of 18%. Such election can me made for all the dividends (distributed by Accor or other companies) received by a shareholder during a given year, or for some of them only. However, when a taxpayer receives during a given year dividends in respect of which he elects for the payment of the 18% withholding tax, the dividends for which such an election is not made and which are subject to income tax under the progressive schedule are expressly excluded from the benefit of the 40% Allowance, the global annual allowance of 1,525 euros or 3,050 euros and the tax credit described above. Therefore, individual shareholders are advised to consult their own tax advisor regarding the merits and the

consequences of making such an election in light of their particular circumstances, as well as concerning the details of making the election and paying the withholding tax, and the applicable filing obligations when the paying agent is not located in France.

Moreover, whether they are subject to income tax under the progressive schedule or to the 18% withholding tax, dividends distributed by Accor will also be subject to deductions at source on account of the following social contributions (with respect to dividends subject to income tax under the progressive schedule, such deductions being applied before the two abovementioned allowances):

- the general social contribution (*contribution sociale généralisée,* the "CSG") at the rate of 8.2% (5.8% of which is deductible for income tax purposes if the dividends are subject to income tax under the progressive schedule);
- the surcharge for the repayment of the social security debt (*contribution pour le remboursement de la dette sociale*, the "CRDS") at the rate of 0.5%;
- the social levy at the rate of 2% (*prélèvement social de 2%*);
- the two additional contributions to the 2% social levy (respectively at the rate of 0.3% and 1.1%).

Furthermore, a 50% withholding tax will apply to dividends distributed by Accor if paid outside France in a non-cooperative State or territory within the meaning of Article 238-0 A of the CGI, irrespective of the tax residence of the shareholder. The shareholders concerned are urged to consult their own tax advisors.

French tax treatment of the return of capital contribution (excess of the fair market value of the New Services Holding share as at the Ex-Date over the Dividend Portion) – Subject to the provisions described below, the portion of the distribution of New Services Holding shares that is treated as a return of capital contribution for French tax purposes will be tax-exempt. However, for purposes of determining the capital gain realized on a subsequent disposal of Accor shares, Accor shareholders' basis in their Accor shares will be stepped down by the amount of such return of capital contribution (Ruling 2006/55 (FP) dated December 5, 2006).

Shareholders whose basis in their Accor shares is lower than the return of capital contribution are advised to consult their tax advisor regarding the tax treatment applicable to the difference.

Furthermore, according to the French tax authorities, the Transaction will terminate the tax deferral enjoyed by shareholders who participated in a contribution or a share for share exchange completed before January 1, 2000 (Administrative Guidelines 5 C-1-01 Annex 1 dated June 13, 2001 and 5 G-4531 §30 dated September 15, 2000). The shareholders concerned are advised to consult their own tax advisors regarding the consequences of the Transaction in light of their particular circumstances.

(ii) Legal entities subject to corporate income tax (standard regime)

Legal entities eligible for the French participation-exemption regime

French tax treatment of the distribution – French legal entities holding 5% or more of the capital of Accor and complying with the conditions set forth in articles 145 and 216 of the CGI can benefit, upon election, from the participation-exemption regime under which dividends (including the Dividend Portion) received by a parent company are not subject to corporate income tax, except for a fraction of such dividends corresponding to the expenses and charges borne by that company; this fraction is equal to 5% of the amount of such dividends (including any tax credit attached to them), but shall not, in any given tax period, exceed the total amount of expenses and charges of any kind incurred by the parent company during the relevant tax period.

Furthermore, a 50% withholding tax will apply to dividends distributed by Accor if paid outside France in a non-cooperative State or territory within the meaning of Article 238-0 A of the CGI, irrespective of the tax residence of the shareholder. The shareholders concerned are urged to consult their own tax advisors.

French tax treatment of the return of capital contribution (excess of the fair market value of the New Services Holding share as at the Ex-Date over the Dividend Portion) – Subject to the provisions described below, the portion of the distribution of New Services Holding shares that is treated as a return of capital contribution for French tax purposes should be tax-exempt. Correlatively, for purposes of determining the capital gain realized on a subsequent disposal of Accor shares, Accor shareholders' basis in their Accor shares should be stepped down by the amount of such return of capital contribution. However, attention is drawn to the fact that such position is drawn from Ruling 2006/55 (FP) dated December 5, 2006, which only applies to individuals. The shareholders concerned are urged to consult their own tax advisors.

Shareholders whose basis in their Accor shares is lower than the return of capital contribution are advised to consult their tax advisor regarding the tax treatment applicable to the difference.

Legal entities not eligible for the French participation-exemption regime

French tax treatment of the distribution – Dividends (including the Dividend Portion) received by legal entities not eligible for the participation-exemption regime are subject to corporate income tax at the standard rate of 33€% plus, as applicable, the social contribution of 3.3% which is assessed on the amount of corporate income tax due, less an allowance that may not exceed 763,000 euros per twelve month period (Article 235 *ter* ZC of the CGI).

However, subject to the conditions set out under Articles 219 I b of the CGI, legal entities whose turnover per annum (excluding VAT) is lower than 7,630,000 euros and whose capital, entirely paid up, has been held continuously during the relevant fiscal year, for at least 75%

by individuals or by a corporation meeting all required conditions, may be entitled to a reduced corporate income tax rate of 15%, provided however that the amount of taxable income eligible for such reduced rate is capped at 38,120 euros per twelve month period. These legal entities will also benefit from an exemption from the social contribution of 3.3% mentioned above.

Furthermore, a 50% withholding tax will apply to dividends distributed by Accor if paid outside France in a non-cooperative State or territory within the meaning of Article 238-0 A of the CGI, irrespective of the tax residence of the shareholder. The shareholders concerned are urged to consult their own tax advisors.

French tax treatment of the return of capital contribution (excess of the fair market value of the New Services Holding share as at the Ex-Date over the Dividend Portion) – Subject to the provisions described below, the portion of the distribution of New Services Holding shares that is treated as a return of capital contribution for French tax purposes should be tax-exempt. Correlatively, for purposes of determining the capital gain realized on a subsequent disposal of Accor shares, Accor shareholders' basis in their Accor shares should be stepped down by the amount of such return of capital contribution. However, attention is drawn to the fact that such position is drawn from Ruling 2006/55 (FP) dated December 5, 2006, which only applies to individuals. The shareholders concerned are urged to consult their own tax advisors.

Shareholders whose basis in their Accor shares is lower than the return of capital contribution are advised to consult their tax advisor regarding the tax treatment applicable to the difference.

(b) Shareholders who are not French resident for tax purposes and who do not hold their Accor shares in connection with a permanent establishment or fixed base in France

French tax treatment of the distribution – Dividends paid by the Company (including the Dividend Portion) are, in principle, subject to a withholding tax, which is withheld by the paying agent, when the tax domicile or the head office of the beneficial owner is located outside of France.

Subject to what is stated below, the rate of this withholding tax is set at (i) 18% for individual beneficiaries domiciled in a Member State of the European Community, Iceland or Norway, and (ii) 25% in other cases.

This withholding tax may be reduced or even eliminated by application of tax treaties or the provisions of Article 119 *ter* of the CGI that is applicable, under certain conditions, to corporate shareholders domiciled in the European Community.

In addition:

- provided that they meet the criteria set forth by the administrative guidelines dated January 15, 2010 (BOI 4 H-2-10), not-for-profit organizations with registered offices in a Member State of the European Community, Iceland or Norway may benefit from a reduced withholding tax of 15%; and
- subject to fulfilling the conditions specified in the administrative guidelines dated May 10, 2007 (BOI 4 C-7-07) and July 12, 2007 (BOI 4 C-8-07), corporate entities holding at least 5% of the Company's share capital and voting rights may, under certain conditions, be able to benefit from the withholding tax exemption if their place of effective management is located in a Member State of the European Community, Iceland or Norway. The shareholders concerned should contact their tax advisors to determine to what extent and under what conditions they may benefit from this exemption.

However, distributions declared by the Company will be subject to a withholding tax of 50%, whatever the shareholder's residence for tax purposes (subject, if applicable, to more favourable provisions of tax treaties) if they are paid outside of France in a non-cooperating State or territory as defined by Article 238-0 A of the CGI. The list of such non-cooperating States and territories is published in an inter-ministerial decree (*arrêté interministériel*) and updated annually.

It is the responsibility of the shareholders who may be concerned to consult their own tax advisor to determine in particular if they are likely to be subject to the new legislation regarding non-cooperating States and territories and/or benefit from a reduction of, or exemption from, the withholding tax. Shareholders are also urged to consult their advisors on the practical terms of the application of international tax treaties such as those mentioned in the administrative guidelines of February 25, 2005 (BOI 4 J-1-05) relating to the so-called "normal" or "simplified" procedure for reducing or becoming exempt from withholding tax.

Individual shareholders who benefit from a tax treaty with France that provides for the transfer of the *avoir fiscal* may request a reimbursement of the tax credit attached to the dividends paid by the Company, subject to meeting the conditions set forth in the treaty to benefit from the transfer and compliance with the procedures for granting the tax credit. This tax credit is equal to 50% of the amount of the dividends paid and is capped annually (for all dividends received in the course of the same year) at €230 for married couples or partners of a PACS subject to joint taxation and €115 for single, widowed, and divorced persons, and married couples or partners of a PACS subject to separate taxation. When the non-resident shareholder receives this tax credit, withholding tax will be deducted at the rate set forth in the applicable tax treaty.

French tax treatment of the return of capital contribution (excess of the fair market value of the New Services Holding share as at the Ex-Date over the Dividend Portion) – No French withholding tax will apply to the portion of the distribution of New Services Holding shares that is treated as a return of capital contribution for French tax purposes. As a result, for French tax purposes, Accor shareholders' basis in their Accor

shares will be stepped down by the amount of such return of capital contribution. Shareholders whose basis in their Accor shares is lower than the return of capital contribution are advised to consult their tax advisor regarding the tax treatment applicable to the difference.

3.4.1.3.2.3. Approval and evaluation of the Transaction

(a) Date of the Combined General Meetings called to approve the Transaction

The Transaction will be submitted for the approval of the Combined Extraordinary General Meetings of the shareholders of Accor and New Services Holding that will be held on June 29, 2010.

(b) Statutory appraiser

Names and addresses

Mr. Jean-Jacques Dedouit	19, rue Clément Marot – 75008 Paris
Mr. Alain Abergel	143, rue de la Pompe – 75116 Paris

Appointed by an order of the Presiding Judge of the Commercial Court of Nanterre dated March 1, 2010.

Date of the reports:

Report on the value of the contributions dated May 11, 2010 (a copy of which is attached hereto)

Report on the consideration for the contribution dated May 11, 2010 (a copy of which is attached hereto)

The conclusions of the statutory appraisers concerning the value of the contribution are as follows:

Based on our works, we are of the opinion that the value of the contributions of €1,099,185,385.63 is not over-estimated and therefore, the net contributed assets are equal to at least the amount of the capital increase of the Company benefiting from the contribution of assets, increased by the contribution premium.

The conclusions of the statutory appraisers concerning the consideration for the contribution are as follows:

Based on our works, we are of the opinion that the consideration offered for the contribution, leading to the issue of one New Services Holding share for each Accor S.A. share entitled to the subsequent distribution of New Services Shares, is suitable. Based on the information available as of the date hereof, the contributing company and the beneficiary have acknowledged that the New Services Holding S.A. will issue 225,878,896 shares as consideration for the contribution of assets.

(c) Expert appraisals

None.

3.4.1.3.2.4 Consideration for the Transaction

(a) Terms of the consideration for the Transaction

Given that on the date of the execution of the Contribution Agreement Accor held and intends to retain almost all of the shares of New Services Holding, the terms of the consideration of the contribution of assets were established so as to achieve a ratio of one (1) New Services Holding share for every Accor share giving rights to the distribution of New Services Holding shares. This results in a contractual allocation of the amount of the capital increase and the contribution premium.

(b) Amount of the capital increase

As consideration for the contribution of assets contemplated in this Agreement, New Services Holding will issue a number of new shares to Accor corresponding to the number of Accor shares giving right to the distribution of New Services Holding shares, i.e. the Accor shares that remain outstanding on the Ex-Date (other than those held by Accor itself).

For purposes of the Contribution Agreement, Accor and New Services Holding have agreed upon a provisional number of shares to be issued on the basis of the estimate of the number of Accor shares granting rights to the distribution of New Services Holding shares as of the date of the Contribution Agreement, but have agreed that this number will be adjusted once the required information is available. The Board of Directors of Accor and New Services Holding held on May 11, 2010 applied these principles and set the final number of New Services Holding shares to be issued as consideration for the contribution of assets such that this number corresponds exactly to the number of Accor shares giving right to the distribution of New Services Holding (225,878,896 shares).

Accordingly, as consideration for the contribution of assets contemplated in the Contribution Agreement, New Services Holding will increase its capital by a nominal amount of €451,757,792 through the issue of 225,878,896 new shares with a par value of €2 each. This amount assumes that the Société d'Exploitation et d'Investissement Hôtelier – SEIH held by Accor will be wound-up prior to the Completion Date.

Based on the foregoing, the share capital of New Services Holding will be increased by a nominal amount of €451,757,792 from €37,000 euros, its current montant amount, to the nominal amount of €451,794,792, divided into 225,878,396 fully paid-up shares, all of the same class.

The new shares will be entirely fungible with the existing shares and will be subject to all of the provisions of the bylaws of New Services Holding. They will have a right to all of the distributions declared after the Completion Date and will be admitted for trading on Euronext Paris as of the Ex-Date.

3.4.1.3.3. Accounting for the Transaction

3.4.1.3.3.1. Valuation principles

Because the Transaction is an indivisible transaction involving a contribution of assets at book value among companies that are members of the same group followed by a share spinoff (and not a sale) to the Accor shareholders, which should be treated in a consistent manner for accounting purposes, the Transaction will be carried out at book value. This book value shall correspond to the net book value of the transferred items on the Completion Date, as such items will be recorded in the Contribution Statement (defined below).

3.4.1.3.3.2. Description and value of the contributed assets and assumed liabilities

(a) Description and valuation of the contributed assets

Subject to the provisions of section 3.4.1.3.2.1 below, the contributed assets shall include all of the assets and rights of the Contributed Business, in their existing condition on the Completion Date (whether or not they are recorded in the reference accounts or the Projected Contribution Statement, and including all of the unknown or future rights related to the operation of the Contributed Business arising prior to the Completion Date), other than the assets sold or destroyed between January 1, 2010 and the Completion Date, but increased to reflect any assets relating to the Contributed Business acquired by Accor during this period. They will also include, if applicable, a claim of New Services Holding against Accor, the amount of which will be determined as provided below, which is intended to ensure that the book value of the net assets of the Contributed Business on the Completion Date recorded in the Contribution Statement (as defined below) is equal to the net assets recorded in the Projected Contribution Statement (€1,099,185,385.63).

On the basis of the reference accounts, the Projected Contribution Statement and the items mentioned in the Contribution Agreement, and given that the Transaction will be carried out at net book value, the breakdown of the book value of the net assets of the Contributed Business is as follows:

(in euros)	**Net book value**
Concessions, patents, similar rights	*270,759.70*
Other intangible assets	*164,303.34*
Intangible assets	435,063.04
Property, plant and equipment	*18,272.65*
Other tangible assets	*517,707.77*
Current assets	*406,006.34*
Tangible assets	941,986.76
Participating Interests – French Company 5% to 100%	*1,026,194,287.64*
Participating Interests – Foreign Company 5% to 100%	*70,581,982.09*
Related interest receivable	*1,128,032.71*
Dividends receivable	*11,444,016.52*
Other financial assets	*19,802.00*
Financial assets	1,109,368,120.96
TOTAL FIXED ASSETS	**1,110,745,170.76**
Trade receivables	*467,400.00*
Prepaid expenses	*182,781.17*
Current accounts	*4,746,000.00*
Various debtors	*54,081.69*
TOTAL CURRENT ASSETS	**5,450,262.86**
TOTAL OF THE CONTRIBUTED ASSETS	**1,116,195,433.62**

(b) Description and valuation of the assumed liabilities

Subject to the provisions of section 3.4.1.3.2.1 below, the liabilities assumed by New Services Holding shall include all of the liabilities and obligations of the Contributed Business, in their existing condition on the Completion Date (whether or not they are recorded in the reference accounts and including all unknown or future liabilities related to the operation of the Contributed Business arising prior to the Completion Date), other than any liabilities discharged between January 1, 2010 and the Completion Date, but increased by any new liability incurred during such period. They will also include, if applicable, a claim of Accor against New Services Holding, the amount of which will be determined as provided below, which is intended to ensure that the book value of the net assets of the Contributed Business on the Completion Date recorded in the Contribution Statement is equal to the net assets recorded in the Projected Contribution Statement (€1,099,185,385.63).

On the basis of the reference accounts, the Projected Contribution Statement and the items mentioned in the Contribution Agreement, and given that the Transaction will be carried out at net book value, the breakdown of the book value of the liabilities of the Contributed Business is as follows:

(in euros)	**Net book value**
Provisions for risks	*2,612,953.00*
Provisions for expenses	*8,931,386.00*
Provisions for risks and expenses	11,544,339.00
Current accounts	*167,000.00*
Trade payables and related accounts	*2,520,239.54*
Tax and social security liabilities	*2,778,469.45*
Debts	5,465,708.99
TOTAL OF THE ASSUMED LIABILITIES	**17,010,047.99**

(c) Calculation of the net assets contributed

On the basis of the foregoing elements, the book value of the net assets contributed by Accor to New Services Holding pursuant to the contribution of assets contemplated in the Contribution Agreement amounts to €1,099,185,385.63:

(in euros)	**Net book value**
TOTAL of the assets contributed	*1,116,195,433.62*
TOTAL of the liabilities assumed	*17,010,047.99*
Net assets contributed	1,099,185,385.63

As a result of the mechanism described below, the amount of the contributed net assets will remain unchanged despite the fact that New Services Holding will assume the assets and liabilities relating to the Contributed Business at their net book value on the Completion Date.

(d) Preparation of the Contribution Statement

Within thirty (30) days of the Completion Date, Accor will deliver the balance sheet of the Contributed Business as at the Completion Date (the "**Contribution Statement**") to New Services Holding. The Contribution Statement will be prepared using the same accounting principles as those used to prepare the Projected Contribution Statement, provided, however, that this Contribution Statement will show, if applicable, a claim of New Services Holding against Accor (on the asset side) or, alternatively, a claim of Accor against New Services Holding (on the liability side), in an amount such that the book value of the net assets of the Contributed Business recorded in the Contribution Statement, incorporating the negative or positive amount of the claim, as applicable, will be equal to the book value of the net assets of the Contributed Business recorded in the Projected Contribution Statement (€1,099,185,385.63).

New Services Holding will have a period of thirty (30) days from the date on which it receives the Contribution Statement (the "**Opposition Period**") to notify Accor of its objection to any of the elements included in the Contribution Statement by delivering a notice of opposition (the "**Opposition Notice**") to Accor at the latest on the last day of the Opposition Period. If Accor does not receive any Opposition Notice within this time frame, New Services Holding will be deemed to have accepted the Contribution Statement without any reservations, and it will become final with no possibility of further objection.

If an Opposition Notice is sent to Accor, and if the Parties cannot reach an agreement on the principle and/or the amount of the proposed adjustments, the disputed items will be submitted to an expert (the "**Auditor**"). The Auditor will settle any disputes in accordance with the principles set forth in this article with respect only to those items that the Accor and New Services are unable to agree upon, and will then

prepare the final Contribution Statement. Accor and the Company will use their best efforts to allow the Auditor to render its decision within a period of thirty (30) days from its appointment. The Auditor's decision will be binding on the Parties and may not be appealed. The Auditor's fees will be borne equally by Accor and the Company.

Any claim recorded on the asset or liability side of the Contribution Statement will be paid by the Party liable for such payment within five (5) days of the date on which the final Contribution Statement is established.

3.4.1.3.3.3. Expert appraisal

None.

3.4.1.3.3.4. Contribution premium

The amount of the contribution premium that will be submitted for the approval of the Company's General Meeting was established by the Company's Board of Directors pursuant to the provisions of Article 5.2 of the Contribution Agreement at the meeting that was held on May 11, 2010.

On the basis of a net asset value of €1,009,185,385.63, and assuming a share capital increase of €451,757,792, the contribution premium would amount to €647,427,593.63.

The contribution premium to which the existing and new shareholders of New Services will be entitled will be recorded on the liability side in the balance sheet of New Services. It may be allocated as decided by the Company's shareholders' meeting, in accordance with the principles in force.

3.4.1.3.4. Distribution of New Services Holding shares to the Accor shareholders

The new Company shares issued as consideration for the Transaction, 225,878,896 Company shares, which represent 99.99% of the share capital of the Company on the Completion Date after the completion of the Transaction, will be distributed by Accor to its shareholders (other than Accor itself), in proportion to their equity interest in the share capital of Accor, at the rate of one (1) New Services share for each Accor share.

The Transaction will be submitted to the shareholders of Accor and New Services Holding for their approval at the combined (ordinary and extraordinary) general meetings that will be held on June 29, 2010. Subject to the recording of the final completion of the contribution of assets contemplated in the Contribution Agreement by the Combined General Meeting of New Services on June 29, 2010, the spinoff of the New Services shares and the distribution of the cash dividend that will be submitted for the approval of the Accor shareholders at the General Meeting of June 29, 2010 will occur before the start of trading on the Ex-Date. The delivery of the New Services shares and the payment of the cash dividend will also occur on the Ex-Date.

3.4.1.3.4.1. Beneficiaries of the distribution of New Services Holding shares

The beneficiaries of the spinoff of New Services shares will be the Accor shareholders (other than Accor itself) whose shares are recorded in their name at the close of the accounting day preceding the Ex-Date, i.e., after the close of business on July 1, 2010, (after trades made during business hours on July 1, 2010 have been executed, even if the settlement of these orders takes place after the Ex-Date).

In other words, any person (other than Accor itself) who has acquired Accor shares (without having resold them) prior to the Ex-Date will receive the distribution of New Services shares in accordance with the applicable market rules described below.

The same rules apply for the cash dividend, provided, however, that the Accor shares with dividend rights only as of January 1, 2010 listed under the ISIN code FR0010840819 will not be entitled to such dividends.

3.4.1.3.4.2. Exchange ratio of New Services Holding shares

The shares of New Services Holding issued as consideration for the contribution of assets to the beneficiaries described above at the rate of one New Services Holding share for each Accor share.

3.4.1.3.4.3. Mechanics of the spinoff

The spinoff of the New Services Holding shares and Accor's annual dividend in cash will occur simultaneously, before the start of trading on the Ex-Date.

The payment of the cash dividend and the delivery of the New Services Holding shares spun-off pursuant to the Transaction will also occur simultaneously on the Ex-Date.

For the Accor shares in bearer form or in administered registered form:

- as of the Ex-Date, the financial intermediaries who are members of Euroclear France will credit the cash dividend to the accounts of their customers who are entitled to it;
- on the Ex-Date, the financial institution in charge of centralizing the transactions relating to the Transaction (the "**Centralizing Bank**"), will cause, through the intermediary of Euroclear France, all of the financial intermediaries who are members of Euroclear France to credit, automatically and without the intervention of their customers, on behalf of the Accor shareholders for whom they handle the accounts who will have Accor shares recorded in their name at the end of the accounting day prior to the Ex-Date, a number of New Services shares corresponding to the number of Accor shares recorded in the accounts of such customers;
- for those shares that are subject to a purchase with a deferred settlement-payment ("**OSRD**"), the Company shares spun-off from such shares will benefit the trader (*négociateur*) who will register them in the account of the purchaser as of the Ex-Date. The trader will also benefit from the cash dividend and will pay the exact cash equivalent at the term of the OSRD. The same rules will apply with respect to OSRD sale orders.

For those shareholders holding shares of Accor in pure registered form:

- as of the Ex-Date, the cash dividend will be credited to the accounts of each of the shareholders entitled to it; and
- as of the Ex-Date, the whole number of New Services Holding shares to which they are entitled will be registered in the share registry in the name of each of the Accor shareholders in pure registered form.

3.4.1.3.4.4. Accounting treatment of the contribution

The distribution by Accor to its shareholders of the New Services Holding shares issued as consideration for the contribution contemplated in the Contribution Agreement, which is a component of the Transaction, will be reflected in the financial statements of Accor on the basis of their net book value, i.e., €1,099,185,385.63. This entire amount will be applied to the "contribution premium" account.

3.4.1.3.5. Consequences of the Transaction

3.4.1.3.5.1. Impact of the Transaction for New Services Holding and its shareholders

The impact of the Transaction for New Services Holding and its shareholders is presented in the prospectus that was prepared for purposes of the admission for trading of the New Services Holding shares on Euronext Paris, which received the AMF's visa on May 12, 2010 under number 10-128. It is specified that such prospectus is not incorporated by reference herein.

3.4.1.3.5.2. Impact of the Transaction for Accor and its shareholders

(a) Impact of the Transaction on Accor's share capital

	Number of financial instruments	Share capital	Contribution premium
Starting position(1)	227,898,962	€683,696,886	€2,090,492,457.76
Position after the Transaction	227,898,962	€683,696,886	€991,307,072.13

(1) *As of the date hereof.*

(b) Organizational chart following the transaction

A simplified organizational chart indicating the capital links and voting rights of the main entities of the Group is presented in Note 40 of the Pro forma financial statements (Chapter 4 of this document).

(c) Impact on the distribution on the ownership structure and the voting rights of Accor

See section 5.3 of this document.

(d) Expected change in the composition of the corporate bodies and management of Accor

See section 2.1 of this document.

(e) Changes to the market capitalization

See the changes in the Accor share described on page 280 of the annual report filed with the *Autorité des Marchés Financiers* on April 1, 2010, in addition to the changes to the shares capital in 2010 described on page 189 of this document.

(f) Impact on the calculation of net earnings per share

Chapter 4 of this document (Pro forma Financial Statements) and Chapter 3 (Comments concerning the fiscal year) include detailed information concerning the impact of the Transaction on the Accor group.

(g) New strategies under consideration

See section 1.5.2 of this document.

(h) Short and medium-term projections concerning the business and any future reorganizations, results and the dividend distribution policy

See Section 1.5.2 of this document.

3.4.1.3.5.3. Consequences of the Transaction on Accor's employee shareholders

(a) Consequences of the distribution for the beneficiaries of Accor stock options

Maintenance of the rights of beneficiaries — transfer of the presence condition

- The share subscription option plans and the free share plans implemented by Accor (including share savings warrants plans in connection with capital increases reserved for employees) will remain in force at the level of Accor.
- For the beneficiaries of share subscription option plans and free share grants other than the share subscription option plan and the performance share subscription option plan implemented on April 2, 2010 who, on the Completion Date (after the completion of the contribution of assets described herein) will be officers or employees of New Services Holding or one of the Services Entities, the presence condition assessed at the level of the Accor group prior to the Completion Date will be assessed at the level of the New Services Holding group as from the Completion Date.
- As an exception to the foregoing, for the share subscription option plan and the performance share subscription option plan implemented on April 2, 2010, the application of the presence condition provided for in these plans will not be amended if the Transaction is completed prior to July 31, 2010, so that the beneficiaries of such plans who, on the Completion Date (after the completion of the contribution of assets), will be officers or employees of New Services Holding or one of its Services Entities, will lose their rights under the plans.

Suspension of the exercise of options

Accor decided to suspend the exercise of the options and the early delivery of shares under all the plans (including those relating to share savings warrants) from and including April 30, 2010 to and including July 26, 2010.

Adjustment of performance conditions

For all of the beneficiaries of Accor share subscription options granted pursuant to the plan dated May 14, 2007, the relevant performance criteria will be adjusted as follows after the Ex-Date:

The Group's ROCE for 2010 will be calculated as follows:

$$\frac{\text{EBITDA 2010 Accor + EBITDA 2010 New Services Holding}}{\text{Capital employed 2010 Accor+ Capital employed 2010 New Services Holding}}$$

As such items will be recorded in the consolidated financial statements of Accor and New Services Holding for the 2010 fiscal year, after restatement of the additional costs relating to the separation of the two business divisions as defined in the 2009 pro-forma financial statements for the hotel business and the services business published within the framework of the transaction.

The Group's net EPS for 2010 will be calculated as follows:

- Accor's current net EPS for 2010 + New Services Holding's current net EPS for 2010;
- Accor's current net EPS for 2010 will be calculated on the basis of (i) pre-tax earnings plus non-recurring items, reduced by the taxes and minority interests recorded in Accor's consolidated financial statements for the 2010 fiscal year, after restatement of the additional costs relating to the separation of the two business divisions determined as provided above, and (ii) the average number of shares comprising the share capital of Accor for the second half of the 2010 fiscal year (excluding treasury shares);
- New Services Holding's current net EPS for 2010 will be calculated on the basis of (i) pre-tax earnings plus non-recurring items, reduced by the taxes and minority interests recorded in New Services Holding's consolidated financial statements for the 2010 fiscal year, after restatement of the additional costs relating to the separation of the two business divisions determined as provided above, and (ii) the average number of shares comprising the share capital of New Services Holding for the second half of the 2010 fiscal year (excluding treasury shares).

The performance share subscription option plan implemented on April 2, 2010 already includes provisions intended to reflect the impact of the separation on the performance condition included in the plan.

Adjustment of the rights of beneficiaries

The following adjustments will be made after the completion of the Transaction, it being specified that such adjustments will have no effect on the application of the presence and performance conditions provided for in the plans adjusted as provided above.

Decrease of the exercise price of the options

As a result of the distribution of the New Services Holding shares, the exercise price of the outstanding Accor share subscription at the end of the Suspension Period will be adjusted by applying the following formula, in accordance with articles R. 225-137 et R. 228-91 of the French Commercial Code (*Code de commerce*):

$$p2=p1 \times (1-d/VA)$$

where:

- p2 refers to the subscription price of one share subject to an option post-adjustment,
- p1 refers to the subscription price of one share subject to an option before the adjustment,
- d refers to the amount of the distribution per Accor share,
- VA refers to the value of the Accor share prior to the distribution of the New Services Holding shares.

For purposes of this adjustment, the Board of Directors of Accor decided to apply the following principles:

- the "amount of distribution per Accor share" will be equal to the average weighted listing price of the New Services Holding shares on the first 15 days that they are traded on Euronext Paris,
- the "value of the Accor share before the distribution of the New Services Holding shares" will be equal to the average weighted listing price of the Accor share during the 15 trading days prior to the Ex-Date,
- the equalization rules (*règles d'égalisation*) provided in article R. 228-91 of the French Commercial Code will be applied.

Increase of the number of shares subject to options

For all of the outstanding share subscription options at the end of the Suspension Period, the number of Accor shares subject to options for each beneficiary and by the ("n1") plan will be adjusted as follows:

$$n2=n1 \times p1/p2$$

where:

- n2 refers to the number of shares post-adjustment,
- n1 refers to the number of shares before the adjustment,
- the equalization rules (*règles d'égalisation*) provided in Article R. 228-91 of the French Commercial Code will be applied.

Once these adjustments are implemented, in order to facilitate the administrative management of the plans and the future exercise of the options, the number of options of each of the beneficiaries of each of these plans will be adjusted so that the number of options coincides with the number of underlying shares resulting from the implementation of the principles above, while the subscription price will remain unchanged.

(b) Consequences of the distribution for the beneficiaries of free Accor shares

Maintenance of the rights of the beneficiaries — transfer of the presence condition

The free share plans set up by Accor will be maintained at the level of Accor.

For the beneficiaries of free share grants who, on the Completion Date (after the completion of the contribution of assets described herein) will be officers or employees of New Services Holding or one of the Services Entities, the presence condition assessed if applicable at the level of the Accor group prior to the Completion Date will be assessed at the level of the New Services Holding group as from the Completion Date.

Suspension of the exercise of the rights

Accor decided to suspend the rights of the beneficiaries and their heirs under all the plans to request the early delivery of free shares, from and including April 30, 2010 to and including July 26, 2010.

Adjustment of the performance conditions

For all of the beneficiaries of rights to free shares granted pursuant to the free share plans of March 31, 2009, the performance criteria will be adjusted as follows:

- for purposes of the application of the Accor Hospitality ROCE and Accor Services Revenue criteria, the Accor Hospitality ROCE for 2010 will correspond to the Accor Hospitality ROCE for 2010 after restatement of the additional costs relating to the separation of the two business divisions determined as provided above, and the Accor Services Revenue for 2010 will correspond to the sum of the revenue of the Services Business published by Accor for the first half of 2010 and the consolidated revenues of New Services Holding attributable to the 2010 fiscal year, as recorded in the consolidated financial statements of the two companies;
- in order to assess the criteria relating to the growth of the current net EPS in 2010, the current net EPS of the Group for 2010 will be calculated as follows:

— Accor's current net EPS for 2010 + New Services Holding's current net EPS for 2010,

— Accor's current net EPS for 2010 will be calculated on the basis of (i) pre-tax earnings plus non-recurring items, less taxes and minority interests recorded in Accor's consolidated financial statements for the 2010 fiscal year, after restatement of the additional costs relating to the separation of the two business divisions determined as provided above, and (ii) the average number of shares comprising the share capital of Accor for the second half of the 2010 fiscal year (excluding treasury shares),

— New Services Holding's current net EPS for 2010 will be calculated on the basis of (i) pre-tax earnings plus non-recurring items, less taxes and minority interests recorded in New Services Holding's consolidated financial statements for the 2010 fiscal year, after restatement of the additional costs relating to the separation of the two business divisions determined as provided above, and (ii) the average number of shares comprising the share capital of New Services Holding for the second half of the 2010 fiscal year (excluding treasury shares).

Adjustment of the number of shares

As a result of the distribution of New Services Holding shares, the theoretical number of shares distributed with open exercise periods will be, for each of the beneficiaries, adjusted using the following formula, provided that these adjustments will have no effect on the application of the presence and performance criteria provided for in the plan and adjusted as provided above:

$$n2 = n1 \times (1/(1-d/VA))$$

where:

— n2 refers to the number of rights to performance shares post-adjustment; if n2 is not a whole number, it will be rounded up to the next higher whole number;

— n1 refers to the number of rights to performance shares before the adjustment;

— d refers to the amount of the distribution per Accor share;

— VA refers to the value of the Accor share prior to the distribution of New Services Holding shares.

These additional shares will be subject to all of the terms of the plan (presence and performance conditions, acquisition period and, if provided for in the plan, lock-up period).

The Board of Directors decided to apply the following principles for purposes of this adjustment:

- the "amount of distribution per Accor share" will be equal to the average weighted listing price of the New Services Holding shares on the first 15 days that they are traded on Euronext Paris;
- the "value of the Accor share before the distribution of the New Services Holding shares" will be equal to the average weighted listing price of the Accor share during the 15 trading days prior to the Ex-Date.

Position of the holders of Accor performance shares that are still subject to a lock-up:

- like the other Accor shareholders, these shareholders will receive New Services Holding shares. However, their New Services Holding shares will be unavailable until the end of the lock-up period that applied to the Accor performance shares in respect of which they were distributed.

(c) Consequences of the Transaction on the PEEG and the FCPE

PEEG

On September 13, 1985 Accor set up a company savings plan (PEEG), which was modified in subsequent amendments and is still in force. The completion of the Transaction will result in the following:

- the employees of New Services Holding (including its subsidiaries) will no longer be able to contribute to the PEEG or to participate in the capital increases reserved for employees (and other beneficiaries) of the Accor group;

- the employees (and other beneficiaries) of New Services Holding (including its subsidiaries) may however, retain their existing investment in the PEEG;
- the Transaction will not constitute an early exit that would entitle the subscribers to the release of their investment.

Consequences for the FCPE

- The following is a summary of the consequences of the Transaction on the FCPE encompassed in the Accor PEEG, all or part of the assets of which are invested in Accor shares.

— Diversified FCPE Accor

As a result of the Transaction, this diversified fund will receive New Services Holding shares in exchange for its Accor shares. The fund manager will have the option to retain or sell these shares.

— FCPE Accor Investissement, FCPE Accor en Actions and FCPE Accor en Actions International

As a result of the Transaction, these funds will receive New Services Holding shares. However, to the extent that Accor and New Services Holding will no longer be related entities within the meaning of article L. 3344-1 of the French Labor Code as of the Completion Date, under the provisions of article R. 214-10 of the French Monetary and Financial Code (*Code monétaire et financier*), the fund manager must sell the New Services Holding shares received within the framework of the Transaction as soon as practicable, in order to respect the interests of the unit holders.

The fund managers have indicated to the members of the Supervisory Board that for purposes of the implementation of these provisions, and in order to take into account the interests of the unit holders, they may not sell the shares in question for the period of time required to stabilize the price of the New Services Holding shares following their initial admission for trading.

— *FCPE Accor en Action Levier 2007* and *FCPE Accor en Actions Levier International 2007*

As a result of the Transaction, these funds will receive New Services Holding shares. The leveraged transaction should be maintained but New Services Holding shares received by the funds will be delivered to the counterparty bank of the exchange transaction providing support for the leverage effect mechanism, and the formula for the calculation of the performance shares will be adjusted.

The remaining warrants held by one of the two compartments of the fund *Accor en Actions Levier International* and by the structuring bank will be adjusted using methods similar to those applied to the share subscription options (provided, however, that while the number of shares and the subscription price will be adjusted, the number of warrants will not).

Direct employee shareholding

The subscribers of the PEEG holding Accor shares directly in the PEEG (employees who have exercised the option provided for in article L. 3332-25 of the French Labor Code and who have exercised the share subscription options through the restricted share account of the PEEG, and non-resident employees who invested in capital increases) will, like the other Accor shareholders, receive New Services Holding shares within the framework of the Transaction.

Since the economic and financial links between Accor and New Services Holding will no longer exist as of the Ex-Date, the New Services Holding shares will not constitute an eligible asset of the PEEG. They will be registered in the name of the employees in question outside of the framework of the PEEG, in pure registered form, in the share registry of New Services Holding. However, their New Services Holding shares will be unavailable until the end of the lock-up period that applied to the Accor performance shares in respect of which they were distributed.

3.4.2. ISSUANCE BY ACCOR SA OF 1,985,428 NEW SHARES AS CONSIDERATION FOR THE CONTRIBUTION OF SHARES IN SOCIÉTÉ D'EXPLOITATION ET D'INVESTISSEMENT HÔTELIER (SEIH) S.A.R.L.

(See Press release on April 20, 2010)

On April 2, 2010, Accor entered into a Contribution Agreement with Paddel SCA, Mrs. Suzanne Pélisson, Mr. Gérard Pélisson and Mr. Paul Dubrule (the **Contributors**) concerning the contribution to Accor of all of the outstanding shares of *Société d'Exploitation et d'Investissement Hôtelier* (SEIH) (the **Contribution**).

In accordance with Article L. 225-38 of the French Commercial Code, the execution of the contribution agreement was previously authorized by Accor's Board of Directors at its meeting on February 23, 2010.

The value of the Accor shares held by SEIH was determined solely on the basis of the volume-weighted average closing share price over the three trading months ended on March 31, 2010, i.e. €37.703.

After the opinion issued by an independent expert [(*)], the value of the SEIH shares was determined on the same basis as that of the Accor shares, less a 1.80% discount, i.e. €37.025. At the Annual Shareholders' General Meeting held on May 13, 2009, Accor shareholders authorized the Board of Directors to issue ordinary shares representing up to 10% of the share capital as consideration for equity securities contributed to the Company (28th resolution). On April 19, 2010, the Board decided to use this authorization to issue 1,985,428 new Accor shares (the Accor Share) to the Contributors and acknowledged the completion of the resulting capital increase.

The Contributors made a firm and irrevocable undertaking not to sell the Accor Shares or the shares of the new Services company to be created by the demerger (provided that said demerger is approved by Accor shareholders) for a period of 12 months expiring April 19, 2011.

The Board of Directors delegated to its Chairman full powers to dissolve without liquidation SEIH S.a.r.l, which results in the transfer of all SEIH assets and liabilities to Accor. Following the dissolution without liquidation of SEIH, Accor will hold 2,020,066 of its own shares, which will be deprived of their voting rights, dividend rights and the right to receive shares of the new Services company to be created as a result of by the demerger, provided that said demerger is approved by Accor shareholders. Furthermore, the Board will submit to shareholder approval a resolution authorizing it to reduce the Company's share capital by canceling these 2,020,066 treasury shares.

The cancellation of the shares issued as consideration for the Contribution would allow the transaction, taken as a whole, not to be dilutive with respect to Accor's shareholders.

The main characteristics of the Contribution, its valuation and the related consideration are summarized below, in accordance with Article 12 of AMF instruction 2005-11 of December 13, 2005, as amended.

(*) The Board of Directors of Accor decided to maintain a one year lock up and a 1.80% discount. These two conditions did not take part in the opinion issued by the independent expert.

Contributors	• Mrs. Suzanne Pélisson, a citizen of France, born December 30, 1933 in Lyon and residing at 1, rue Gambetta, 77780 Bourron-Marlotte. • Mr. Gérard Pélisson, a citizen of France, born February 9, 1932 in Lyon and residing at 1, rue Gambetta, 77780 Bourron-Marlotte. • Mr. Paul Dubrule, a citizen of France, born July 6, 1934 in Tourcoing and residing at 107, route de Saconnex d'Arve, 1228 Plan les Ouates (Switzerland). • Paddel, a société en commandite par actions with a share capital of €57,168, whose registered office is located at 8, rue Jean Goujon 75008 Paris registered with the Paris Trade and Companies Register under number 354 083 529.
Contributee	Accor, a société anonyme with a share capital of €676,453,095, whose registered office is located at Immeuble Odyssey, 110, avenue de France, 75210 Paris Cedex 13 registered with the Évry Trade and Companies Register under number 602 036 444.
Characteristics of the contribution and its consideration	
Purpose of the Contribution	The purpose of the Contribution is to allow company founders Paul Dubrule and Gérard Pélisson, who no longer exercise any executive functions with Accor, to separate their holdings in Accor's share capital, which are held by SEIH, a company whose only purpose is to hold such shares. In addition, the transaction will allow Accor to streamline and stabilize its ownership structure under fair financial conditions.
Legal and tax regime of the Contribution	The Contribution is governed by the standard legal provisions in France concerning contributions in kind as described in Article L. 225-147 of the French Commercial Code. It will be subject to the fixed €500 registration duty provided for in Article 810, I of the General Tax Code.
Contributed assets	350,000 shares (the SEIH ***Shares***) with a par value of €16 each, all fully paid-up and registered in their holders' names, representing all of the issued capital of Société d'Exploitation et d'Investissement Hôtelier – SEIH, a société à responsabilité limitée with a share capital of €5,600,000, whose registered office is located at 8, rue Jean Goujon, 75008 Paris,registered with the Paris Trade and Companies Register under number 334 270 279 (SEIH), and which has no other purpose than to hold 2,020,066 Accor shares. The SEIH shares will be contributed as follows: 87,500 SEIH Shares contributed by Mrs. Suzanne Pélisson. 87,500 SEIH Shares contributed by Mr. Gérard Pélisson. 87,500 SEIH Shares contributed by Mr. Paul Dubrule. 87,500 SEIH Shares contributed by Paddel SCA.
Total value of the contributed assets	The total value of the contributed assets amounts to €74,858,038.36, representing €213.88 per SEIH Share. The value of the Accor shares held by SEIH was determined solely on the basis of the volume-weighted average closing share price over the three trading months ended on March 31, 2010. The value of each SEIH Share was determined on the same basis as that of Accor shares, less a 1.80% discount.
Number of Accor shares issued as consideration contribution	As consideration for the contribution in kind effected in connection with the Contribution, Accor will issue 1,985,428 new ordinary shares with a par value of €3 each, all of the same class (the Accor Shares), representing a capital increase in a total nominal amount of €5,956,284.
Issuance and rights of the shares	The issuance of the Accor shares was duly authorized by made Accor's Board of Directors on April 19, 2010. The Accor shares shall be fully assimilated with the existing Accor shares and shall benefit from all dividends approved or paid after the date on which the Contribution is completed.
Contribution premium	The premium on the Accor Shares issued as consideration for the Contribution amounts to €68,901,754.36.
Effective date of the Contribution	The definitive date of completion of the Contribution is the date on which Accor's Board of Directors' approved the value attributed to the Contribution and decided to complete a share capital increase by issuing the Accor shares as consideration therefore, pursuant to the authorization granted by Accor's shareholders at the Annual Shareholders' General Meeting on May 13, 2009.
Audit of the contribution	A report on the Contribution was issued on April 7, 2010 by Jean-Jacques Dedouit and Patrice Cousin, appointed by an order of the President of the Évry Commercial Court on November 27 2009. The report, prepared in compliance with Article L225-147 of the Commercial Code, was made available to Accor shareholders at the registered office and filed with the Évry Commercial Court within the legal timeframe. In addition, on February 22, 2010, a fairness opinion, attesting to the transaction's neutrality and fairness for Accor shareholders, was issued by Accuracy, represented by Bruno Husson.
Results of the contribution	
Accor's share capital after the Contribution	Further to the Contribution, the share capital of Accor shall be increased from €676,453,095 (represented by 225,484,365 shares with a par value of €3 each) to €682,409,379 (represented by 227,469,793 shares with a par value of €3 each).
Dilution	Based on a share capital comprised of 225,484,365 outstanding shares, the equity interest of a shareholder holding 1% of Accor's share capital before the issuance of the Accor Shares would be reduced to 0.99% after completion of the Contribution. Dilution will amount to 0.01%, as the issue of new shares will be offset by cancellation of the contributed shares.

3.4.3. QUARTERLY REPORT – FIRST QUARTER 2010 REVENUE

(Voir communiqué du 20 avril 2010)

Revenue from Hotels and Other Businesses up 0.8% like-for-like, of which a 1.6% gain for Hotels, with signs of improvement, especially in occupancy rates, which rose in Upscale and Midscale hotels and stabilized in the Economy segment in Europe.

In the first quarter of 2010, revenue from the Hotels and Other Businesses increased for the first time since third-quarter 2008, gaining 3.1% year-on-year to €1,439 million as reported. This figure takes into account:

- the negative 5.3% impact of the disposal of hotel units as part of the asset-right strategy and the loss of onboard train service contracts;
- the positive 5.5% impact of the Group's expansion strategy, which added €77 million through the opening of 4,900 rooms and the consolidation of 49% of Groupe Lucien Barrière's revenue since July 1, 2009 (representing €48 million for the quarter);
- the 2.0% positive currency effect;
- like-for-like, revenue rose by 0.8% over the period, of which 1.6% for the Hotels business alone. The calendar effect was marginal, because in most European countries, spring vacation was in April both this year and last, albeit three days earlier in Germany this year.

NOTE: Since January 1, 2010, the hospitality industry has been affected by several changes in VAT legislation. In Germany, the VAT rate on lodging was reduced from 19% to 7%, while in the United Kingdom, the general VAT rate was increased by 2.5 points from 15% to 17.5%. This has had an impact on RevPAR figures, which include VAT (revenue is stated net of VAT).

Upscale and Midscale Hotels: up 2.8% like-for-like

Revenue in the Upscale and Midscale segment rose 4.4% as reported in the first quarter.

This positive trend observed since late 2009 remained in place over the period. After showing signs of stabilization in December, occupancy rates have generally returned to growth, while average room rates are leveling out, lifting RevPAR in most countries.

The first-quarter improvement in France fed through to a 2.4% increase in revenue, year-on-year and like-for-like, and a slight 0.5% gain in RevPAR, led by the 1.7 point rise in the occupancy rate. The average room rate continued to decline (by 2.6%), but showed a clear improvement compared to 2009 fourth-quarter figures (-5.6%).

The recovery in the Upscale and Midscale segment also continued apace in Germany, where revenue rose 3.8% like-for-like on gains in both occupancy rates (up 2.6 pt) and average room rates excluding VAT (up 3.0%), implying a 7.7% increase in RevPAR excluding VAT.

The positive uptrend was even more dramatic in the United Kingdom, where revenue rose 3.9% like-for-like and RevPAR surged 10.2% on a 2.8 point improvement in the occupancy rate and a 5.9% increase in the average room rate excluding VAT.

Economy Hotels (outside the United States): up 2.7% like-for-like

Revenue from Economy Hotels outside the United States was up 7.2% as reported in the first quarter.

Figures for the quarter indicate that economy hotels are also seeing occupancy rates stabilize, with a rise in average room rates excluding VAT.

In France, revenue rose 2.0% like-for-like, thanks to a relatively stable occupancy rate (down 0.3 points) and higher average room rates excluding VAT (up 1.2%) and RevPAR excluding VAT (up 0.8%).

Revenue in Germany was up 4.8% like-for-like, with occupancy rates gaining 0.7 points, average room rates excluding VAT increasing 5.4% and RevPAR excluding VAT rising 6.7%.

Operations in the United Kingdom reported significant 3.9% like-for-like growth in revenue, reflecting a 1.1 point improvement in the occupancy rate, a 0.6% decline in average room rates excluding VAT and a 1.2% increase in RevPAR excluding VAT.

Economy Hotels in the United States: down 7.5% like-for-like

While the US economy lodging market remains challenging, the decline in revenue has slowed, to 7.5% like-for-like from 14.4% in fourth-quarter 2009.

In particular, Motel 6 is demonstrating firmer resistance than the competition, and is winning new market share. Occupancy rates have stabilized, gaining 1.8 points in March 2010 versus declines of 0.4 point in February and 4.0 points in January. Average room rates and RevPAR are both still declining, by respectively 5.9% and 6.9% in dollars.

Other businesses: down 3.6% like-for-like

Revenue from the other businesses declined by 3.6% like-for-like during the quarter, but rose 2.9% as reported. The Casinos business has been 49% consolidated since July 1, 2009, versus 30% previously, while the Onboard Train Services business was negatively impacted by the loss of two contracts in France and Spain.

In conclusion, in most countries, and especially in Europe, the recovery began to emerge in the first quarter, led by the Upscale and Midscale segment, but it remains to be seen whether it will gather strength in the months ahead. Recovery in the Economy segment generally lags the Upscale and Midscale segment by three to six months.

For the first time, the rebound is simultaneous in the US and in Europe. However, the Economy segment is restarting faster in Europe than in the US.

Financial position

During the quarter, Fitch affirmed the BBB- rating but upgraded the outlook from negative to stable. Standard & Poor's lowered its rating to BBB-, on confirmed CreditWatch with negative implications.

3.4.4 NOTICE OF SHAREHOLDERS' MEETING, JUNE 29, 2010

Annual Shareholders' Meeting

The Annual Meeting of Accor shareholders will be held on Tuesday, June 29 at 10:00 a.m. at Novotel Paris Est, 1, avenue de la République, 93177 Bagnolet.

The notice of meeting comprising a summary Group management report and a presentation of the resolutions to be put to the vote at the Meeting will be sent to holders of registered shares and to the banks and brokers that manage the securities accounts of holders of bearer shares.

One of these resolutions concerns the demerger of the two businesses (Hospitality and Services). Shareholders will be asked to approve the Asset Contribution-Demerger Agreement between Accor SA and New Services Holding.

Payment of the 2009 Dividend

At the Annual Shareholders' Meeting, the Board of Directors will recommend paying a cash dividend of **€1.05 per share** for 2009. The dividend **will be payable on July 2, 2010**.

Membership of the Accor Board of Directors

During its meeting on May 11, 2010, based on the recommendation of the Compensation, Appointments and Corporate Governance Committee, the Board of Directors decided that one-third of the Board members should stand for re-election each year in line with the principles of good corporate governance.

A draw was organized to determine:

— the two directors who would resign at the close of the Annual Shareholders' Meeting of June 29, 2010, and

— the four directors who would resign at the close of the Annual Shareholders' Meeting to be called in 2011 to approve the 2010 financial statements.

The directors called upon to resign will stand for re-election for a new three-year term at the June 29, 2010 Shareholders' Meeting and the 2011 Shareholders' Meeting to be called to approve the 2010 financial statements respectively.

Results of the draw carried out during the Board meeting of May 11, 2010:

- Directors selected to stand for re-election at the Shareholders' Meeting of June 29, 2010

  Thomas J. Barrack, Jr and Patrick Sayer, non-independent directors.

- Directors selected to stand for re-election at the Shareholders' Meeting to be called in 2011 to approve the 2010 financial statements

  Virginie Morgon and Sébastien Bazin, non-independent directors, Franck Riboud and Denis Hennequin, independent directors.

4 Pro forma Financial Statements

Statutory auditors' report on the Pro forma financial statements 58

Pro forma financial statements and notes 59

Statutory auditors' report on the Pro forma financial statements

Years Ended December 31, 2009 and 2008

To the Chairman and Chief Executive Officer:

In our capacity as Statutory Auditors of Accor and as required by European Commission Regulation (EC) 809/2004, we have prepared this report on the Pro forma consolidated financial statements of the Accor Group for the years ended December 31, 2009 and 2008 ("the Pro forma financial statements") as presented in section 4 of the May 18, 2010 update to the Accor Group's Registration Document.

The Pro forma financial statements have been prepared for the sole purpose of illustrating the effect that the planned demerger of the Services business – which is due to be completed on June 29, 2010 – would have had on the Accor Group's consolidated financial statements for the years ended December 31, 2009 and 2008 if it had been carried out on January 1, 2008. By definition, Pro forma financial statements address a hypothetical situation and are not necessarily representative of the financial position or performance that would have been reported if the transaction had taken place before the actual or planned date.

These Pro forma financial statements have been prepared under your responsibility in accordance with the provisions of European Commission Regulation (EC) 809/2004 dealing with Pro forma financial information, on the basis of Accor's audited historical consolidated financial statements for the years ended December 31, 2009 and 2008.

Our responsibility, based on our procedures, is to express an opinion in the terms required by Annex II, point 7, of European Commission Regulation (EC) 809/2004 as to whether the Pro forma financial information has been properly compiled on the basis stated and whether that basis is consistent with the accounting policies of the issuer.

We performed the procedures that we considered necessary under the professional guidelines applicable in France to this type of engagement. These procedures consisted mainly of obtaining assurance that the basis used to prepare the Pro forma financial statements was consistent with the source documents as described in the note to the Pro forma financial statements entitled "Basis of preparation of the Pro forma financial statements", reviewing the audit evidence supporting the Pro forma adjustments and making enquiries of Accor Group management to obtain the information and explanations that we considered necessary. They did not include reviewing the underlying financial information used to prepare the Pro forma financial statements.

In our opinion:

- the Pro forma financial statements have been properly compiled on the basis described in the note entitled "Basis of preparation of the Pro forma financial statements";
- this basis is consistent with the accounting policies of the issuer.

Without qualifying the opinion expressed above, we draw your attention to the note entitled "Basis of preparation of the Pro forma financial statements", which describes the method used to allocate part of the Accor Group's net debt to New Services Holding. In particular, this note states that:

- net debt has been reduced by an identical amount for each of the two years presented;
- the reduction in finance costs generated by this net debt allocation has been recognized in profit for each of the two years presented by adjusting equity.

This report has been issued solely for inclusion in the update to the Registration Document filed with the AMF and may not be used for any other purpose.

Neuilly-sur-Seine, May 11, 2010

The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres
David DUPONT-NOEL	Bruno BIZET

Pro forma financial statements and notes

BASIS OF PREPARATION OF PRO FORMA FINANCIAL STATEMENTS

In 2009, the Accor Group initiated a major strategic project involving the demerger of its two core businesses, Hospitality and Services. As part of this process:

- on August 26, 2009 the Board of Directors approved the recommendation made by Gilles Pelisson, Chairman and Chief Executive Officer, to conduct a review of the potential benefits of demerging the two businesses into two self-managing companies, each with their own strategy and resources for growth;
- On December 15, 2009, based on the review conducted by senior management, the Board of Directors concluded that the project would offer real benefits;
- and on February 23, 2010, it presented the process for demerging the businesses and creating two new listed companies, Accor Hospitality and New Services Holding (name temporarily given to the Accor Services businesses), without any capital ties between them.

The demerger is subject to approval at the Shareholders' Meeting of June 29, 2010.

In connection with the initial public offering of New Services Holding shares, to present an economic view of the Accor business, as demerged from the New Services Holding business, Pro forma financial statements have been prepared for the years 2008 and 2009 based on the financial statements historically included in the consolidated financial statements of the Accor Group.

The purpose of the Pro forma financial statements is to present Accor's balance sheet, income statement, statement of cash flows and statement of changes in equity as if the demerger from New Services Holding had been carried out on January 1, 2008.

This Pro forma financial information is provided for illustrative purposes only and is not necessarily representative of the results of operations or the financial position that Accor would have reported if the demerger had taken place before the planned date, or of the post-demerger economic situation compared with that reflected in the Pro forma financial statements, particularly s regards the level of debt.

The main assumptions used to prepare the 2008 and 2009 Pro forma financial statements are as follow:

Scope

The Pro forma financial statements include the companies owned directly or indirectly by Accor Hospitality and companies owned by Accor that operate in the hospitality business or in other business except for New Services Holding's Prepaid Services business. They do not include Prepaid Services companies owned by Accor.

Some Accor Group companies – mainly in Argentina and Switzerland – were engaged in both New Services Holding businesses and hospitality businesses during the period presented. In order to include in the Pro forma financial statements only the Accor businesses other than New Services Holding's Prepaid Services businesses, the Prepaid Services businesses have been carved out of the individual financial statements of the companies concerned. The method used to carve out the New Services Holding businesses was as follow:

- assets and liabilities corresponding to the New Services Holding business were identified and derecognized in the Pro forma financial statements by adjusting equity;
- income and expenses were allocated by reference to existing cost accounting data that was already analyzed by operating activity, with the amounts directly attributable to the New Services Holding business identified separately. Certain items of income and expense not directly attributable to the New Services Holding business (mainly general and administrative expenses) that were recorded in a New Services Holding reporting entity by Accor S.A., were analyzed in detail and allocated on a basis consistent with the assumptions used to allocate assets and liabilities to each business;
- new Services Holding cash flows were also analyzed on a basis consistent with the assumptions used to allocate assets and liabilities to each business.

Accounting standards

This « Basis of Preparation » note describes how the International Financial Reporting Standards (IFRSs) adopted by the European Union have been applied for the preparation of the Pro forma financial statements at December 31, 2009 and 2008.

Moreover, interpretation IFRIC 13 – Customer Loyalty Programs, which is applicable for annual periods beginning on or after January 1, 2009, has been early adopted from January 1, 2008. Consequently, the adjustments to the Accor Group's 2008 consolidated financial statements recorded in 2009 are reflected in the 2008 Pro forma financial statements presented in this prospectus and are not presented elsewhere.

Potential ordinary shares

During 2008 and 2009, Accor granted stock options and performance shares to employees in both the Hospitality business and the New Services Holding business.

After the demerger, New Services Holding employees will retain their entitlement to these options and performance shares, which will continue to be exercisable for Accor S.A. shares (and not for New Services Holding shares).

The potential ordinary shares, basic earnings per share and diluted earnings per share calculations presented in Notes 24.1 and 24.2 therefore take into account the stock options and performance shares granted to New Services Holding employees.

However, the description of the share-based payment plans in Note 24.3 excludes share-based payments to New Services Holding employees.

Income tax expense

French Prepaid Services subsidiaries were members of the tax group set up by Accor S.A. under French group relief rules (Article 223-A of the General Tax Code). Under the group relief agreement between the tax group members, Accor SA is not required to repay to the other tax group members any tax benefits derived from the use of their tax losses generated up to December 31, 2009.

The same applies to certain international subsidiaries included in local tax groups set up between New Services Holding and Accor entities.

As a result, current and deferred taxes have been determined by taking into account the effects of any tax consolidations within Accor and without taking into account the future unwinding of any tax groups that may result from the demerger of the New Services Holding group, because they have been estimated as no material.

Transactions between New Services Holding entities and other Accor Group entities

All balances arising from routine transactions between New Services Holding entities and other Accor Group entities are presented in the Pro forma balance sheets as receivables from and payables to third parties outside the consolidated group.

All loans and borrowings between New Services Holding entities and other Accor Group entities are presented in the pro forma balance sheets as financial assets and liabilities.

Equity

The Pro forma financial statements exclude companies owned by New Services Holding entities and Prepaid Services companies that were owned by entities other than New Services Holding as of January 1, 2008. The adjustments were recorded as follows in the Pro forma financial statements:

New Services Holding entities owned by entities other than New Services Holding as of January 1, 2008

Transfers of New Services Holding companies not owned by New Services Holding entities were all treated as having been carried out on January 1, 2008. They were recognized in the opening Pro forma balance sheet at that date at their value on initial recognition in the Accor Group consolidated financial statements by decreasing Pro forma equity, and any goodwill recorded on their acquisition by the Accor Group was derecognized in full in the Pro forma financial statements.

In the case of sales by Accor to New Services Holding between January 1, 2008 and December 31, 2009 of companies that were already included in the opening Pro forma balance sheet at January 1, 2008, the price paid by New Services Holding was treated as an exceptional dividend payment to the Accor Group and recorded as an increase in equity on the acquisition date.

Post-January 1, 2008 acquisitions

Acquisitions of Prepaid Services companies were considered as having been carried out by New Services Holding at the original date of acquisition by the Accor Group. They were treated as an exceptional contribution by the Accor Group to New Services Holding and recognized by adjusting equity, in accordance with the principles applied to entities historically owned by Accor entities as described above.

Recognition of dividends

Certain New Services Holding companies not historically owned by New Services Holding entities paid dividends to Accor entities between January 1, 2008 and December 31, 2009. These dividend payments have been maintained in the Pro forma financial statements and treated as distributions by the New Services Holding group recognized as increases in equity.

Main Pro forma adjustments

The Pro forma adjustments described below are based on accounting conventions that, by definition, are simulations performed by applying the described method and conventions. The Pro forma financial information cannot and should not be considered as representative of the results, financial position, liquid resources and performance that would have been reported by Accor if the New Services Holding business had been demerged on January 1, 2008. The Group decided to make the Pro forma adjustments that it considered necessary in order to provide the best possible indication of the impact that the demerger of the New Services Holding business would have had on the consolidated financial statements.

The main Pro forma adjustments are as follow:

a) Pro forma adjustments to the income statements

The Pro forma income statements for the two years presented include management estimates of the cost savings that would have been achieved over a full year if Accor had operated as a separate entity from New Services Holding since January 1, 2008. These estimated cost savings, which have been recognized in the Pro forma income statement by adjusting equity, are based on the consolidated financial statements published in the 2009 Registration Document. They amount to:

- €54 million before tax (€39 million after tax) for 2008
- €44 million before tax (€33 million after tax) for 2009

They include:

- the estimated savings that would result from demerging New Services Holding, which concern:
  - pension and long-term benefit obligations towards members of New Services Holding senior management originally recognized in the Accor Group accounts,
  - the cost of stock options and performance shares granted to New Services Holding employees originally recognized in the Accor Group accounts.

No account has been taken of economies of scale generated by the demerger from New Services Holding, as the corporate costs incurred by Accor on behalf of the New Services Holding entities during the two years presented were billed to these entities and therefore had no net impact on Accor's accounts.

The estimated cost savings (incremental costs) included in the Pro forma financial statements have been estimated by reference to the costs recognized in the historical consolidated financial statements for 2008 and 2009. They amount to €1 million in 2008 and €(1) million in 2009.

- the estimated reduction in finance costs that would be obtained as a result of reallocating the Accor Group's debt between the demerged businesses (see below b) Pro forma adjustments to the balance sheets). Pro forma finance costs correspond to the interest that the Group would have paid on its net debt if the Services business had been demerged on January 1, 2008. They have been defined for each of the two years presented based on the allocation of the reduction in debt between repayment of existing borrowings and investment of the balance. The resulting interest income has been recognized in profit by adjusting equity.

The reduction in finance costs resulting from the reallocation of debt has been estimated at around €53 million in 2008 and €45 million in 2009.

- the estimated additional income tax expense resulting from the Pro forma adjustments described above.

Based on the income tax rate applicable in the country concerned, the additional cost is estimated at around €15 million for 2008 and €11 million for 2009.

No additional tax cost/benefit has been recognized for the effect of the withdrawal from the French tax group of the New Services Holding entities.

b) Pro forma adjustments to the balance sheets

The Pro forma balance sheets at December 31, 2008 and 2009 include the reduction in Accor's net debt resulting from the reallocation of the Accor Group's debt between the demerged businesses as if the demerger had taken place on January 1, 2008.

The debt originally recognized in the Accor Group's balance sheet has been allocated between Accor and New Services Holding based on the amount at December 31, 2009. The net debt allocated to New Services Holding (€2,143 million at January 1, 2008) corresponds to the reduction in Accor's Pro forma net debt and has been taken into account on an identical basis in the reduction in Pro forma net debt for the two years presented.

In addition, the Pro forma financial statements for each of these years include the reduction in debt corresponding to the impact on debt of the legal restructuring of the Hotels business in favor of New Services Holding during 2008 (€306 million) and 2009 (€392 million).

The amount is similar for each of the two years presented after taking into account the existing debt carried in the consolidated financial statements for each of these years.

Net debt allocated to New Services Holding, leading to a corresponding reduction in Accor's net debt, amounted to €1,445 million in 2009 and €1,837 million in 2008.

The reduction in Accor's Pro forma debt corresponding to debt reallocated to New Services Holding has been recognized by adjusting equity.

These amounts break down as follows:

(in € millions)	**Dec. 2008**	**Dec. 2009**
Bonds	-	(818)
Other long-term financial debt	(1,091)	-
Long-term finance lease liabilities	-	-
Short-term financial loans	453	631
Bank overdrafts	(1)	-
Liabilities derivatives	-	-
Total financial debt	**(639)**	**(187)**
Short-term loans	(1,338)	(1,044)
Marketable securities	140	(214)
Cash	-	-
Asset derivatives	-	-
Short-term receivables on disposals of assets	-	-
Current financial assets	**(1,198)**	**(1,258)**
TOTAL PRO FORMA ADJUSTMENTS	**(1,837)**	**(1,445)**

After deducting these Pro forma adjustments from historical consolidated net debt, Accor's total Pro forma net debt amounts to €1,321 million in 2008 and €750 million in 2009 (see Note 29).

(In € millions)	**Dec. 2008**	**Dec. 2009**
Historical consolidated net debt	**2,586**	**2,766**
Pro forma adjustments	(1,837)	(1,445)
PRO FORMA NET DEBT	**749**	**1,321**

The Pro forma balance sheets at December 31, 2008 and 2009 include the additional income tax expense generated by the Pro forma adjustments in each of these two years, estimated at the tax rate in force in the country concerned.

All of these reallocations have been recognized by adjusting equity.

RECONCILIATION OF THE HISTORICAL CONSOLIDATED FINANCIAL STATEMENTS TO THE PRO FORMA FINANCIAL STATEMENTS

Income Statements

A. At December 31, 2008

(in € millions)	**Consolidated Income Statement 2008**	**Adjustments to the New Services Holding combined financial statements**	**Pro forma adjustments**	**Pro forma Income Statement 2008**
CONSOLIDATED REVENUE	**7,722**	**(946)**	**-**	**6,776**
Operating expense	(5,432)	526	2	(4,904)
EBITDAR	**2,290**	**(420)**	**2**	**1,872**
Rental expense	(903)	16	(1)	(888)
EBITDA	**1,387**	**(404)**	**1**	**984**
Depreciation, amortization and provision expense	(446)	31	-	(415)
EBIT	**941**	**(373)**	**1**	**569**
Net financial expense	(86)	10	53	(23)
Share of profit of associates after tax	20	-	-	20
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**875**	**(363)**	**54**	**566**
Restructuring costs	(56)	3	-	(53)
Impairment losses	(57)	2	-	(55)
Gains and losses on management of hotel properties	111	-	-	111
Gains and losses on management of other assets	13	10	-	23
OPERATING PROFIT BEFORE TAX	**886**	**(348)**	**54**	**592**
Income tax expense	(273)	111	(15)	(177)
Profit or loss from discontinued operations	-	-	-	-
NET PROFIT	**613**	**(237)**	**39**	**415**
Net Profit, Group Share	**575**	**(212)**	**38**	**401**
Net Profit, Minority interests	38	(25)	1	14
Weighted average number of shares	221,237	221,237	221,237	221,237
EARNINGS PER SHARE *(IN EUROS)*	**2.60**	**(0.96)**	**0.17**	**1.81**
Diluted earnings per share *(in euros)*	2.59	(0.96)	0.17	1.81
Earnings per share from continuing operations *(in euros)*	**2.60**	**(0.96)**	**0.17**	**1.81**
Diluted earnings per share from continuing operations *(in euros)*	**2.59**	**(0.96)**	**0.17**	**1.81**
Earnings per share from discontinued operations *(in euros)*	**N/A**	**N/A**	**N/A**	**N/A**
Diluted earnings per share from discontinued operations *(in euros)*	**N/A**	**N/A**	**N/A**	**N/A**

B. At December 31, 2009

(in € millions)	Consolidated Income Statement 2009	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Income Statement 2009
CONSOLIDATED REVENUE	**7,065**	**(902)**	**-**	**6,163**
Operating expense	(5,089)	516	(0)	(4,573)
EBITDAR	**1,976**	**(386)**	**(0)**	**1,590**
Rental expense	(884)	18	(1)	(867)
EBITDA	**1,092**	**(368)**	**(1)**	**723**
Depreciation, amortization and provision expense	(498)	36	-	(462)
EBIT	**594**	**(332)**	**(1)**	**261**
Net financial expense	(143)	20	45	(78)
Share of profit of associates after tax	(3)	-	-	(3)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**448**	**(312)**	**44**	**180**
Restructuring costs	(127)	15	-	(112)
Impairment losses	(387)	138	-	(249)
Gains and losses on management of hotel properties	7	-	-	7
Gains and losses on management of other assets	(85)	58	-	(27)
OPERATING PROFIT BEFORE TAX	**(144)**	**(101)**	**44**	**(201)**
Income tax expense	(121)	83	(11)	(49)
Profit or loss from discontinued operations	-	-	-	-
NET PROFIT	**(265)**	**(18)**	**33**	**(250)**
Net Profit, Group Share	**(282)**	**(11)**	**31**	**(262)**
Net Profit, Minority interests	17	(7)	2	12
Weighted average number of shares	222,890	222,890	222,890	222,890
EARNINGS PER SHARE *(IN EUROS)*	**(1.27)**	**(0.05)**	**0.14**	**(1.18)**
Diluted earnings per share *(in euros)*	(1.26)	(0.05)	0.14	(1.18)
Earnings per share from continuing operations *(in euros)*	**(1.27)**	**(0.05)**	**0.14**	**(1.18)**
Diluted earnings per share from continuing operations *(in euros)*	**(1.26)**	**(0.05)**	**0.14**	**(1.18)**
Earnings per share from discontinued operations *(in euros)*	**N/A**	**N/A**	**N/A**	**N/A**
Diluted earnings per share from discontinued operations *(in euros)*	**N/A**	**N/A**	**N/A**	**N/A**

Statements of Comprehensive Income

A. At December 31, 2008

(in € millions)	Consolidated Statement of Comprehensive Income 2008	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Statement of Comprehensive Income 2008
NET PROFIT	**613**	**(237)**	**39**	**415**
Currency translation adjustment	(267)	56	(1)	(212)
Change in fair value resulting from "Available-for-sale financial assets"	1	-	(1)	0
Effective portion of gains and losses on hedging instruments in a cash flow hedge	(6)	-	0	(6)
Actuarial gains and losses on defined benefits plans	(4)	2	-	(2)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-
Other comprehensive income, net of tax	**(276)**	**58**	**(2)**	**(220)**
TOTAL COMPREHENSIVE INCOME	**337**	**(179)**	**37**	**195**
Comprehensive income, Group share	**344**	**(152)**	**37**	**229**
Comprehensive income, Minority interests	(7)	(27)	-	(34)

B. At December 31, 2009

(in € millions)	Consolidated Statement of Comprehensive Income 2009	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Statement of Comprehensive Income 2009
NET PROFIT	**(265)**	**(18)**	**33**	**(250)**
Currency translation adjustment	167	(66)	-	101
Change in fair value resulting from "Available-for-sale financial assets"	-	-	-	0
Effective portion of gains and losses on hedging instruments in a cash flow hedge	(6)	-	-	(6)
Actuarial gains and losses on defined benefits plans	(3)	2	-	(1)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-
Other comprehensive income, net of tax	**158**	**(64)**	**-**	**94**
TOTAL COMPREHENSIVE INCOME	**(107)**	**(82)**	**33**	**(156)**
Comprehensive income, Group share	**(127)**	**(76)**	**31**	**(172)**
Comprehensive income, Minority interests	20	(6)	2	16

Balance Sheets

A. At December 31, 2008

Assets *(in € millions)*	Consolidated Balance Sheet December, 31 2008	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Balance Sheet December, 31 2008
GOODWILL	**1,932**	**(645)**	**-**	**1,287**
INTANGIBLE ASSETS	**512**	**(110)**	**-**	**402**
PROPERTY, PLANT AND EQUIPMENT	**4,324**	**(37)**	**-**	**4,287**
Long-term loans	78	-	-	78
Investments in associates	176	-	-	176
Other financial investments	149	(4)	-	145
TOTAL NON-CURRENT FINANCIAL ASSETS	**403**	**(4)**	**-**	**399**
Deferred tax assets	226	(19)	(5)	202
TOTAL NON-CURRENT ASSETS	**7,397**	**(815)**	**(5)**	**6,577**
Inventories	103	(11)	-	92
Trade receivables	1,313	(846)	6	473
Other receivables and accruals	824	(232)	(16)	576
Prepaid Services voucher reserve funds	441	(441)	-	-
Receivables on disposals of assets	16	-	-	16
Short-term loans	34	(1,341)	1,339	32
Cash and cash equivalents	1,253	(675)	(140)	438
TOTAL CURRENT ASSETS	**3,984**	**(3,546)**	**1,189**	**1,627**
Assets held for sale	36	-	-	36
TOTAL ASSETS	**11,417**	**(4,361)**	**1,184**	**8,240**

Equity and liabilities

(in € millions)	Consolidated Balance Sheet December, 31 2008	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Balance Sheet December, 31 2008
Share capital	660	-	-	660
Additional paid-in capital	2,226	-	-	2,226
Retained earnings	151	(509)	1,742	1,384
Hedging instruments reserve	(6)	-	-	(6)
Fair value adjustments on financial instruments reserve	-	-	-	-
Reserve for actuarial gains/losses	(23)	(1)	-	(24)
Reserve related to employee benefits	82	(4)	-	78
Currency translation reserve	(367)	59	-	(308)
Net profit, Group share	575	(212)	38	401
SHAREHOLDERS' EQUITY, GROUP SHARE	**3,298**	**(667)**	**1,780**	**4,411**
Minority interests	258	(24)	48	282
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS	**3,556**	**(691)**	**1,828**	**4,693**
Other long-term financial debt	1,927	(34)	(1,091)	802
Long-term finance lease liabilities	161	-	-	161
Deferred tax liabilities	199	(66)	(1)	132
Non-current provisions	131	(12)	-	119
TOTAL NON-CURRENT LIABILITIES	**5,974**	**(803)**	**736**	**5,907**
Trade payables	765	(196)	5	574
Other payables and income tax payable	1,613	(290)	(5)	1,318
Prepaid Services voucher in circulation	2,587	(2,587)	-	-
Current provisions	191	(17)	(5)	169
Short-term debt and finance lease liabilities	165	(457)	453	161
Bank overdrafts	122	(11)	-	111
TOTAL CURRENT LIABILITIES	**5,443**	**(3,558)**	**448**	**2,333**
Liabilities of assets classified as held for sale	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**11,417**	**(4,361)**	**1,184**	**8,240**

B. At December 31, 2009

Assets *(in millions of euros)*	Consolidated Balance Sheet December, 31 2009	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Balance Sheet December, 31 2009
GOODWILL	**1,777**	**(557)**	**-**	**1,220**
INTANGIBLE ASSETS	**488**	**(99)**	**-**	**389**
PROPERTY, PLANT AND EQUIPMENT	**4,306**	**(37)**	**-**	**4,269**
Long-term loans	107	-	-	107
Investments in associates	191	-	-	191
Other financial investments	130	(3)	-	127
TOTAL NON-CURRENT FINANCIAL ASSETS	**428**	**(3)**	**-**	**425**
Deferred tax assets	291	(24)	(2)	265
TOTAL NON-CURRENT ASSETS	**7,290**	**(720)**	**(2)**	**6,568**
Inventories	60	(13)	-	47
Trade receivables	1,350	(894)	2	458
Other receivables and accruals	1,113	(238)	(23)	852
Prepaid Services voucher reserve funds	565	(565)	-	-
Receivables on disposals of assets	43	-	-	43
Short-term loans	17	(1,044)	1,044	17
Cash and cash equivalents	1,164	(795)	214	583
TOTAL CURRENT ASSETS	**4,312**	**(3,549)**	**1,237**	**2,000**
Assets held for sale	144	-	-	144
TOTAL ASSETS	**11,746**	**(4,269)**	**1,235**	**8,712**

Equity and liabilities

(in millions of euros)	**Consolidated Balance Sheet December, 31 2009**	**Adjustments to the New Services Holding combined financial statements**	**Pro forma adjustments**	**Pro forma Balance Sheet December, 31 2009**
Share capital	676	-	-	676
Additional paid-in capital	2,379	-	-	2,379
Retained earnings	363	(207)	1,359	1,515
Hedging instruments reserve	(12)	-	-	(12)
Fair value adjustments on financial instruments reserve	-	-	-	-
Reserve for actuarial gains/losses	(26)	1	-	(25)
Reserve related to employee benefits	102	(6)	-	96
Currency translation reserve	(203)	(8)	-	(211)
Net profit, Group share	(282)	(11)	31	(262)
SHAREHOLDERS' EQUITY, GROUP SHARE	**2,997**	**(231)**	**1,390**	**4,156**
Minority interests	257	(19)	48	286
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS	**3,254**	**(250)**	**1,438**	**4,442**
Other long-term financial debt	2,332	(15)	(818)	1,499
Long-term finance lease liabilities	143	-	-	143
Deferred tax liabilities	211	(62)	3	152
Non-current provisions	132	(16)	-	116
TOTAL NON-CURRENT LIABILITIES	**6,072**	**(343)**	**623**	**6,352**
Trade payables	709	(140)	1	570
Other payables and income tax payable	1,463	(162)	(15)	1,286
Prepaid Services voucher in circulation	2,883	(2,883)	-	-
Current provisions	242	(59)	(5)	178
Short-term debt and finance lease liabilities	285	(641)	631	275
Bank overdrafts	88	(41)	-	47
TOTAL CURRENT LIABILITIES	**5,670**	**(3,926)**	**612**	**2,356**
Liabilities of assets classified as held for sale	4	-	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**11,746**	**(4,269)**	**1,235**	**8,712**

Cash Flows Statements

A. At December 31, 2008

	(in millions of euros)	Consolidated Statement of Cash Flows 2008	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Statement of Cash Flows 2008
+	EBITDA	1,387	(404)	1	984
-	Net financial expense	(86)	10	53	(23)
-	Income tax expense	(277)	109	6	(162)
-	Non cash revenue and expense included in EBITDA	38	(9)	-	29
-	Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	41	18	(21)	38
+	Dividends received from associates	8	-	-	8
=	**Funds from Ordinary Activities**	**1,111**	**(276)**	**39**	**874**
+	Decrease (increase) in operating working capital	74	(154)	-	(80)
+	Recurring decrease (increase) in restricted cash	(49)	49	-	-
=	**Net cash from operating activities**	**1,136**	**(381)**	**39**	**794**
+	Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)	(86)	17	-	(69)
+	Decrease (increase) in non-operating working capital	-	-	-	-
+	Non-recurring decrease (increase) in restricted cash	-	-	-	-
=	**Net cash from operating activities including non-recurring transactions (A)**	**1,050**	**(364)**	**39**	**725**
-	Renovation and maintenance expenditure	(488)	24	-	(464)
-	Renovation and maintenance expenditure on non-current assets held for sale	(5)	-	-	(5)
-	Development expenditure	(1,086)	23	-	(1,063)
+	Proceeds from disposals of assets	560	(2)	-	558
=	**Net cash used in investments/ divestments (B)**	**(1,019)**	**45**	**-**	**(974)**
+	Proceeds from issue of share capital	8	-	-	8
-	Capital reduction	(62)	-	-	(62)
+	Minority interests in share issues by subsidiaries	-	1	-	1
-	Dividends paid	(719)	176	(176)	(719)
+	Technical impact on dividends	-	-	176	176
-	Repayment of long-term debt	(781)	-	(1,091)	(1,872)
-	Payment of finance lease liabilities	(65)	-	-	(65)
+	New long term debt	1,742	(3)	-	1,739
=	**Increase (decrease) in long-term debt**	**896**	**(3)**	**(1,091)**	**(198)**
+	Increase (decrease) in short-term debt	23	(118)	-	(95)
+	Technical demerger impact	-	5	-	5
+	Impact on equity of transfers between the Hospitality and New Services businesses	-	240	(367)	(127)
+	Technical impact on equity	-	-	22	22
+	Technical impact on short-term debt	-	-	-	-
+	Impact on short-term debt of transfers between the Hospitality and New Services businesses	-	11	193	204
=	**Impact of the demerger and inter-business transfers**	**-**	**256**	**(152)**	**104**
=	**Net cash from financing activities (C)**	**146**	**312**	**(1,243)**	**(785)**
-	**Effect of changes in exchange rates (D)**	**(140)**	**19**	**-**	**(121)**
=	**Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)**	**37**	**12**	**(1,204)**	**(1,155)**
+	Cash and cash equivalents at beginning of period	1,103	(676)	1,064	1,491
+	Effect of changes in fair value of cash and cash equivalents	(9)	-	-	(9)
-	Cash and cash equivalents at end of period	1,131	(664)	(140)	327
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS**	**37**	**12**	**(1,204)**	**(1,155)**

B. At December 31, 2009

	(in millions of euros)	Consolidated Statement of Cash Flows 2009	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Statement of Cash Flows 2009
+	EBITDA	1,092	(368)	(1)	723
-	Net financial expense	(143)	20	45	(78)
-	Income tax expense	(161)	98	(11)	(74)
-	Non cash revenue and expense included in EBITDA	32	(3)	-	29
-	Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	19	1	(20)	-
+	Dividends received from associates	4	-	-	4
=	**Funds from Ordinary Activities**	**843**	**(252)**	**13**	**604**
+	Decrease (increase) in operating working capital	(61)	(111)	127	(45)
+	Recurring decrease (increase) in restricted cash	-	13	(13)	-
=	**Net cash from operating activities**	**781**	**(350)**	**127**	**558**
+	Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)	(156)	32	(12)	(136)
+	Decrease (increase) in non-operating working capital	(242)	-	-	(242)
+	Non-recurring decrease (increase) in restricted cash	-	114	(114)	-
=	**Net cash from operating activities including non-recurring transactions (A)**	**383**	**(204)**	**1**	**180**
-	Renovation and maintenance expenditure	(327)	30	-	(297)
-	Renovation and maintenance expenditure on non-current assets held for sale	-	-	-	-
-	Development expenditure	(766)	41	-	(725)
+	Proceeds from disposals of assets	363	(17)	-	346
=	**Net cash used in investments/ divestments (B)**	**(730)**	**54**	**-**	**(676)**
+	Proceeds from issue of share capital	169	-	-	169
-	Capital reduction	-	-	-	-
+	Minority interests in share issues by subsidiaries	6	(7)	-	(1)
-	Dividends paid	(396)	165	(165)	(396)
+	Technical impact on dividends	-	-	165	165
-	Repayment of long-term debt	(1,253)	1	273	(979)
-	Payment of finance lease liabilities	(8)	-	-	(8)
+	New long term debt	1,842	(1)	-	1,841
=	**Increase (decrease) in long-term debt**	**581**	**-**	**273**	**854**
+	Increase (decrease) in short-term debt	(33)	(341)	23	(351)
+	Technical demerger impact	-	4	-	4
+	Impact on equity of transfers between the Hospitality and New Services businesses	-	367	(459)	(92)
+	Technical impact on equity	-	-	38	38
	Technical impact on short-term debt	-	-	(23)	(23)
+	Impact on short-term debt of transfers between the Hospitality and New Services businesses	-	(166)	472	306
=	**Impact of the demerger and inter-business transfers**	**-**	**205**	**28**	**233**
=	**Net cash from financing activities (C)**	**327**	**22**	**324**	**673**
-	**Effect of changes in exchange rates (D)**	**(28)**	**38**	**29**	**39**
=	**Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)**	**(48)**	**(90)**	**354**	**216**
+	Cash and cash equivalents at beginning of period	1,131	(664)	(140)	327
+	Effect of changes in fair value of cash and cash equivalents	(7)	-	-	(7)
-	Cash and cash equivalents at end of period	1,076	(754)	214	536
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS**	**(48)**	**(90)**	**354**	**216**

Changes in Equity

A. At December 31, 2008

	Total Equity January 1st, 2008	Issues / reduction of share capital	Total comprehensive income	Effect of scope changes	Dividends paid	Other	Total Equity December 31, 2008
Change in consolidated equity	**3,744**	**(55)**	**337**	**226**	**(720)**	**24**	**3,556**
Adjustments to the New Services Holding combined financial statements	(932)	1	(179)	245	176	(2)	(691)
Pro forma adjustments	2,137	-	37	(345)	-	(1)	1,828
CHANGES IN PRO FORMA EQUITY	**4,949**	**(54)**	**195**	**126**	**(544)**	**21**	**4,693**

B. At December 31, 2009

	Total Equity January 1st, 2009	Issues / reduction od share capital	Total comprehensive income	Effect of scope changes	Dividends paid	Other	Total Equity December 31, 2009
Change in consolidated equity	**3,556**	**175**	**(107)**	**7**	**(397)**	**20**	**3,254**
Adjustments to the New Services Holding combined financial statements	(691)	(7)	(82)	367	165	(2)	(250)
Pro forma adjustments	1,828	-	33	(423)	-	-	1,438
CHANGES IN PRO FORMA EQUITY	**4,693**	**168**	**(156)**	**(49)**	**(232)**	**18**	**4,442**

PRO FORMA INCOME STATEMENTS

(in millions of euros)	Notes	2008	2009
CONSOLIDATED REVENUE	**3**	**6,776**	**6,163**
Operating expense	4	(4,904)	(4,573)
EBITDAR	**5**	**1,872**	**1,590**
Rental expense	6	(888)	(867)
EBITDA	**7**	**984**	**723**
Depreciation, amortization and provision expense	8	(415)	(462)
EBIT	**9**	**569**	**261**
Net financial expense	10	(23)	(78)
Share of profit of associates after tax	11	20	(3)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		**566**	**180**
Restructuring costs	12	(53)	(112)
Impairment losses	13	(55)	(249)
Gains and losses on management of hotel properties	14	111	7
Gains and losses on management of other assets	15	23	(27)
OPERATING PROFIT BEFORE TAX		**592**	**(201)**
Income tax expense	16	(177)	(49)
Profit or loss from discontinued operations		-	-
NET PROFIT		**415**	**(250)**
Net profit, Group share		**401**	**(262)**
Net Profit, Minority interests	26	14	12
Weighted average number of shares outstanding (in thousands)	24	221,237	222,890
EARNINGS PER SHARE *(IN EUROS)*		**1.81**	**(1.18)**
Diluted earnings per share *(in euros)*	24	1.81	(1.18)
Earnings per share from continuing operations *(in euros)*		**1.81**	**(1.18)**
Diluted earnings per share from continuing operations *(in euros)*		**1.81**	**(1.18)**
Earnings per share from discontinued operations *(in euros)*		**N/A**	**N/A**
Diluted earnings per share from discontinued operations *(in euros)*		**N/A**	**N/A**

PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME

(in millions of euros)	Notes	2008	2009
NET PROFIT		**415**	**(250)**
Currency translation adjustment		(212)	101
Change in fair value resulting from "Available-for-sale financial assets"		-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge		(6)	(6)
Actuarial gains and losses on defined benefits plans		(2)	(1)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method		-	-
Other comprehensive income, net of tax	27	**(220)**	**94**
TOTAL COMPREHENSIVE INCOME		**195**	**(156)**
Comprehensive income, Group share		**229**	**(172)**
Comprehensive income, Minority interests		(34)	16

PRO FORMA BALANCE SHEETS

Assets

ASSETS *(in millions of euros)*	Notes	Dec. 2008	Dec. 2009
GOODWILL	**17**	**1,287**	**1,220**
INTANGIBLE ASSETS	**18**	**402**	**389**
PROPERTY, PLANT AND EQUIPMENT	**19**	**4,287**	**4,269**
Long-term loans	20	78	107
Investments in associates	21	176	191
Other financial investments	22	145	127
TOTAL NON-CURRENT FINANCIAL ASSETS		**399**	**425**
Deferred tax assets	16	202	265
TOTAL NON-CURRENT ASSETS		**6,577**	**6,568**
Inventories		92	47
Trade receivables	23	473	458
Other receivables and accruals	23	576	852
Receivables on disposals of assets	28 & 29	16	43
Short-term loans	28 & 29	32	17
Cash and cash equivalents	28 & 29	438	583
TOTAL CURRENT ASSETS		**1,627**	**2,000**
Assets held for sale	31	36	144
TOTAL ASSETS		**8,240**	**8,712**

Equity and Liabilities

EQUITY AND LIABILITIES *(in millions of euros)*	Notes	Dec. 2008	Dec. 2009
Share capital		660	676
Additional paid-in capital		2,226	2,379
Retained earnings		1,384	1,515
Hedging instruments reserve	25	(6)	(12)
Fair value adjustments on financial instruments reserve	25	-	-
Reserve for actuarial gains/losses		(24)	(25)
Reserve related to employee benefits		78	96
Currency translation reserve		(308)	(211)
Net profit, Group share		401	(262)
SHAREHOLDERS' EQUITY, GROUP SHARE	**24**	**4,411**	**4,156**
Minority interests	26	282	286
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		**4,693**	**4,442**
Other long-term financial debt	28 & 29	802	1,499
Long-term finance lease liabilities	28 & 29	161	143
Deferred tax liabilities	16	132	152
Non-current provisions	32	119	116
TOTAL NON-CURRENT LIABILITIES		**5,907**	**6,352**
Trade payables	23	574	570
Other payables and income tax payable	23	1,318	1,286
Current provisions	32	169	178
Short-term debt and finance lease liabilities	28 & 29	161	275
Bank overdrafts	28 & 29	111	47
TOTAL CURRENT LIABILITIES		**2,333**	**2,356**
Liabilities of assets classified as held for sale	31	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8,240**	**8,712**

PRO FORMA CASH FLOW STATEMENTS

	(in millions of euros)	Notes	2008	2009
+	EBITDA	7	984	723
-	Net financial expense	10	(23)	(78)
-	Income tax expense		(162)	(74)
-	Non cash revenue and expense included in EBITDA		29	29
-	Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		38	-
+	Dividends received from associates		8	4
=	**Funds from Ordinary Activities**	33	**874**	**604**
+	Decrease (increase) in operating working capital	34	(80)	(45)
=	**Net cash from operating activities**		**794**	**558**
+	Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(69)	(136)
+	Decrease (increase) in non-operating working capital	34	-	(242)
=	**Net cash from operating activities including non-recurring transactions (A)**		**725**	**180**
-	Renovation and maintenance expenditure	35	(464)	(297)
-	Renovation and maintenance expenditure on non-current assets held for sale	36	(5)	-
-	Development expenditure	36	(1,063)	(725)
+	Proceeds from disposals of assets		558	346
=	**Net cash used in investments/ divestments (B)**		**(974)**	**(676)**
+	Proceeds from issue of share capital	(*)	8	169
+	Minority interests in share issues by subsidiaries		(62)	-
-	Capital reduction		1	(1)
-	Dividends paid		(719)	(396)
+	Technical impact on dividends		176	165
-	Repayment of long-term debt		(1,872)	(979)
-	Payment of finance lease liabilities		(65)	(8)
+	New long term debt		1,739	1,841
=	**Increase (decrease) in long-term debt**		**(198)**	**854**
+	Increase (decrease) in short-term debt		(95)	(351)
+	Technical demerger impact		5	4
+	Impact on equity of transfers between the Hospitality and New Services businesses		(127)	(92)
+	Technical impact on equity		22	38
+	Technical impact on short-term debt		-	(23)
+	Impact on short-term debt of transfers between the Hospitality and New Services businesses		204	306
=	**Impact of the demerger and inter-business transfers**		**104**	**233**
=	**Net cash from financing activities (C)**		**(785)**	**673**
-	**Effect of changes in exchange rates (D)**		**(121)**	**39**
=	**Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)**	29	**(1,155)**	**216**
+	Cash and cash equivalents at beginning of period		1,491	327
+	Effect of changes in fair value of cash and cash equivalents		(9)	(7)
-	Cash and cash equivalents at end of period		327	536
=	**Net change in cash and cash equivalents**	29	**(1,155)**	**216**

(*) Including stock dividends paid at June 30, 2009 for €162 million.

CHANGES IN PRO FORMA SHAREHOLDERS' EQUITY

(in millions of euros)	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve(1)	Fair value adjustments on Financial Instruments reserve	Hedging Instruments reserve	Reserve for actuarial gains/losses
At January 1, 2008	**221,527,644**	**665**	**2,276**	**(144)**	**66**	**-**	**(22)**
Issues of share capital							
▸ on exercise of stock options	**204,578**	1	7	-	-	-	-
Capital reduction(2)	**(1,837,699)**	(6)	(57)	-	-	-	-
Dividends paid(3)	**-**	-	-	-	-	-	-
Effect of scope changes	**-**	-	-	-	-	-	-
Change in reserve for employee benefits	**-**	-	-	-	-	-	-
Other Comprehensive Income	**-**	**-**	**-**	**(164)**	**(66)**	**(6)**	**(2)**
Net Profit	**-**	-	-	-	-	-	-
Total Comprehensive Income	**-**	**-**	**-**	**(164)**	**(66)**	**(6)**	**(2)**
AT DECEMBER 31, 2008	**219,894,523**	**659.6**	**2,226**	**(308)**	**-**	**(6)**	**(24)**
Issues of share capital							
▸ in cash	**-**	-	-	-	-	-	-
▸ on exercice of stock options	**205,349**	1	7	-	-	-	-
▸ stock dividends and performance share grants	**5,358,327**	15	146	-	-	-	-
Dividends paid(3)	**-**	-	-	-	-	-	-
Change in reserve for employee benefits	**-**	-	-	-	-	-	-
Effect of scope changes	**-**	-	-	-	-	-	-
Other Comprehensive Income	**-**	**-**	-	**97**	-	**(6)**	**(1)**
Net Profit	**-**	-	-	-	-	-	-
Total Comprehensive Income	**-**	**-**	-	**97**	-	**(6)**	**(1)**
AT DECEMBER 31, 2009	**225,458,199**	**676**	**2,379**	**(211)**	**-**	**(12)**	**(25)**

(1) Exchange differences on translating foreign operations between December 31, 2008 and December 31, 2009 in the amount of €97 million positive impact, mainly concern changes in exchange rates against the euro of the Australian dollar (€73 million positive impact), the Brazilian Real (€42 million positive impact), the british pound (€25 million positive impact) and the US dollar (€45 million negative impact).
The period-end euro/local currency exchange rates applied to prepare the consolidated financial statements were as follows:

	USD	GBP	BRL	PLN	AUD
December 2008	1.3917	0.9525	3.2436	4.1535	2.0274
December 2009	1.4406	0.8881	2.5113	4.1045	1.6008

(2) Capital reductions resulting from the cancellation of shares acquired under the 2008 buyback program (see Note 2.A.4).

(3) Dividends paid. This corresponds to dividends paid by the Hospitality entities to non-Group shareholders and dividends paid by New Services Holding to Accor Hotels. The accounting treatment of these transactions is described in the paragraph "Recognition of dividends" of the « Basis of Preparation » note.

(4) Transactions with New Services. These correspond for the most part to the impact of selling New Services Holding entities previously owned by Accor. The accounting treatment of these transactions is described in "Basis of Preparation" note.

(5) External changes in consolidation scope These are mainly companies operating in the New Services Holding business acquired by the Accor Group. The accounting treatment of these transactions is described in the "Basis of Preparation" note.

Reserve related to employee benefits	Retained earnings and profit for the period	Transactions with New Services Holding[(4)]	External changes in combination scope[(5)]	Shareholders' equity	Minority interests	Transactions with New Services Holding[(4)]	Minority interests	Consolidated shareholders' Equity
57	**1,953**	**-**	**-**	**4,851**	**97**	**1**	**98**	**4,949**
-	-	-	-	**8**	1	-	**1**	**9**
-	-	-	-	**(63)**	-	-	-	**(63)**
-	(535)	-	-	**(535)**	(9)	-	**(9)**	**(544)**
-	-	(105)	5	**(100)**	225	1	**226**	**126**
21	-	-	-	**21**	-	-	-	**21**
-	**66**	**-**	**-**	**(172)**	**(48)**	**-**	**(48)**	**(220)**
-	401	-	-	**401**	14	-	**14**	**415**
-	**467**	**-**	**-**	**229**	**(34)**	**-**	**(34)**	**195**
78	**1,885**	**(105)**	**5**	**4,411**	**280**	**2**	**282**	**4,693**
-	-	-	-	**-**	(1)	-	**(1)**	**(1)**
-	-	-	-	**8**	-	-	**-**	**8**
-	-	-	-	**161**	-	-	**-**	**161**
-	(220)	-	-	**(220)**	(13)	-	**(13)**	**(233)**
18	-	-	-	**18**	-	-	**-**	**18**
-	-	(54)	4	**(50)**	(2)	4	**2**	**(48)**
-	**-**	**-**	**-**	**90**	**4**	**-**	**4**	**94**
-	(262)	-	-	**(262)**	12	-	**12**	**(250)**
-	**(262)**	**-**	**-**	**(172)**	**16**	**-**	**16**	**(156)**
96	**1,403**	**(159)**	**9**	**4,156**	**280**	**6**	**286**	**4,442**

Number of Accor's shares is detailed as follows:

Details on shares	Dec.2008	Dec. 2009
Total number of shares authorized	219,894,523	225,458,199
Number of fully paid shares issued and outstanding	219,894,523	225,458,199
Number of shares issued and outstdanding not fully paid	-	-
Par value per share *(in euros)*	3	3
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:

Outstanding shares at January 1, 2009	**219,894,523**
Stock dividends	5,308,523
Performance shares grant	49,804
Shares from conversion of stock option plans	205,349
Outstanding shares at December 31, 2009	**225,458,199**
Accor's share capital at December 31, 2009	**225,458,199**
Outstanding shares at December 31, 2009	**225,458,199**
Stock option plans (see Note 24.3)	9,485,318
Performance shares grants (see Note 24.3)	142,819
Potential number of shares	**235,086,336**

Full conversion would have the effect of reducing debt at December 31, 2009 as follows:

(in millions of euros)	
Theoretical impact of exercising stock options(*)	415
Theoretical impact on net debt of exercising all equity instruments	**415**

(*) Assuming exercise of all options outstanding at December 31, 2009.

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

Accor's share capital at December 31, 2009		**225,458,199**
Outstanding shares at December 31, 2009		**225,458,199**
Effect of *share issues* on the weighted average number of shares		(2,374,396)
Adjustment from *stock option* plans exercised during the period		(193,418)
Weighted average number of ordinary shares during the period	(See Note 24)	**222,890,385**
Impact of dilutive performance shares at December 31, 2009		26,166
Impact of potential ordinary shares resulting from conversion of Stock option plans		15,545
Weighted average number of shares used to calculate diluted earning per share	(See Note 24)	**222,932,096**

PRO FORMA KEY MANAGEMENT RATIOS

	Note	Dec. 2008	Dec. 2009
Gearing	(a)	16%	30%
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	(b)	22.6%	16.4%
Return On Capital Employed	(c)	11.9%	8.5%
Economic Value Added (EVA®) *(in millions of euros)*	(d)	163	(49)

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:

	Dec. 2008	Dec. 2009
Net debt at end of the period	**749**	**1,321**
Debt restatement prorated over the period	(51)	(45)
Average net debt	**698**	**1,276**
Rental commitments discounted at 8% (*)	4,141	3,761
Total Adjusted net debt	**4,839**	**5,037**
Funds from Ordinary Activities	**874**	**604**
Rental amortization	219	222
Adjusted Funds from Ordinary Activities	**1,093**	**826**
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	**22.6%**	**16.4%**

(*) Rental commitments correspond to the amounts presented in Note 6 C. They do not include any variable or contingent rentals. The 8% rate is the rate used by Standard & Poor's.

At December 31, 2008, the difference between the value of rental commitments discounted at 8% (€4,006 million) and the value used in the above table to calculate adjusted net debt (€4,141 million) corresponds to prorated discounted rental commitments for the Motel 6 units in the United States and the hotels leased from Genefim in France that the Group purchased during the year. Note that at the same time, Funds from Ordinary Activities generated by the leased hotels, prorated over the period prior to their purchase by the Group, were recognized in consolidated funds from operations before non-recurring items in 2008.

Adjusted net debt at December 31, 2009 is based on rental commitments discounted at 8% (€3,761 million).

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

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

2008 and 2009 Economic Value Added (EVA) have been calculated as follows:

	Dec. 2008	Dec. 2009
Cost of equity[(1)]	9.00%	9.10%
Cost of debt (after tax)	3.36%	3.83%
Equity/debt weighting		
• Equity	86.22%	77.08%
• Debt	13.78%	22.92%
Weighted Average Cost of Capital (WACC)[(2)]	**8.22%**	**7.89%**
ROCE after tax[(3)]	**10.18%**	**7.33%**
Capital Employed *(in millions of euros)*	**8,190**	**8,640**
ECONOMIC VALUE ADDED *(IN MILLIONS OF EUROS)* **[(4)]**	**163**	**(49)**

(1) The Beta used to calculate the cost of equity for 2008 and 2009 was 1 and the risk-free rate was the average 10-year OAT rate for the last month of the year

(2) WACC is determined as follows:

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

(3) ROCE after tax is determined as follows:

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

For example, at December 31, 2009 the data used in the formula were as follows:

EBITDA:	*€723 millions (see ROCE hereafter)*
Depreciation, amortization and provisions :	*€462 millions*
Effective tax rate:	*30.1% (see Note 16.2)*
Capital employed:	*€8,640 millions (see ROCE hereafter)*

(4) 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 €39 millions impact on 2008 EVA and a €38 millions impact on 2009 EVA.

PRO FORMA 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 interest);
- capital Employed: for each business, the average cost of 2008 and 2009 non-current assets, before depreciation, amortization and provisions, plus working capital.

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

	Dec. 2008		Dec. 2009	
Business	**Capital Employed**	**ROCE**	**Capital Employed**	**ROCE**
	(in millions of euros)	*%*	*(in millions of euros)*	*%*
Hotels	**7,474**	**12.9%**	**7,822**	**8.4%**
Upscale and Midscale Hotels	4,258	10.8%	4,147	6.6%
Economy Hotels	1,775	21.2%	2,109	14.8%
Economy Hotels United States	1,441	9.1%	1,566	4.4%
Other businesses	**851**	**5.5%**	**973**	**7.4%**
Casinos	471	9.4%	662	8.7%
Restaurants	138	7.5%	93	3.5%
Onboard Train Services	110	8.3%	79	9.9%
Holding Companies and other	(3)	N/A	(16)	N/A
RESTATED GROUP TOTAL	**8,190**	**11.9%**	**8,640**	**8.5%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group to prepare the 2008 and 2009 Pro forma financial statements are the same as those used to prepare the historical consolidated financial statements for the two periods.

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 Pro forma financial statements for the year ended December 31, 2009, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union as of that date. They include comparative annual financial information for 2008, prepared in accordance with the same standards.

Currently applicable standards, amendments and interpretations

At December 31, 2009, the accounting standards and interpretations adopted by the European Union were the same as International Financial Reporting Standards (including IFRSs, IASs and Interpretations) published by the International Accounting Standards Board ("IASB"), with the exception of:

- IAS 39, which was only partially adopted;

- IFRIC 12 "Service Concession Arrangements" which is applicable from January 1, 2009 only by European Union companies whose financial year begins on or after March 29, 2009;
- IFRIC 15 "Agreements for the Construction of Real Estate" which is applicable from January 1, 2010;
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" which is applicable from January 1, 2009 only by European Union companies whose financial year begins on or after June 30, 2009;
- IFRIC 18 "Transfers of Assets from Customers" which is applicable from January 1, 2009 only by European Union companies whose financial year begins on or after October 31, 2009.

The differences between the standards and interpretations published by the IASB and those adopted by the European Union do not have a material impact on the Accor Group's financial statements because application of this Standard and these Interpretations will have no impact on the Group's financial statements when they are adopted by the European Union and become applicable by the Group.

As a result, the Group's Pro forma 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, 2009:

- IFRS 8 "Operating Segments": IFRS 8 replaces IAS 14 "Segment Reporting." Whereas IAS 14 required segment information to be presented based on primary and secondary segment reporting formats (business segments and geographical segments), IFRS 8 requires segment information to be presented by operating segment on the same basis as that used for internal reporting purposes. The reported amount of each segment item now corresponds to the measurement reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. The operating segments defined by the Group under the new standard are the same as the business segments defined under IAS 14. Likewise, the indicators used to assess the performance of the segments correspond to those already presented when IAS 14 was applied. Consequently, the Group's adoption of IFRS 8 had no impact on the presentation of the Pro forma financial statements or on the allocation of goodwill to the CGUs.
- Revised version of IAS 1 "Presentation of Financial Statements": application of this standard led the Group to alter the presentation of its financial statements although this had no impact on its financial position. The changes are as follows:
  - the statement of changes in shareholders' equity now only shows transactions with owners of the Company in their capacity as owners, with all non-owner changes in equity (i.e. comprehensive income) included in the statement of comprehensive income;
  - all items of income and expense recognized in a period are presented in two statements: a separate income statement (displaying components of profit or loss) and a statement of comprehensive income (beginning with profit or loss and displaying components of other comprehensive income).

The Group has elected not to change the account headings used in its financial statements.

- Amendment to IAS 23 "Borrowing costs": borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are already capitalized as part of the cost of that asset. This amendment had therefore no impact on the Pro forma financial statements.
- Amendment to IFRS 2 "Vesting Conditions and Cancellations": this amendment specifies that all features of a share-based payment that are not vesting conditions should be included in the fair value of the equity instruments granted. In addition, if an entity or counterparty can choose whether to meet a non-vesting condition, the entity should treat the entity's or counterparty's failure to meet that non-vesting condition during the vesting period as a cancellation. The Group's application of this amendment had no impact on the Pro forma financial statements.
- Amendments to IAS 32 and IAS 1 "Puttable financial instruments and obligations arising on liquidation": these amendments require puttable financial instruments and obligations arising on liquidation to be classified as equity rather than as liabilities. They do not apply to firm or conditional commitments to purchase minority interests. As the Group did not hold any puttable financial instruments at December 31, 2008 its application of the amendments did not impact the prior-year comparative data included in the Pro forma financial statements.
- Amendments to IFRS 1 and IAS 27 "Cost of an investment in a subsidiary jointly controlled entity or associate": these amendments only concern separate financial statements and their application had no impact on the Group's Pro forma accounts.
- IFRIC 11 "IFRS 2: Group and Treasury Share Transactions": the Group early adopted IFRIC 11 on January 1, 2008 but this did not have an impact on the Group's financial statements for the periods presented.
- IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". The Group's application of this interpretation did not have an impact on the Group's financial statements for the periods presented.

- The revised version of the Amendment to IAS 39 and IFRS 7 "Reclassification of Financial Instruments: effective date and transition". Accor has not applied the Amendment to IAS 39 and IFRS 7, which has since been revised and allows the reclassification of certain financial assets. Consequently, the revised version of the amendment to IAS 39 and IFRS 7 has no impact on the Group's financial statements.
- Amendments to IFRIC 9 and IAS 39 "Embedded Derivatives". Accor has not applied the Amendment to IAS 39 and IFRS 7, which has since been revised and allows the reclassification of certain financial assets. Consequently, amendments to IFRIC 9 and IAS 39 have no impact on the Group's financial statements.
- Amendment to IFRS 7 "Improving Disclosures about Financial Instruments". Application of the amendment to IFRS 7 required the Group to present (i) additional disclosures about the fair values of its financial instruments and (ii) a maturity analysis of its financial liabilities (See Note 30). However, these disclosures had no impact on the Group's financial position.

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

The Group has elected not to early adopt the following standards, amendments and interpretations adopted or in the process of being adopted by the European Union at December 31, 2009 and applicable after that date:

		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 39	"Financial Instruments: Recognition and Measurement: Eligible Hedged Items"	July 1, 2009	These standards are currently not expected to have a material impact on the consolidated financial statements.
IFRS 1 revised	Revised version of IFRS 1 "First-time Adoption of International Financial Reporting Standards"	July 1, 2009	
Amendments to IFRS 1	Additional Exemptions for First-time Adopters	January 1, 2010	
Amendment to IFRS 2	"Group Cash-settled Share-based Payment Transactions"	January 1, 2010	
Amendment to IAS 32	"Classification of Rights Issues"	February 1, 2010	
Amendment to IFRIC 14	"Prepayments of a Minimum Funding Requirement"	January 1, 2011	
	"Annual Improvements April 2009"	January 1, 2010	
IFRIC 19	"Extinguishing Financial Liabilities with Equity Instruments"	July 1, 2010	
IAS 24 revised	"Related Party Disclosures"	January 1, 2011	
IFRS 9	"Financial Instruments"	January 1, 2013	
IFRIC 17	"Distributions of Non-cash Assets to Owners"	October 31, 2009	This interpretation has no impact on the 2009 consolidated financial statements. Possible application on June 30, 2010 if a General Meeting confirms the project of demerger before June 30, 2010 and if the demerger is not applied immediately.
IFRS 3 revised	Revised version of IFRS 3 "Business Combinations"	July 1, 2009	These standards will be applied prospectively to business combinations occurring on or after January 1, 2010. In application of the revised standards the Group will be required to change its method for recognizing future business combinations and future transactions relating to minority interests.
IAS 27 revised	Revised version of IAS 27 "Consolidated and Separate Financial Statements"	July 1, 2009	

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 Group's 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 year-end, except for Groupe Lucien Barrière SAS whose year-end is October 31.

The preparation of Pro forma 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 determined these estimates and assumptions 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.

The economic and financial crisis in 2008 led to reduced revenue and earnings visibility. The crisis continued in 2009 and, as a result, the Pro forma financial statements have been prepared by reference to the current environment, particularly for the purpose of estimating the value of non-current assets. There have been no changes in measurement or estimation methods compared with those applied at the December 31, 2008 close.

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 2009.

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 29). Group policy consists of keeping this ratio below 100%. For the purpose of calculating the ratio, net debt corresponds to interest-bearing loans and borrowings, cash and cash equivalents. Equity includes convertible preferred stock and unrealized gains and losses recognized directly in equity, but excludes minority interests. The Group has set a target of maintaining the adjusted funds from ordinary activities/Adjusted net debt ratio at more than 20%.

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;
- the assets and liabilities of subsidiaries acquired during the period are initially recognized at their fair value at the acquisition date. Minority interests are determined based on the initially recognized fair values of the underlying assets and liabilities.

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. Goodwill

In the year following the acquisition of a consolidated company, fair value adjustments are made to the identifiable assets and liabilities acquired. For this purpose, fair values are determined in the new subsidiary's local currency.

In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate.

B.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.

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 "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.D.6. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in profit.

B.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.

C. 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.

For subsidiaries operating in hyperinflationary economies, non-monetary assets and liabilities are translated at the exchange rate at the transaction date (historical rate) and monetary assets and liabilities are translated at the closing rate.

In the income statement, income and expense related to non-monetary assets and liabilities are translated at the historical rate and other items are translated at the average rate for the month in which the transaction was recorded. Differences arising from the application of this method are recorded in the income statement under "Net financial expense".

D. Non-current assets

D.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 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 determined according to the criteria applied at the acquisition date is less than their carrying amount, an impairment loss is recognized (see Note 1.D.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.

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.

D.2. Property, plant and equipment

Property, plant and equipment are measured at 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	

D.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.

D.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.

D.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 recognised at acquisition cost, including any goodwill. Their carrying amount is then increased or decreased to recognise the Group's share of the associate's profits or losses after the date of acquisition. The Group is in regular contact with the management of associates and also receives details of their budgets and business plans. Based on the information obtained through these contacts and close monitoring of actual performance against the budgets and business plans, the Group considers that none of its investments in associates are impaired.

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.D.6.

D.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.

Goodwill is tested for impairment at the level of the cash-generating unit (CGU) to which it belongs. CGUs correspond to specific businesses and 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 comparing the results obtained 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

Accor operates in a capital-intensive industry (involving significant investment in real estate) and the EBITDA multiples method is therefore 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
Economy Hotels United States	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 the specific country risk.

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. The projected long-term rate of revenue growth reflects each country's economic outlook. For 2009, a long-term growth rate of 2% was used for developed countries.

Intangible assets except goodwill

The recoverable value of an intangible asset is determined according 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.Q.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.

D.7. Assets held for sale

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", as from January 1, 2005, 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 an operating segment (i.e. to a discontinued operation) itself held for sale.

E. 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.

F. Prepaid expense

Prepaid expenses correspond 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 (see Note 6). Prepaid expenses are included in "Other receivables and accruals".

G. Employee benefits expense

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

H. 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 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.

I. Pensions and other post-employment benefits

The Group offers various complementary pensions, 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.

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

J. 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.

K. Deferred tax

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 liability 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. The only exception concerns deferred taxes arising from the difference in treatment of certain leases accounted for as finance leases in the consolidated accounts.

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.

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

In France, the "taxe professionnelle" local business tax has been replaced in the 2010 Finance Act by the "Contribution Economique Territoriale" tax (CET). The CET comprises two separate taxes, as follows:

(1) A tax assessed on the rental value of real estate ("CFE"). Similar to the "taxe professionnelle", it fulfills the criteria for recognition as an operating expense;

(2) A tax assessed on the value added by the business ("CVAE"), which has some of the characteristics of a tax on income, as defined in IAS 12.

In a press release dated January 14, 2010, France's National Accounting Board, the Conseil National de la Comptabilité, stated that each business should exercise its own judgment to determine the accounting classification of the CVAE.

In March 2006 and March 2009, the IFRIC stated that income taxes are defined as taxes that are based on taxable profit, and that the term 'taxable profit' implies a notion of a net rather than a gross amount. Additionally, because taxable profit is not the same as accounting profit, taxes do not need to be based on a figure that is exactly accounting profit to be within the scope of IAS 12. Value added used to calculate the CVAE is a net amount, not a gross amount. Moreover, experience shows that certain foreign taxes assessed on the basis of profit indicators other than profit before tax are generally qualified as income taxes under IAS 12. Examples exclude Germany's Gewerbesteuer tax and Italy's IRAP tax. In the interests of consistency, Accor has therefore decided to consider that the CVAE falls within the scope of IAS 12. As a result, deferred taxes totaling €15 million have been recognized in the consolidated financial statements at December 31, 2009, taking into account the related deferred tax asset.

L. Share-based payments

L.1. Share-based payments

Stock Option Plans

In accordance with the transitional provisions of IFRS 1 "First-time Adoption of International Financial Reporting Standards", employee benefits expense is recognized only for grants of shares, stock options or other equity instruments that were granted after November 7, 2002 and had not yet vested at January 1, 2005.

IFRS 2 applies to twelve stock option plans set up between 2003 and 2009. 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. As for the other plans, grantees must continue to be employed by the Group at the starting date of the exercised 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 the goods and services received 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.

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".

Employee Stock Ownership Plan

IFRS 2 also applies to employee benefits granted through the Employee Stock Ownership Plan to the extent that shares are purchased at a discount by participating employees. Accordingly, when rights under the plan are exercisable at a price that is less than the fair value of the shares at the grant date, an expense is recognized immediately or over the vesting period, as appropriate.

The Group's employee stock ownership plans enable employees to invest in Accor stock at a discount price. The share purchase price before discount is based on the average of the prices quoted for Accor stock over the twenty trading days preceding the grant date. The shares are subject to a five-year lock-up.

The fair value of the employee benefit is measured by reference to:

- the discount reflected in the purchase price;
- the cost represented by the lock-up clause. This cost, which is calculated only for shares financed directly by employees and not for any shares financed by a bank loan, is measured by discounting the discount over 5 years at a rate corresponding to the risk-free interest rate;
- the grant date, defined as the date when the plan's terms and conditions are communicated to Group employees, corresponding to the first day of the subscription period.

The employee benefit is measured as the difference between the fair value of the acquired shares and the price paid by employees at the subscription date, multiplied by the number of shares subscribed.

The fair value, determined as described above, is recognized in full in "Employee benefits expense" at the end of the subscription period, by adjusting equity.

Accor Group Subsidiaries' Share-Based Payment Plans

Stock option plans have also been set up by certain Group companies, mainly in the United States and France. As the subsidiaries concerned are not listed on the stock exchange, Accor has given a commitment to buy back the shares issued on exercise of the options at their fair value, generally corresponding to a multiple of EBITDA less net debt. Most of these plans are governed by IFRS 2. Since they represent cash-settled plans, the related cost is accrued over the vesting period and the accrual is adjusted at each period-end based on updated valuation assumptions.

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:

- for 2007 and 2008 plans, 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;
- for the 2009 plan, the Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares issued.

L.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.

M. 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.

M.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 corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flow discounted using the original effective interest rate) 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 marketable 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 corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flow discounted using the original effective interest rate) 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.

M.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.

M.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.

M.4. Bank borrowings

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

M.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 the two 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.

M.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.

N. 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.

O. Liabilities of 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.D.7).

P. 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 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. Changes in the debt arising from business plan adjustments are recognized in goodwill. Discounting adjustments are recognized in financial expense.

Q. Income statement and cash flow statement presentation

Q.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;
- for onboard train services, sleeping compartment and food services billed to railway operators and grants received;
- for casinos, gross gaming receipts (slot machines and traditional casino games).

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 recognised 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.

Q.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 response 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 response ratio, used when revenue goes down, is defined as 1- (change in like-for-like EBITDAR/change in like-for-like revenue).

Q.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:

- EBITDA corresponds to gross profit after the operating costs of holding leased assets;
- EBIT corresponds to gross operating profit after the operating costs of holding both leased and owned assets.

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.

Q.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 indicator used by the Group in its communications to investors. 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, including the cost of financing the hotel businesses.

Q.5. Restructuring costs

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

Q.6. Impairment losses

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

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

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

Q.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 transactions concerned are not directly related to the management of continuing operations.

Q.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.

Q.10. Profit or loss from discontinued operations

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.

Q.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 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.

R. Earnings per share

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

S. 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 Board of Directors approved these financial statements for publication on May 11, 2010.

NOTE 2. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION

A. Divestments and returns to shareholders

A.1. Strategic refocusing on Hotels and Prepaid Services

In line with the Group strategy announced to the financial markets in 2006, various non-strategic assets have been sold. Details of the main divestments carried out in 2006, 2007, 2008 and 2009 are presented below.

Date	Company	% shares sold	Sale price	Capital gain/ (loss) (*)	% interest at period-end
2006	**COMPASS GROUPE**	30,706,882 shares or 1.42%	€95 million	€(4) million	-
	CARLSON WAGONLIT TRAVEL	Accor's total 50% interest	€334 million ($465 million)	€90 million	-
	CLUB MEDITERRANEE	17.50%	€152 million	€(6) million	11.43%
2007	**CLUB MEDITERRANEE**	1,049,719 shares or 5.43%	€45 million	€4 million	6%
	GO VOYAGES	Accor's total 100% interest	€281 million	€204 million	-
	RESTAURATION COLLECTIVE - ITALY	Accor's total 94.64% interest	€135 million	€16 million	-
2008	**BRAZILIAN FOOD SERVICES BUSINESS**	Accor's total 50% interest	€114 million	€32 million	-
2009	**CLUB MEDITERRANEE**	1,162,630 shares or approximately 4%	€12 million	€(3) million	-

(*) The capital gain or loss is calculated based on the carrying amount of the shares, net of any impairment losses.

A.2. Property Strategy

In line with the "Asset Right" and "Asset Light" strategies 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 mature markets

Real estate policy since January 1, 2005

Since January 1, 2005, the operating structures of 841 hotel units have been changed. The following table provides summary information about the various transactions, by type.

(in million of euros)	Number of hotels	Portfolio value	Debt impact	Discounted Rental Commitments impact (*)	Adjusted Debt impact (**)
Sales & Variable Lease Back	533	3.525	1,350	1,516	2,866
Sales & Lease Back	1	3	3	(5)	(2)
Sales & Management Back	23	627	378	315	693
Sales & Franchise Back	161	193	172	141	313
Outright sales	123	538	444	128	572
TOTAL	**841**	**4,886**	**2,347**	**2.095**	**4,442**

(*) Rental commitments discounted with an 8% rate.
(**) Adjusted from the rental commitments discounted with an 8% rate.

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

A.2.1. "Sale and Variable Lease back" transactions

In the Midscale and Economy segments, the strategy consists of selling the hotel properties while continuing to manage the business, retaining variable-rent leases based on a percentage of revenue without any guaranteed minimum. One of the aims is to variabilize a proportion of fixed costs in order to reduce earnings volatility

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 first renewal date
2006	**Foncière des Murs**	**France & 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 first 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 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
2005-2009	**Other**	**Germany & Mexico**	11	NA	NA
TOTAL 2005-2009			**533**		

These transactions impacted the consolidated financial statements as follows:

(in million 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
2005-2009	**Other**	122	ND	119	104
TOTAL 2005-2009		**3,525**	**ND**	**1,350**	**2,866**

In each of these transactions, Accor and its partner undertook commitments to refurbish the divested assets. These commitments and the related expenditure incurred as of the balance sheet date are presented in Note 39.

The sale and variable leaseback transaction carried out in 2008 with a real estate consortium including Caisse des Dépôts et Consignations and two investment funds managed by Axa Real Estate Investment Managers concerned the Novotel, Mercure, Ibis, All Seasons, Etap Hotel and Formule 1 brands.

The €518 million transaction included a €50 million renovation program at the new owner's expense (see Note 39). Accor is committed to financing a €28 million renovation program (see Note 39), of which €12 million was incurred at December 31, 2009. Insurance premiums, property taxes and structural maintenance capex are now payable by the owner of the properties.

This transaction enabled Accor to reduce its adjusted net debt by €323 million in 2008, of which €267 million was added to the Group's cash reserves, and added around €5 million to 2008 profit before tax.

The sale and variable leaseback transaction carried out in 2009 with a consortium of leading French institutional investors through a property investment trust (OPCI) concerned 157 hotelF1 properties, representing a total of 12,174 rooms. This transaction enabled Accor to reduce its adjusted net debt by around €214 million in 2009, of which €153 million was added to the Group's cash reserves.

A.2.2. "Sale and Management back" transactions

The objective of sale and management-back transactions is to reduce capital employed and earnings volatility.

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**	**The Netherlands** (Sofitel The Grand)	1	- Accor retain a 40% interest in the company that owns the property which is accounted for by the equity method - Accor run the hotel under a 25-year management contract.
2008	**Esnee**	**France** (Mgallery Baltimore)	1	Accor continues to manage the hotel under a management contract
2005-2009	**Other**	**Australia/United States**	9	Accor continues to manage the hotels under a management contract
TOTAL 2005-2009			**23**	

These transactions impacted the consolidated financial statements as follows:

		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
2005-2009	**Other**	41	ND	46	99
TOTAL 2005-2009		**627**	**ND**	**378**	**693**

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

Since 2005, Accor has sold outright or sold and franchised back a total of 284 hotels.

	Sale & Franchise Back	Outright sales	Main countries	Sale price	Debt impact	Adjusted debt impact
		Number of hotels				*(in million 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
TOTAL	**161**	**123**		**731**	**616**	**885**

A.3. Divestment of the stake in Red Roof Inn in 2007

Based on the strategic review of its business portfolio, on September 10, 2007, Accor Group sold Red Roof Inn to a consortium comprised of Citi's Global Special Situations Group and Westbridge Hospitality Fund, L.P. for 1,320 billion of dollars. The Red Roof Inn network comprised 341 hotels and 36,683 rooms, located mainly in the East coast and Midwest regions of the United States.

The sale generated a loss of €174 million in 2007, recognized in "Gains and losses on management of hotel properties" and enabled Accor to reduce its adjusted net debt by €751 million, of which €425 million was added to the Group's cash reserves.

A.4. 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 SA 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 SA 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 SA 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 SA 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.

During first-half 2007, the Group paid a special dividend of €1.50 per share on the 224,058,558 shares outstanding, representing a total payout of €336 million. In first-half 2008, the Group paid another special dividend of €1.50 per share on the 221,527,614 shares outstanding, representing a total payout of €332 million.

In all, nearly €2.4 billion has been returned to shareholders since 2005.

B. Organic growth and acquisitions

B.1. Hotel Division development strategy

A total of 105,332 rooms were opened in the period 2006-2009 in line with the Group's stated intention to pursue its development program as set out in the strategic plan.

B.1.1. Investments in hotels (acquisitions and organic growth)

In 2009, the Group added 237 hotels (27,332 rooms) to its portfolio through acquisitions and organic growth. In addition, 108 hotels (14,173 rooms) were closed during the period.

Hotel portfolio by brand and type of management at December 31, 2009

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	17	7	7	84	6	**121**
Pullman	10	8	6	18	4	**46**
Novotel	66	62	113	105	49	**395**
Mercure	61	97	83	206	252	**699**
Adagio	1	6	1	20	1	**29**
Suitehotel	8	9	-	3	6	**26**
All Seasons	3	11	4	10	47	**75**
Ibis	136	136	217	90	282	**861**
Etap Hotel	65	58	77	7	196	**403**
Formule 1	98	29	167	10	47	**351**
Motel 6/Studio 6	333	346	1	-	380	**1,060**
Other	16	3	-	21	5	**45**
TOTAL	**814**	**772**	**676**	**574**	**1,275**	**4,111**
TOTAL *(in %)*	**19.8%**	**18.8%**	**16.4%**	**14.0%**	**31.0%**	**100.0%**

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	2,666	1,584	1,173	22,486	1,965	**29,874**
Pullman	2,693	2,228	1,160	5,356	1,032	**12,469**
Novotel	11,461	11,853	18,822	23,489	6,247	**71,872**
Mercure	7,426	15,389	12,413	29,422	20,989	**85,639**
Adagio	108	697	133	2,800	111	**3,849**
Suitehotel	1,085	1,312	-	378	542	**3,317**
All Seasons	330	822	763	1,544	3,655	**7,114**
Ibis	18,650	17,341	28,984	16,280	20,912	**102,167**
Etap Hotel	5,484	6,015	7,048	922	14,501	**33,970**
Formule 1	7,081	2,199	15,165	1,175	3,007	**28,627**
Motel 6/Studio 6	37,857	39,165	72	-	28,557	**105,651**
Other	2,863	435	-	4,367	461	**8,126**
TOTAL	**97,704**	**99,040**	**85,733**	**108,219**	**101,979**	**492,675**
TOTAL *(in %)*	**19.8%**	**20.1%**	**17.4%**	**22.0%**	**20.7%**	**100.0%**

Hotel portfolio by region and type of management at December 31, 2009

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	207	68	397	53	684	**1,409**
Europe excluding France	181	301	221	81	117	**901**
North America	337	346	1	12	380	**1,076**
Latin America & Caribbean	19	7	41	94	19	**180**
Other countries	70	50	16	334	75	**545**
TOTAL	**814**	**772**	**676**	**574**	**1,275**	**4,111**
TOTAL *(in %)*	**19.8%**	**18.8%**	**16.4%**	**14.0%**	**31.0%**	**100.0%**

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	20,507	7,375	43,150	6,463	50,404	**127,899**
Europe excluding France	25,334	43,831	31,190	12,071	12,398	**124,824**
North America	39,042	39,165	72	3,665	28,557	**110,501**
Latin America & Caribbean	2,500	1,150	8,194	13,565	2,225	**27,634**
Other countries	10,321	7,519	3,127	72,455	8,395	**101,817**
TOTAL	**97,704**	**99,040**	**85,733**	**108,219**	**101,979**	**492,675**
TOTAL *(in %)*	**19.8%**	**20.1%**	**17.4%**	**22.0%**	**20.7%**	**100.0%**

Hotel portfolio by region and brand at December 31, 2009

In number of hotels	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	13	21	9	9	69	**121**
Pullman	13	12	-	1	20	**46**
Novotel	124	140	7	19	105	**395**
Mercure	251	232	-	81	135	**699**
Adagio	23	6	-	-	-	**29**
Suitehotel	18	6	-	-	2	**26**
All Seasons	36	6	-	-	33	**75**
Ibis	378	313	-	59	111	**861**
Etap Hotel	288	115	-	-	-	**403**
Formule 1	262	31	-	10	48	**351**
Motel 6/Studio 6	-	-	1,060	-	-	**1,060**
Other	3	19	-	1	22	**45**
TOTAL	**1,409**	**901**	**1,076**	**180**	**545**	**4,111**
TOTAL *(in %)*	**34.3%**	**21.9%**	**26.2%**	**4.4%**	**13.3%**	**100.0%**

In number of rooms	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	1,664	4,872	2,893	1,625	18,820	**29,874**
Pullman	3,384	2,824	-	188	6,073	**12,469**
Novotel	16,344	26,395	1,957	3,082	24,094	**71,872**
Mercure	23,435	31,582	-	10,559	20,063	**85,639**
Adagio	3,201	648	-	-	-	**3,849**
Suitehotel	2,094	931	-	-	292	**3,317**
All Seasons	2,850	409	-	-	3,855	**7,114**
Ibis	33,001	39,983	-	8,890	20,293	**102,167**
Etap Hotel	22,283	11,687	-	-	-	**33,970**
Formule 1	19,491	2,216	-	2,905	4,015	**28,627**
Motel 6/Studio 6	-	-	105,651	-	-	**105,651**
Other	152	3,277	-	385	4,312	**8,126**
TOTAL	**127,899**	**124,824**	**110,501**	**27,634**	**101,817**	**492,675**
TOTAL *(in %)*	**26.0%**	**25.3%**	**22.4%**	**5.6%**	**20.7%**	**100.0%**

Hotel development projects in progress at December 31, 2009

The number of new rooms represented by hotel development projects in progress at December 31, 2009 is as follows:

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
2010	3,675	916	3,333	14,334	6,341	**28,599**
2011	5,128	1,723	3,686	22,636	4,681	**37,854**
2012	2,345	694	2,670	16,612	1,122	**23,443**
2013 and after	1,373	-	1,511	9,623	508	**13,015**
TOTAL	**12,521**	**3,333**	**11,200**	**63,205**	**12,652**	**102,911**

B.1.2. Acquisition of control of Orbis

2007: Acquisition of a 4.9% stake in Orbis

On August 22, 2007, Accor acquired an additional 4.9% stake in Orbis, raising its interest in the Polish company from 40.58% to 45.48%. A total of 2,257,773 shares were acquired at a price of PLN72 per share, representing a total investment of PLN163 million (approximately €42 million). The transaction had no impact on Orbis's classification as an associate, and the company therefore continued to be accounted for by the equity method in 2007 and at the end of June 2008.

2008: Increase in Accor's stake in the Orbis Group to 50.01%

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 difference between the cost of the additional stake and the net assets acquired amounted to €44 million before deferred taxes. This was recognized as fair value adjustments to 21 hotel properties. After purchase accounting adjustments, goodwill amounted to €12 million.

The acquired items are as follows (in € millions and on a 100% basis):

	ORBIS
	Historical cost
Property, plant and equipment	403
Intangible assets	126
Financial assets	3
Non-current assets	*532*
Cash and cash equivalents	21
Current assets (excluding cash and cash equivalents)	*96*
Non current liabilities	*119*
Current liabilities	*132*
NET ASSETS ACQUIRED	**398**
Revenue of the acquired company in 2008	328
Net Profit of the acquired company in 2008	26
Net Profit of the acquired company from the date of the acquisition	4

B.1.3. Buyout of the remaining 50% stake in hotel operations in Portugal in 2007

At the beginning of July 2007, Accor acquired for €69 million the Armorim group's 50% stake in the joint venture created by the two companies in 1997 to develop and operate hotels in Portugal. At the same time, Accor sold the Sofitel Thalassa Vilalara to Amorim for €27 million.

Following completion of these transactions, Accor became the sole owner of its hotel operations in Portugal, with a portfolio of 29 hotels. These operations were proportionately consolidated in the first half of 2007 and fully consolidated from July 1, 2007.

The difference between the cost of the additional stake in the joint venture and Accor's equity in the underlying net assets amounted to €14 million. Purchase accounting adjustments included fair value adjustments (excluding deferred taxes) to the assets of four Ibis hotels for €12 million (of which €5 million allocated to lands and €7 million to the buildings) and one Mercure unit (of which €1 million to the building). Goodwill recognized on the transaction came to €4 million.

B.1.4. Restructuring of the Dorint AG

Accor has owned an equity interest in German hotel group Dorint AG since 2002. The interest was increased from 26% in 2002 to 40.19% in 2006 through a number of capital injections and was accounted for by the equity method from 2003 to 2006. A strategic partnership with Accor was set up based on franchise and marketing agreements and all the Dorint hotels were co-branded Dorint Sofitel or Dorint Novotel or converted to the Mercure brand. The Dorint sales and marketing teams were integrated in the Accor network.

In light of Dorint's continued substantial operating losses in 2006, the company's Supervisory Board decided to split up the business into two separate entities in first-quarter 2007:

- by underwriting a €52 million share issue, Accor acquired a controlling interest in one of the new companies, which operates 52 hotels. Of these hotels, nine were previously operated under the Dorint Sofitel brand, 17 under the Dorint Novotel brand and 26 under the Dorint Mercure brand. In the first half of 2007, they were rebranded as Sofitel, Novotel and Mercure units, respectively. The company was named The NewGen Hotels AG;
- Ebertz & Partner acquired all the shares of the other company, Neue Dorint Gmbh, which operates 41 Dorint hotels under the Dorint brand.

At the same time, Accor underwrote a second €70.4 million capital increase and bought out the minority interests for €94.2 million, raising its interest in The NewGen Hotels AG to 97.64%. At December 31, 2007, the new entity was fully consolidated. The difference between the cost of the business combination and the net assets acquired was €143 million. This amount was recognized in full under "goodwill" due to the expected synergies with Accor's existing operating company in Germany.

Financially, the transaction enabled Accor to gain control of 52 hotels representing, in 2007, €336 million of in revenues, €13 million in EBITDA and €8 million in operating profit. At the same time, Accor recognized a loss of €7 million corresponding to its share in Dorint AG's losses as accounted for by the equity method.

During the second half of 2008, Accor acquired a further 2% interest in The NewGen Hotels for €10.2 million, leading to the recognition of additional goodwill of €10.3 million. Following this transaction, the Group owned 99.46% of the company.

Lastly, in late 2008, the Group launched a squeeze-out procedure to purchase the remaining 0.54% interest held by minority shareholders, at a price of €39 million per share. Following completion of the procedure on January 7, 2009, Accor now owns 100% of The NewGen Hotels AG.

Total goodwill recognized on these various transactions amounted to €180 million.

B.2. Acquisition of 50% of Accor Brazil in 2006

At the beginning of December 2006, Accor acquired Brookfield Asset Management Inc.'s and Espirito Santo Resources, Ltd.'s combined 50% stake in Brazil's Ticket Serviçios for €197 million.

Ticket Serviçios manages prepaid services vouchers and hotels in Brazil under Accor brands and food catering services under a local brand. It was previously jointly held by Accor (50%), Brookfield Asset Management Inc. (40%) and Espirito Santo Resources, Ltd. (10%). With the completion of the transaction, Accor held 100% of the company's prepaid services vouchers and hotel operations and a 50% stake in its food services operations, with Compass owning the other 50%.

The business combination was accounted for by the purchase method, leading to the recognition of goodwill for €163 million.

B.3. Accor increased at 49% its stake in Groupe Lucien Barrière in 2009

In December 2004, Accor, the Barrière Desseigne family and Colony Capital set up Groupe Lucien Barrière SAS to hold the casino and hotel assets of Société Hôtelière de la Chaîne Lucien Barrière (SHCLB), Société des Hôtels et Casino de Deauville (SHCD), Accor Casinos and their respective subsidiaries. Under the terms of the agreements, Colony Capital had an option to sell Accor its 15% stake in Groupe Lucien Barrière SAS, at a price determined by five independent banks.

In November 2008, Colony Capital announced its intention to start the valuation process.

The resulting valuation of €153 million is the average of the valuations made by five independent experts, excluding the highest and the lowest valuations, in accordance with the agreements signed in 2004.

Following this valuation process, Colony Capital decided at the end of March 2009 to exercise the put option at a price of €153 million.

The impact on Accor's net debt was €260 million based on the proportional consolidation of 49% of Groupe Lucien Barrière debt in the second half of 2009. The difference between the cost of the business combination and the net assets acquired amounted to €103 million and was added to goodwill. The transaction had no impact on the consolidation method applied to Groupe Lucien Barrière, which continued to be proportionally consolidated at December 31, 2009.

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, 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 (see Statement of Changes in Equity) 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, Colony Capital purchased 18,971,023 Accor shares and sold 3,358,006 new Accor shares. As a result, 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.

D. Three Bond Issue

Accor completed successfully two €600 million bond issues and one €250 million bond issue in 2009:

- on February 4, 2009, Accor placed a fixed rate bond issue of €600 million, with a 5 year-maturity (February 4, 2014) and a coupon of 7.50%. The bond has been placed with more than 200 European institutional investors;
- on May 5, 2009, Accor placed a fixed rate bond issue of €600 million, with a 4 year-maturity (May 6, 2013) and a coupon of 6.50%. The bond has been placed with more than 350 European institutional investors;
- on August 24, 2009, Accor placed a fixed rate bond issue of €250 million, with a 8 year and 3 months-maturity (November 6, 2017) and a coupon of 6.039%. The bond has been placed with one investor.

This bond issue aims to reinforce the Group's liquidity, to diversify its financial resources and to increase the average maturity of its debt.

NOTE 3. CONSOLIDATED REVENUE BY BUSINESS AND BY GEOGRAPHIC SEGMENT

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide Structures (1)	2009	2008
HOTELS	**1,817**	**2,077**	**591**	**219**	**462**	**20**	**5,186**	**5,750**
Upscale and Midscale Hotels	1,135	1,375	57	111	328	20	3,026	3,427
Economy Hotels	682	702	-	108	134	0	1,626	1,723
Economy Hotels US	-	-	534	-	-	-	534	600
OTHER BUSINESSES	**631**	**254**	**-**	**-**	**85**	**7**	**977**	**1,026**
Casinos	425	-	-	-	16	-	441	346
Restaurants	97	-	-	-	1	-	98	187
Onboard train services	68	180	-	-	-	-	248	306
Holding Companies and other	41	74	-	-	68	7	190	187
TOTAL 2009	**2,448**	**2,331**	**591**	**219**	**547**	**27**	**6,163**	
TOTAL 2008	**2,619**	**2,589**	**669**	**296**	**584**	**19**		**6,776**

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

Consolidated revenue for December 31, 2009 totalled €6,163 million, compared with €6,776 million for the same period of 2008.

The period-on-period decrease of €613 million breaks down as follows:

(in million of euros)		
‣ Like-for-like growth	(621) M€	(9.2)%
‣ Business expansion	+336 M€	+5.0%
‣ Currency effects	(61) M€	(0.9)%
‣ Disposals	(267) M€	(3.9)%
DECREASE IN 2009 CONSOLIDATED REVENUE	**(613)** M€	**(9.1)%**

Decrease in 2009 consolidated revenue by business:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(564)**	**(580)**	**(10.1)%**
Upscale and Midscale Hotels	(401)	(392)	(11.5)%
Economy Hotels	(97)	(105)	(6.1)%
Economy Hotels US	(66)	(83)	(13.8)%
OTHER BUSINESSES	**(49)**	**(41)**	**(4.0)%**
Casinos	+95	(17)	(4.8)%
Restaurants	(89)	(17)	(9.0)%
Onboard train services	(58)	+9	+2.8%
Holding Companies and other	+3	(16)	(8.7)%
GROUP TOTAL	**(613)**	**(621)**	**(9.2)%**

Decrease in 2009 consolidated revenue by geographic segment:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	(171)	(187)	(7.1)%
Europe (excl. France)	(258)	(290)	(11.2)%
North America	(78)	(97)	(14.5)%
Latin America & Caribbean	(77)	(2)	(0.6)%
Other countries	(37)	(38)	(6.5)%
Worldwide Structures	+8	(7)	(38.8)%
GROUP TOTAL	**(613)**	**(621)**	**(9.2)%**

At December 31, 2009, **revenue from managed and franchised hotels**, included in the hotels' revenue presented above of €5,186 million, amounted to €202 million. This amount breaks down as follows:

(in million of euros)	Management fees	Franchise fees	2009	2008
HOTELS				
Upscale and Midscale Hotels	115	26	**141**	**167**
Economy Hotels	15	31	**46**	**44**
Economy Hotels United States	-	15	**15**	**11**
TOTAL 2009	**130**	**72**	**202**	
TOTAL 2008	**154**	**68**		**222**

NOTE 4. OPERATING EXPENSE

(in million of euros)	2008	2009
Cost of goods sold (1)	(733)	(658)
Employee benefits expense (2)	(2 543)	(2 366)
Energy, maintenance and repairs	(377)	(373)
Taxes, insurance and service charges (co-owned properties)	(239)	(231)
Other operating expense (3)	(1 012)	(945)
TOTAL OPERATING EXPENSE	**(4 904)**	**(4 573)**

(1) The cost of goods sold includes food and beverage purchases, laundry costs and the cost of telephone calls billed to clients. These costs mainly concern the Hotel and Restaurant businesses.

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

Full-time equivalent	2008	2009
Full-time equivalent (*)	79 869	72 576
Ratio employee benefits expense/FTE (€k)	(33)	(33)

(*) 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 €18 million related to stock option plans and to performance shares plan.

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

NOTE 5. EBITDAR BY BUSINESS AND GEOGRAPHIC SEGMENT

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide structures [1]	2009	2008
HOTELS	**510**	**627**	**174**	**57**	**106**	**33**	**1,507**	**1,815**
Upscale and Midscale Hotels	291	360	9	16	58	31	**765**	**950**
Economy Hotels	219	267	-	41	48	2	**577**	**636**
Economy Hotels US	-	-	165	(0)	-	-	**165**	**229**
OTHER BUSINESSES	**77**	**8**	**-**	**(6)**	**20**	**(16)**	**83**	**57**
Casinos	60	-	-	-	5	-	**65**	**50**
Restaurants	6	(0)	-	-	(0)	-	**6**	**14**
Onboard train services	5	5	-	-	-	1	**11**	**11**
Holding Companies and other	6	3	-	(6)	15	(17)	**1**	**(18)**
TOTAL 2009	**587**	**635**	**174**	**51**	**126**	**17**	**1,590**	
TOTAL 2008	**651**	**811**	**249**	**46**	**125**	**(10)**		**1,872**

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

Consolidated EBITDAR for December 31, 2009 totalled €1,590 million compared with €1,872 million for the same period of 2008. The period-on-period decrease of €282 million breaks down as follows:

(in million of euros)		
▸ Like-for-like growth	(290)	(15.5)%
▸ Business expansion	+48	+2.6%
▸ Currency effects	(20)	(1.0)%
▸ Disposals	(20)	(1.1)%
DECREASE IN 2009 EBITDAR	**(282)**	**(15.1)%**

Decrease in 2009 EBITDAR by business:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(308)**	**(316)**	**(17.4)%**
Upscale and Midscale Hotels	(185)	(183)	(19.3)%
Economy	(59)	(66)	(10.4)%
Economy US	(64)	(67)	(29.2)%
OTHER BUSINESSES	**+26**	**+26**	**+45.7%**
Casinos	+15	(2)	(3.9)%
Restaurants	(8)	(3)	(22.5)%
Onboard train services	-	+6	+49.5%
Holding Companies and other	+19	+25	N/A
GROUP TOTAL	**(282)**	**(290)**	**(15.5)%**

Decrease in 2009 EBITDAR by geographic segment:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	(64)	(77)	(11.8)%
Europe (excl. France)	(176)	(171)	(21.1)%
North America	(75)	(78)	(31.4)%
Latin America & Caribbean	+5	+14	+30.1%
Other countries	+1	+2	+1.3%
Worldwide Structures	+27	+20	N/A
GROUP TOTAL	**(282)**	**(290)**	**(15.5)%**

NOTE 6. RENTAL EXPENSE

Rental expense amounted to €867 million in December 2009 compared with €888 million in December 2008.

In accordance with the policy described in Note 1.D.4, the expense reported on this line only concern operating leases. Finance leases are recognized in the balance sheet as an asset and a liability. The amount of the liability was €151 million at December 31, 2009 and 180 million of euros at December 31, 2008(see Note 28.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 €867 million in rental expense corresponds to 1,448 hotel leases, including 26% 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 million of euros)	2008	2009
HOTELS	**(886)**	**(862)**
Upscale and Midscale Hotels	(529)	(498)
Economy	(258)	(267)
Economy US	(99)	(97)
OTHER BUSINESSES	**(2)**	**(5)**
Casinos	(5)	(7)
Restaurants	(4)	(3)
Onboard train services	(3)	(3)
Holding Companies and other	10	8
TOTAL	**(888)**	**(867)**

B. Rental expense by type of contract

Rental expense breaks down as follows by type of contract:

(in million of euros)	Number of hotels [1]	2009 rental expense	Fixed rental expense	Variable rental expense
Fixed rent with purchase option	378	(112)	(112)	-
Fixed rent without purchase option	322	(271)	(271)	-
Fixed rent with a variable portion [2]	72	(77)	(64)	(13)
Land rent	-	(3)	(2)	(1)
Office rental expenses (Hotels business)	-	(27)	(26)	(1)
Fees on intragroup rent guarantees on Hotels business	-	(20)	(20)	-
TOTAL HOTEL FIXED RENTAL EXPENSE	**772**	**(510)**	**(495)**	**(15)**
Variable rent with a minimum [3]	100	(76)	(64)	(12)
Variable rent with a minimum and cap [4]	8	(11)	(6)	(5)
Variable rent without a minimum [5]	568	(265)	(1)	(264)
TOTAL HOTEL VARIABLE RENTAL EXPENSE	**676**	**(352)**	**(71)**	**(281)**
TOTAL HOTEL RENTAL EXPENSE	**1,448**	**(862)**	**(566)**	**(296)**
Rental expense not related to hotels	-	(25)	(23)	(2)
Internal lease guarantee fees	-	20	20	-
TOTAL RENTAL EXPENSE	**1,448**	**(867)**	**(569)**	**(298)**

(1) Detail by brand and type of contract at December 31, 2009 is presented as follows:

Leased hotels at December 31, 2009	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	6	-	2	-	5	**14**
Pullman	-	5	3	4	-	2	**14**
Novotel	3	48	11	19	3	91	**175**
Mercure	9	67	21	14	1	68	**180**
Adagio	-	6	-	-	1	-	**7**
Suitehotel	3	6	-	-	-	-	**9**
All Seasons	-	3	8	-	-	4	**15**
Ibis	19	102	15	55	2	160	**353**
Etap Hotel	1	56	1	5	1	71	**135**
Formule 1	15	2	12	-	-	167	**196**
Motel 6	326	19	1	1	-	-	**347**
Other	1	2	-	-	-	-	**3**
TOTAL	**378**	**322**	**72**	**100**	**8**	**568**	**1,448**

(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 (538 hotels), or a percentage of EBITDAR (30 hotels). None of the leases contains any minimum rent clauses. Variable rents without a minimum based on a percentage of EBIDTAR amount to €18 million at December 31, 2009.

C. Minimum rental commitments (cash basis)

Minimum future rentals in the following tables only correspond to long-term rental commitments in the Hotels Division. The other divisions' rental commitments are generally for periods of less than three years and are not reflected in the table below.

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

Years	*(in million of euros)*	Years	*(in million of euros)*
2010	(523)	2019	(345)
2011	(513)	2020	(312)
2012	(501)	2021	(262)
2013	(488)	2022	(237)
2014	(473)	2023	(214)
2015	(463)	2024	(176)
2016	(451)	2025	(151)
2017	(425)	2026	(134)
2018	(385)	>2027	(475)
		TOTAL	**(6,528)**

At December 31, 2009, the present value of future minimum lease payments, considered as representing 8% of the minimum lease payments used to calculate the "Adjusted funds from ordinary activities/adjusted net debt" ratio, amounted to €3,761 million.

Interest expense related to adjusted net debt, estimated at 8%, amounted to €301 million. The difference between the 2010 minimum rent (€523 million) and interest expense (€301 million) amounted to €222 million, corresponding to the implicit repayment of adjusted debt ("Standards & Poor's method").

NOTE 7. EBITDA BY BUSINESS AND GEOGRAPHIC SEGMENT

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide structures (1)	2009	2008
HOTELS	**296**	**188**	**75**	**18**	**40**	**28**	**645**	**930**
Upscale and Midscale Hotels	154	63	7	5	12	26	**267**	**422**
Economy Hotels	142	125	-	13	28	2	**310**	**378**
Economy Hotels US	-	-	68	(0)	-	-	**68**	**130**
OTHER BUSINESSES	**61**	**6**	**-**	**(3)**	**22**	**(8)**	**78**	**54**
Casinos	49	-	-	-	9	-	**58**	**45**
Restaurants	3	(0)	-	-	(0)	-	**3**	**10**
Onboard train services	4	4	-	-	-	0	**8**	**9**
Holding Companies and other	5	2	-	(3)	13	(8)	**9**	**(10)**
TOTAL 2009	**357**	**194**	**75**	**15**	**62**	**20**	**723**	
TOTAL 2008	**421**	**353**	**149**	**9**	**57**	**(5)**		**984**

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

Consolidated EBITDA for December 31, 2009 totalled €723 million compared with €984 million for December 31, 2008.

The period-on-period decrease of €261 million breaks down as follows:

(in million of euros)		
Like-for-like growth	(269)	(27.3)%
Business expansion	+35	+3.6%
Currency effects	(9)	(0.9)%
Disposals	(18)	(1.9)%
DECREASE IN 2009 EBITDA	**(261)**	**(26.6)%**

Decrease in 2009 EBITDA by business:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(285)**	**(293)**	**(31.5)%**
Upscale and Midscale Hotels	(155)	(163)	(38.6)%
Economy	(68)	(64)	(17.0)%
Economy US	(62)	(66)	(50.9)%
OTHER BUSINESSES	**+24**	**+24**	**+44.8%**
Casinos	+13	(2)	(3.4)%
Restaurants	(7)	(3)	(33.4)%
Onboard train services	(1)	+5	+59.6%
Holding Companies and other	+19	+24	N/A
GROUP TOTAL	**(261)**	**(269)**	**(27.3)%**

Decrease in 2009 EBITDA by geographic segment:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	(64)	(67)	(15.9)%
Europe (excl. France)	(159)	(160)	(45.4)%
North America	(74)	(78)	(52.4)%
Latin America & Caribbean	+6	+11	+116.9%
Other countries	+5	+5	+9.0%
Worldwide Structures	+25	+20	N/A
GROUP TOTAL	**(261)**	**(269)**	**(27.3)%**

NOTE 8. DEPRECIATION, AMORTIZATION AND PROVISION EXPENSE

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

(in million of euros)	2008	2009
Depreciation and amortization	(410)	(460)
Provision	(5)	(2)
TOTAL	**(415)**	**(462)**

NOTE 9. EBIT BY BUSINESS AND GEOGRAPHIC SEGMENT

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide structures (1)	2009	2008
HOTELS	**167**	**34**	**1**	**9**	**5**	**19**	**235**	**566**
Upscale and Midscale Hotels	68	(44)	2	(2)	(10)	17	**31**	**215**
Economy Hotels	99	78	-	11	15	2	**205**	**284**
Economy Hotels US	-	-	(1)	(0)	-	-	**(1)**	**67**
OTHER BUSINESSES	**28**	**(5)**	**-**	**(4)**	**19**	**(12)**	**26**	**3**
Casinos	22	-	-	-	8	-	**30**	**23**
Restaurants	(1)	(0)	-	-	(1)	-	**(2)**	**4**
Onboard train services	2	1	-	-	-	0	**3**	**4**
Holding Companies and other	5	(6)	-	(4)	12	(12)	**(5)**	**(28)**
TOTAL 2009	**195**	**29**	**1**	**5**	**24**	**7**	**261**	
TOTAL 2008	**271**	**210**	**82**	**0**	**24**	**(18)**		**569**

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

Consolidated EBIT for December 31, 2009 totalled €261 million compared with €569 million for December 31, 2008. The period-on-period decrease of €308 million breaks down as follows:

(in million of euros)		
▸ Like-for-like growth	(287)	(50.4)%
▸ Business expansion	(13)	(2.3)%
▸ Currency effects	(5)	(0.8)%
▸ Disposals	(3)	(0.6)%
DECREASE IN 2009 EBIT	**(308)**	**(54.1)%**

Decrease in 2009 EBIT by business:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(331)**	**(319)**	**(56.3)%**
Upscale and Midscale Hotels	(184)	(179)	(83.3)%
Economy	(79)	(74)	(26.1)%
Economy US	(68)	(66)	(98.3)%
OTHER BUSINESSES	**+23**	**+32**	**N/A**
Casinos	+7	(1)	(4.0)%
Restaurants	(6)	(4)	(80.4)%
Onboard train services	(1)	+6	N/A
Holding Companies and other	+23	+31	N/A
GROUP TOTAL	**(308)**	**(287)**	**(50.4)%**

Decrease in 2009 EBIT by geographic segment:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	(76)	(74)	(27.3)%
Europe (excl. France)	(181)	(169)	(80.7)%
North America	(81)	(78)	(96.0)%
Latin America & Caribbean	+5	+9	N/A
Other countries	-	+5	+21.5%
Worldwide Structures	+25	+20	(107.1)%
GROUP TOTAL	**(308)**	**(287)**	**(50.4)%**

NOTE 10. NET FINANCIAL EXPENSE

(in million of euros)	2008	2009
Net financial expense [(1)]	(38)	(91)
Other financial income and expense [(2)]	15	13
NET FINANCIAL EXPENSE	**(23)**	**(78)**

(1) Net financial expense can be analyzed as follows between cash and non-cash items:

(in million of euros)	2008	2009
- Net financial expense - cash	(36)	(89)
- Net financial expense - non-cash	(2)	(2)
TOTAL NET FINANCIAL EXPENSE	**(38)**	**(91)**

Net financial expense includes interest received or paid on loans, receivables and debt measured at amortized cost.

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

(in million of euros)	2008	2009
- Dividend income from non-consolidated companies (Available for sale financial assets)	1	1
- Exchange gains and losses (excl. financial instruments at fair value)	11	4
- Movements in provisions	3	8
TOTAL OTHER FINANCIAL INCOME AND EXPENSE	**15**	**13**

Exchange gains and losses mainly concern foreign currency debt measured at amortized cost and various dividend and capital flows in foreign currencies.

NOTE 11. SHARE OF PROFIT (LOSS) OF ASSOCIATES AFTER TAX

(in million of euros)	2008	2009
Share of profit of associates before tax	27	-
Share of tax of associates	(7)	(3)
Share of profit of associates after tax	**20**	**(3)**

The main contributions are as follows:

(in million of euros)		2008	2009
Asia/Australia Hotels		3	3
Orbis (Hotels, Poland)	(Note 2.B.1.2)	9	-
Société Hôtelière Paris les Halles		4	-
Sofitel Hotels US (*)		2	(1)
The Grand Real Estate		-	(3)
Tunisian and Moroccan investment funds (STI and RISMA)		-	(5)
Egyptian investment funds (Macor)		-	1
Sofitel London St James (Hotels, UK)		1	-
Other		1	2
SHARE OF PROFIT OF ASSOCIATES AFTER TAX		**20**	**(3)**

(*) Following the acquisition of an additional 4.53% interest in Orbis during the second half of 2008, this sub-group has been fully consolidated.

NOTE 12. RESTRUCTURING COSTS

Restructuring costs can be analyzed as follows:

(in million of euros)	2008	2009
Movements in Restructuring provisions	3	8
Restructuring costs	(56)	(120)
Total Restructuring costs	**(53)**	**(112)**

Restructuring costs in 2008 and 2009 correspond mainly to the costs linked to the reorganization of the Group including the cost of the voluntary separation plan announced in June 2009.

NOTE 13. IMPAIRMENT LOSSES

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

The main 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 million of euros)	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia	181	-
Germany	180	-
Upscale and Midscale France	173	-
Motel 6	94	140
Asia	41	-
SUB-TOTAL HOTELS	**669**	**140**
OTHER BUSINESSES		
Casinos (Accor Casinos, SHCD and Groupe Lucien Barrière)	366	9
Lenôtre	23	-
SUB-TOTAL OTHER BUSINESSES	**389**	**9**
NET GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE INCLUDED IN CASH-GENRATING UNITS	**1,058 (*)**	**149**

(*) This amount represents 87% of goodwill recognized on December 31, 2009.

The methods used to calculate recoverable amounts are described in Note 1.D.6.

The main assumptions used to estimate recoverable amounts were as follows:

					Hotels		Other businesses
	Germany	Australia	Upscale and Midscale France	Asia	Motel 6	Casinos	Lenôtre
Basis on which the recoverable amount has been determined	Discounted cash flow method	Discounted cash flow method	EBITDA mulitples method	Discounted cash flow method	Discounted cash flow method	Market valuation = PUT Colony	Discounted cash flow method
Period of projections	5	5	N/A	5	7	N/A	5
Growth rate	2.00%	2.00%	N/A	2.00%	2.00%	N/A	2.00%
Discount rate	7.69%	7.69%	N/A	7.69%	7.30%	N/A	7.69%

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

Impairment losses recognized in 2008 and 2009 can be analyzed as follows:

(in million of euros)	2008	2009
Goodwill	(12)	(184)
Intangible assets	-	(11)
Property, plant and equipment	(43)	(54)
Financial assets	-	-
IMPAIRMENT LOSSES	**(55)**	**(249)**

The main assets and cash generating units for which impairment losses were recognized in 2008 and 2009 were as follows:

A. Impairment of goodwill

(in million of euros)	**2008**	**2009**
HOTELS	**(10)**	**(173)**
Upscale and Midscale Hotels	(7)	(58)
Economy Hotels	(3)	(2)
Economy Hotels US	-	(113)
OTHER BUSINESSES	**(2)**	**(11)**
Casinos	-	-
Restaurants	(1)	(1)
Onboard train services	-	(8)
Holding Companies and other	(1)	(2)
TOTAL	**(12)**	**(184)**

In 2008, impairment losses resulted mainly from reviews of the recoverable amount of residual goodwill.

In 2009, impairment losses resulted mainly from reviews of the recoverable amount of goodwill related to the American hotel business (€113 million impairment loss), the Italian hotel business (€33 million impairment loss) and Hungarian Hotel Business (€21 million impairment loss).

Sensitivity analysis

At December 31, 2008, a 25-basis point increase in the discount rate would have no impact on impairment losses recognized in 2008. A 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2008 by approximately €15 million. A 100-basis point increase would have a €106 million impact, mainly on hotel assets in the United States.

At December 31, 2009, a 25-basis point increase in the discount rate would have no impact on impairment losses recognized in 2009. A 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2009 by approximately €29 million. A 100-basis point increase would have a €119 million impact, mainly on hotel assets in the United States.

B. Impairment of intangible assets with an indefinite useful life

Impairments recognized in 2008 were not material.

Following the periodic review of the recoverable amount of intangible assets with an indefinite useful life, a €11 million impairment loss was recognized in 2009.

C. Impairment of property, plant and equipment

(in million of euros)	**2008**	**2009**
HOTELS	**(43)**	**(54)**
Upscale and Midscale Hotels	(21)	(32)
Economy Hotels	(14)	(19)
Economy Hotels US	(8)	(3)
OTHER BUSINESSES	**-**	**-**
Casinos	-	-
Restaurants	-	-
Onboard train services	-	-
Holding Companies and other	-	-
TOTAL	**(43)**	**(54)**

In 2008, the €43 million in impairment losses on property, plant and equipment corresponded mainly to provisions booked on the basis of regular reviews of asset values. Impairment losses recognized during the year concerned 75 hotels for €47 million and impairment losses reversed during the year concerned 15 hotels for €4 million.

At December 31, 2009, impairment losses on property, plant and equipment amounted to €54 million. Impairment losses recognized during the year concerned 86 hotels for €57 million and impairment losses reversed during the year concerned 16 hotels for €3 million.

NOTE 14. GAINS AND LOSSES ON MANAGEMENT OF HOTEL PROPERTIES

(in million of euros)	**2008**	**2009**
Disposal gains and losses	109	74
Provisions for losses on hotel properties	2	(67)
TOTAL	**111**	**7**

In 2008, the total included:

- a €87 million gain on the sale to Axa REIM of 55 units under a sale-and-variable leaseback arrangement based on a percentage of revenue (see Note 2.A.2.1);
- a €9 million gain on the sale in France of units under a sale and franchise-back arrangement;
- €12 million in gains on disposal of non-strategic assets in Europe.

In 2009, the total included:

- a €39 million gain on the sale of 157 F1 hotel units to a consortium of French institutional investors (see Note 2.A.2.1);
- a €9.5 million gain on the sale in France of units under a sale and franchise-back arrangement corresponding to 6 hotels;
- €8.5 million gains on disposal of non-strategic assets in France corresponding to 10 hotels;
- a €6 million loss on disposal of Motel 6 units, including sale and franchise-back arrangements (15 hotels) and outright sales (6 hotels).

NOTE 15. GAINS AND LOSSES ON MANAGEMENT OF OTHER ASSETS

(in million of euros)	**2008**	**2009**
Disposal gains and losses	41	(2)
Provision movements	(5)	(9)
Gains and losses on non-recurring transactions	(13)	(16)
TOTAL	**23**	**(27)**

In fiscal 2008, the total mainly included:

- net gains on disposals of non-strategic assets for €41 million, including the Brazilian Food Services Business (€32 million gain) and office properties (€7 million gain);
- an additional €23 million impairment loss recognized on the Club Méditerranée shares held by the Group.

In fiscal 2009, the total mainly included:

- a €3 million loss on the sale of Club Méditerranée shares (see Note 2.A.1);
- a €2 million gain on the sale of an office property in Brussels.

NOTE 16. INCOME TAX EXPENSE

Note 16.1. Income tax expense for the period

(in million of euros)	2008	2009
Current tax	(161)	(73)
SUB-TOTAL, CURRENT TAX	**(161)**	**(73)**
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	(17)	23
Deferred taxes arising from changes in tax rates or tax laws	1	1
SUB-TOTAL, DEFERRED TAX	**(16)**	**24**
INCOME TAX EXPENSE EXCLUDING TAX ON THE PROFITS OF ASSOCIATES	**(177)**	**(49)**
Tax on profits of associates	(7)	(4)
TAX OF THE PERIOD	**(184)**	**(53)**

Note 16.2. Effective tax rate

(in million of euros)	2008	2009
OPERATING PROFIT BEFORE TAX (A)	**592**	**(201)**
Non deductible impairment losses	(5)	209
Elimination of intercompany capital gains	298	368
Tax on share of profit (loss) of associates	7	4
Other	3	7
TOTAL PERMANENT DIFFERENCES (NON-DEDUCTIBLE EXPENSES) (B)	**303**	**588**
UNTAXED PROFIT AND PROFIT TAXED AT A REDUCED RATE (C)	**(434)** (*)	**(410)**
PROFIT TAXED AT STANDARD RATE (D) = (A) + (B) + (C)	**461**	**(23)**
STANDARD TAX RATE IN FRANCE (E)	**34.43%**	**34.43%**
TAX AT STANDARD FRENCH TAX RATE (F) = (D) X (E)	**(159)**	**8**
Effects on tax at standard French tax rate of:		
Differences in foreign tax rates	25	(1)
Unrecognized tax losses for the period	(28)	(39)
Utilization of tax loss carryforwards	7	9
Changes in deferred tax rates	-	2
Share of profit (loss) of associates	7	4
Net charges to/reversals of provisions for tax risks	(6)	1
Effect of new CET business tax in France in 2010 (replacing taxe professionnelle) (see Note 1.K)	-	(15)
Other items	6	3
TOTAL EFFECTS ON TAX AT STANDARD FRENCH TAX RATE (G)	**11**	**(36)**
TAX AT STANDARD RATE (H) = (F) + (G)	**(148)**	**(28)**
TAX AT REDUCED RATE (I)	**(29)** (*)	**(21)** (**)
INCOME TAX EXPENSE (J) = (H) + (I)	**(177)**	**(49)**
Pre-tax operating profit taxed at standard rate	461	(23)
Income tax expense	(134)	7
GROUP EFFECTIVE TAX RATE	**29.1%**	**30.1%**

(*) *In 2008, untaxed profit and profit taxed at a reduced rate mainly concerns real estate transactions in France and Switzerland with Axa Reim (see. Note 2.A.2.1). In France, €80.9 million in capital gains were taxed at the rate of 16.5% under the SIIC (REIT-style) tax regime, representing €13 million in tax, while in Switzerland, capital gains of €18.9 million were taxed in the amount of €6.8 million.*

In addition, gains on sales of shares in France were taxed at the reduced rate of 5%.

(**) *In 2009, related mainly to the sale of 157 F hotel properties to a consortium of French institutional investors (see. Note 2.A.2.1).*

Operating profit before tax for 2009 includes a €104 million capital gain which was taxed at the reduced rate of 19% under the tax rules applicable to SIICs (the French equivalent of real-estate investment trusts). The corresponding tax amounted to €19 million.

Note 16.3. Details of deferred tax (Balance Sheet)

(in million of euros)	2008	2009
Timing differences between company profit and taxable profit	150	152
Timing differences between consolidated profit and company profit	48	41
Recognized tax losses	4	72
SUB-TOTAL, DEFERRED TAX ASSETS	**202**	**265**
Timing differences between company profit and taxable profit	41	40
Timing differences between consolidated profit and company profit	91	112
SUB-TOTAL, DEFERRED TAX LIABILITIES	**132**	**152**
DEFERRED TAX ASSETS, NET (LIABILITIES)	**70**	**113**

Note 16.4. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2009 amounts to €191 million (December 31, 2008: €179 million).

Unrecognized deferred tax assets at December 31, 2009 will expire in the following periods if not utilized:

(in million of euros)	Deductible temporary differences	Tax loss carryforwards [(1)]	Tax credits	Total
Y+1	-	7	-	**7**
Y+2	-	1	-	**1**
Y+3	-	11	-	**11**
Y+4	6	15	-	**21**
Y+5 and beyond	5	19	-	**24**
Evergreen	-	126	1	**127**
DEFERRED TAX, NET	**11**	**179**	**1**	**191**

(1) Unrecognized deferred tax assets at December 31, 2009 include €38 million corresponding to the tax loss carry forwards of the NewGen companies in Germany, France and Austria (see Note 2.B.1.4).

NOTE 17. GOODWILL

(in million of euros)	Dec. 2008	Dec. 2009
Goodwill (gross value)	1,287	1,395
Less impairment losses	-	(175)
GOODWILL, NET	**1,287**	**1,220**

(in million of euros)	Notes	Dec. 2008	Dec. 2009
HOTELS			
Australia		144	181
Germany	2.B.1.4	201	180
Upscale and Midscale France		184	173
Motel 6		212	94
Economy (excluding Motel 6)		91	86
Asia		41	41
Egypt		24	24
Poland	2.B.1.2	95	12
Switzerland		11	11
Portugal		9	9
The Netherlands		13	8
Hungary		25	2
Italy		33	-
Other hotels (< €6 million)		2	4
SUB-TOTAL HOTELS		**1,085**	**825**
OTHER BUSINESSES			
Groupe Lucien Barrière	2.B.3	162	366
Lenôtre		25	23
Other businesses (< €6 million)		15	6
SUB-TOTAL OTHER BUSINESSES		**202**	**395**
GOODWILL, NET		**1,287**	**1,220**

During 2008, accumulated goodwill impairment losses at the first time adoption of IFRSs, were written off by reducing the gross amount of the goodwill concerned.

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

(in million of euros)	Notes	Dec. 2008	Dec. 2009
CARRYING AMOUNT AT BEGINNING OF PERIOD		**1,287**	**1,287**
GOODWILL RECOGNIZED ON ACQUISITIONS FOR THE PERIOD AND OTHER INCREASES		**129**	**218**
HOTELS			
Hotels, Belgium		-	2
Upscale and Midscale Hotels France		11	2
Hotels, Germany (Earn-Out Newgen)	2.B.1.4	10	1
Hotels, Poland (Consolidation of Orbis)	2.B.1.2	104	-
Economy Hotels (excluding Motel 6)		1	4
OTHER BUSINESSES			
Groupe Lucien Barrière	2.B.3	-	204
Other		3	5
DISPOSALS		**(76)**	**(18)**
IMPAIRMENT LOSSES	13	**(12)**	**(184)**
TRANSLATION ADJUSTMENT		**(29)**	**34**
RECLASSIFICATIONS ON PROPERTY, PLANT AND EQUIPMENT	(*)	**(12)**	**(110)**
RECLASSIFICATIONS OF ASSETS HELD FOR SALE		**-**	**-**
OTHER RECLASSIFICATIONS AND MOVEMENTS		**-**	**(7)**
CARRYING AMOUNT AT END OF PERIOD		**1,287**	**1,220**

(*) Including Orbis purchase accounting adjustments.

NOTE 18. INTANGIBLE ASSETS

(in million of euros)	Dec. 2008	Dec. 2009
GROSS VALUE		
Motel 6 brand [1]	145	140
Other brands and networks [2]	75	77
Licenses, software	88	143
Other intangible assets [3]	257	215
TOTAL INTANGIBLE ASSETS AT COST	**565**	**575**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
Licenses, software	(62)	(117)
Other intangible assets	(101)	(69)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(163)**	**(186)**
INTANGIBLE ASSETS, NET	**402**	**389**

(1) The decrease in value of the Motel 6 brand at December 31, 2009 was due to the change in the dollar/euro exchange rate (1.392 at December 31, 2008 versus 1.441 at December 31, 2009).

(2) Including €48 million corresponding to land use rights for Ibis and Novotel hotels in China.

(3) Including €155 million in lease premiums (of which €104 million increase in land use rights following the 2008 acquisition of Orbis).

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

(in million of euros)	Dec. 2008	Dec. 2009
CARRYING AMOUNT AT BEGINNING OF PERIOD	**268**	**402**
Additions	12	9
Internally-generated assets [(1)]	13	13
Intangible assets of newly consolidated companies [(2)]	126	6
Amortization for the period	(20)	(21)
Impairment losses for the period	-	(11)
Disposals	(4)	(6)
Translation adjustment	(19)	(2)
Reclassifications	26	(1)
CARRYING AMOUNT AT END OF PERIOD	**402**	**389**

(1) Acquisitions of licenses and software for €10 million (mainly including €3 million in the United States).
(2) Following the acquisition of an additional 4.53% interest in Orbis during the second half of 2008, this sub-group has been fully consolidated.

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

(in million of euros)	Dec. 2008	Dec. 2009
Motel 6 brand	145	140
Other brands and Networks	75	77
CARRYING AMOUNT AT END OF PERIOD	**220**	**217**

The above brands and lease premiums have been qualified as having an indefinite useful life because the Group considers that there is no foreseeable limit to the period in which they can be used.

Contracts totalling €12 million have been signed for the purchase of intangible assets at December 31, 2009. They are not recognised in the balance sheet.

NOTE 19. PROPERTY, PLANT AND EQUIPMENT

Note 19.1. Property, plant and equipment by nature

(in million of euros)	Dec. 2008	Dec. 2009
Land	512	476
Buildings	2,634	2,732
Fixtures	2,074	2,121
Equipment and furniture	1,543	1,615
Constructions in progress	312	294
PROPERTY, PLANT AND EQUIPMENT, AT COST	**7,075**	**7,238**

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Buildings	(766)	(843)
Fixtures	(972)	(1,022)
Equipment and furniture	(909)	(954)
Constructions in progress	(3)	(3)
TOTAL OF AMORTIZATION	**(2,650)**	**(2,822)**
Land	(6)	(5)
Buildings	(81)	(88)
Fixtures	(36)	(36)
Equipment and furniture	(12)	(15)
Constructions in progress	(3)	(3)
TOTAL OF IMPAIRMENT LOSSES	**(138)**	**(147)**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(2,788)**	**(2,969)**

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Land	506	471
Buildings	1,787	1,801
Fixtures	1,066	1,063
Equipment and furniture	622	646
Constructions in progress	306	288
PROPERTY, PLANT AND EQUIPMENT, NET	**4,287**	**4,269**

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

(in million of euros)	**Dec. 2008**	**Dec. 2009**
NET CARRYING AMOUNT AT BEGINNING OF PERIOD	**3,292**	**4,287**
Property, plant and equipment of newly acquired companies	423	198
Capital expenditure	1,225(*)	632
Disposals	(157)	(227)
Amortization for the period	(383)	(438)
Impairment losses for the period	(43)	(51)
Translation adjustment	(86)	22
Reclassification of assets held for sale (see Note 31)	44	(139)
Other reclassifications	(28)	(15)
NET CARRYING AMOUNT AT END OF PERIOD	**4,287**	**4,269**

(*) Including 9 hotels in France and 84 hotels in the United States acquired following the exercise of purchase options.

At December 31, 2009, contracts totalling €228 million have been signed for the purchase of property, plant and equipment. They are not recognised in the balance sheet. At December 31, 2008, contracts totalized €234 million.

In addition, under the Foncière des Murs transactions (see Note 2.A.2.1 and Note 39), Accor is committed to carrying out €106 million worth of work over the period 2005-2009 and Foncière des Murs is committed to carrying out €148 million worth of work over the same period. At December 31, 2009, €99 million worth of work was carried out by the Group. Moreover, the Group is required to pay the cost of maintaining the hotels over the period from January 1, 2009 to the first possible lease termination date (July 1, 2017). The costs to be paid by the Group may not represent less than a certain percentage of the hotels' revenues (4% for Ibis & Etap Hotel, 3.5% for Novotel & Sofitel, and 3% or 3.5% for Mercure).

In addition, under the Axa Reim transactions (see Note 2.A.2.1), Accor is committed to carry out €28 million worth of work in France and Switzerland.

Borrowing costs included in the carrying amount of property, plant and equipment at December 31, 2009 came to €8 million (€7 million at December 31, 2008). The capitalization rate used to determine the amount of borrowing costs eligible for capitalization was 4.74% (Group average borrowing cost at December 31, 2008).

Note 19.2. Finance leases

At December 31, 2009, the carrying amount of finance leases recognized in the balance sheet in net value is €92 million (December 31, 2008: €125 million), as follows:

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Land	24	20
Buildings	160	126
Fixtures	66	63
Equipment and furniture	15	7
PROPERTY, PLANT AND EQUIPMENT, AT COST	**265**	**216**
Buildings	(81)	(75)
Fixtures	(46)	(47)
Equipment and furniture	(13)	(2)
CUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(140)**	**(124)**
PROPERTY, PLANT AND EQUIPMENT, NET	**125**	**92**

Finance lease liabilities can be analyzed as follows by maturity:

(in million of euros)	**Debt Non Discounted**
2009	151
2010	144
2011	131
2012	116
2013	104
2014	95
2015	78
2016	74
2017	70
2018	62
2019	53
2020	49
2021	45
2022	41
> 2023	38

NOTE 20. LONG-TERM LOANS

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Gross value	**96**	**127**
Cumulated impairment losses	**(18)**	**(20)**
LONG-TERM LOANS, NET	**78**	**107**

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Hotels, Asia-Pacific [(1)]	**67**	**66**
Other	**11**	**41**
TOTAL	**78**	**107**

(1) Loans to hotels in the Asia-Pacific region mainly include loans to Tahl (an Australian property company) for €61 million at December 31, 2009.

NOTE 21. INVESTMENTS IN ASSOCIATES

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Accor Asia-Pacific subsidiaries [(*)]	94	120
Moroccan investment fund (RISMA) [(1)]	35	30
Société Hôtelière Paris Les Halles [(2)]	12	11
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands) [(3)]	10	7
Sofitel Hotels, US (25%) [(4)]	(12)	(16)
Other	37	39
TOTAL	**176**	**191**

(*) The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited for €28 million, development partnerships in India for €26 million, Ambassador Inc and Ambatel Inc (South Korea) for €15 million and Novotel Mumbai for €9 million.

(1) Key figures for the hotel investment fund in Morocco (Risma) are as follows:

Risma (Moroccan investment fund)

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Revenue	98	82
Net profit (loss)	1	(13)
Net cash/(Net debt)	(138)	(169)
Equity	94	81
Market capitalization	163	143
Total assets	278	323
% interest held	34.92%	34.92%

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

Société Hôtelière Paris Les Halles

(in million of euros)	Dec. 2008	Dec. 2009
Revenue	67	60
Net profit (loss)	12	(0)
Net cash/(Net debt)	(77)	(107)
Equity	35	30
Market capitalization	N/A	N/A
Total assets	137	158
% interest held	31.19%	31.19%

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

The Grand Real Estate (Hotels, Netherlands) Sofitel The Grand

(in million of euros)	Dec. 2008	Dec. 2009
Revenue	11	8
Net profit (loss)	(4)	(7)
Net cash/(Net debt)	(6)	(24)
Equity	16	11
Market capitalization	N/A	N/A
Total assets	28	41
% interest held	58.71%	58.71% (*)

This company was fully consolidated in 2007 and accounted for by the equity method in 2008 following a sale-and-management-back transaction.

(*) The percentage of control is 40%.

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

Sofitel Hotels USA

(in million of euros)	Dec. 2008	Dec. 2009
Revenue	167	140
Net profit (loss)	8	(2)
Net cash/(Net debt)	(469)	(461)
Equity	(46)	(62)
Market capitalization	N/A	N/A
Total assets	481	445
% interest held	25.00%	25.00%

NOTE 22. OTHER FINANCIAL INVESTMENTS

(in million of euros)	Dec. 2008	Dec. 2009
Investments in non-consolidated companies (Available for sale financial assets)	157	126
Deposits (Loans and Receivables)	63	67
Other financial investments, at cost	**220**	**193**
Accumulated impairment losses	(75)	(66)
OTHER FINANCIAL INVESTMENTS, NET	**145**	**127**

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

Other financial investments break down as follows:

(in million of euros)	Dec. 2008	Dec. 2009
Club Méditerranée [(1)]	14	-
Other [(2)]	131	127
OTHER FINANCIAL INVESTMENTS, NET	**145**	**127**

(1) During 2009, Accor sold its entire remaining interest in Club Méditerranée (1,162,630 shares). At December 31, 2009, the Group no longer held any Club Méditerranée shares.

(2) Including shares in a French property company (Stone) for €17 million, shares in TAHL, an Australian property company, for €20 million, a €21 million deposit for Motel 6 hotel tranches 6 to 10 in the United States and a €10 million deposit concerning hotels in France that were sold in 2008.

NOTE 23. RECEIVABLES AND PAYABLES

Note 23.1. Trade receivables and related provision

(in million of euros)	Dec. 2008	Dec. 2009
Gross value	513	504
Provisions	(40)	(46)
NET	**473**	**458**

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 23.2. Details of inventories, other receivables and accruals

(in million of euros)	Dec. 2008	Dec. 2009
Inventories	96	49
Recoverable VAT	181	154
Prepaid wages and salaries and payroll taxes	6	7
Other prepaid and recoverable taxes (*)	22	273
Other receivables	231	269
Other prepaid expenses	153	169
OTHER RECEIVABLES AND ACCRUALS, AT COST	**689**	**921**
PROVISIONS	**(21)**	**(22)**
OTHER RECEIVABLES AND ACCRUALS, NET	**668**	**899**

(*) Including €242 million paid by CIWLT in February 2009 in settlement of a tax reassessment (see Note 38).

Note 23.3. Details of other payables and accruals

(in million of euros)	Dec. 2008	Dec. 2009
VAT payable	96	99
Wages and salaries and payroll taxes payable	447	416
Other taxes payable (*)	257	280
Other payables (*)	361	360
Deferred income	157	131
OTHER PAYABLES	**1,318**	**1,286**

(*) Including €192 million of "précompte" (see Note 38).

Note 23.4. Receivables and payables by maturity

At December 31, 2009 *(in million of euros)*	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Dec. 2009	Dec. 2008
Inventories	47	-	-	47	92
Trade receivables	458	-	-	458	473
Recoverable VAT	152	2	-	154	181
Prepaid payroll taxes	7	-	-	7	6
Other prepaid and recoverable taxes	272	1	-	273	22
Other receivables	244	1	-	245	214
CURRENT ASSETS	**1,180**	**4**	**-**	**1,184**	**988**
Trade payables	567	3	-	570	574
VAT payable	99	-	-	99	96
Wages and salaries and payroll taxes payable	400	15	1	416	447
Other taxes payable	280	-	-	280	257
Other payables	360	-	-	360	361
CURRENT LIABILITIES	**1,706**	**18**	**1**	**1,725**	**1,735**

NOTE 24. POTENTIAL ORDINARY SHARES

Note 24.1. Number of potential shares

The number of potential ordinary shares takes into account stock options and performance shares granted to New Services Holding employees as they will continue to be exercisable for Accor shares (and not for New Services Holding shares).

At December 31, 2009, the Company's share capital was made up of 225,458,199 ordinary shares. The average number of ordinary shares outstanding during the period was 222,890,385. **The number of outstanding shares at December 31, 2009 was 225,458,199.**

In addition, employee stock options exercisable for 9,485,318 ordinary shares, representing 4.21% of the capital, were outstanding at December 31, 2009.

In 2008 and 2009, Accor also made performance share grants to members of senior management, with vesting conditions based on the Group's results:

- on March 28, 2008, Accor made 107,034 performance share grants, with vesting conditions based on the Group's 2008 and 2009 results. The performance targets were only partly met in 2008 and 2009, with the result that only 26,166 shares have vested;
- on March 31, 2009, Accor made 242,553 performance share grants, with vesting conditions based on the Group's 2009 and 2010 results. The performance targets were only partly met in 2009, with the result that only 116,653 shares have vested.

Conversion of all of the potential shares presented above would have the effect of increasing the number of shares outstanding to 235,086,336.

Note 24.2. Diluted earnings per share

The diluted weighted average number of shares used to calculate diluted earnings per share takes into account stock options and performance shares granted to New Services Holding employees as they will continue to be exercisable for Accor shares (and not for New Services Holding shares).

Based on the above number of potential shares and the average Accor share price for 2009 of €32.57, the diluted weighted average number of shares outstanding in 2009 was 222,932,096. Diluted earnings per share were therefore calculated as follows:

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Net profit, Group share	401	(262)
Weighted average number of ordinary shares *(in thousands)*	221,237	222,890
Number of shares resulting from the exercise of stock options *(in thousands)*	840	16
Number of shares resulting from performance shares grants *(in thousands)*	-	26
Fully diluted weighted average number of shares *(in thousands)*	222,077	222,932
DILUTED EARNINGS PER SHARE (IN €)	**1.81**	**(1.18)**

The following instruments that may have a dilutive impact on basic earnings per share in the future have not been included in the calculation of diluted earnings per share because they did not have a dilutive effect on 2009:

- all of the stock options outstanding under the plans 6, 7, 9, 10, 12, 13, 14, 15, 16, 17 and 18 in force at December 31, 2009;
- 116,653 performance shares granted under the 2009 plan, for which fulfillment of the related performance targets will be assessed at end-2010.

Note 24.3. Share-based payments granted to employees (excluding New Services Holding employees)

Stock option plans granted to employees (excluding New Services Holding employees)

Description of the main Accor plans

The following table summarizes the characteristics of stock options outstanding at December 31, 2009, as well as of options that were cancelled or expired during the period:

	Grant date	Life of plan	Number of options granted to employees (excluding New Services Holding employees)	Option exercise date	Number of grantees (excluding New Services Holding employees)	Exercise price *(in euros)*	Cash-settled or equity-settled
Plan 5	January 4, 2001	8 years	1,797,000	from 01/04/04 until 01/04/09	28	40.58	Equity
Plan 6	January 8, 2002	8 years	3,223,140	from 01/08/05 until 01/08/10	1,955	37.77	Equity
Plan 7 (*)	July 12, 2002	7 years	72,720	from 07/12/05 until 07/12/09	2,897	39.10	Equity
Plan 8	January 3, 2003	8 years	144,000	from 01/04/06 until 01/03/11	60	31.83	Equity
Plan 9	January 7, 2004	8 years	1,361,800	from 01/08/07 until 01/07/12	1,467	35.68	Equity
Plan 10 (*)	July 9, 2004	8 years	56,792	from 07/09/07 until 07/09/12	2,767	33.94	Equity
Plan 11	January 12, 2005	7 years	1,211,750	from 01/13/09 until 01/12/12	848	32.42	Equity
Plan 12	January 9, 2006	7 years	1,097,500	from 01/10/10 until 01/09/13	162	46.15	Equity
Plan 13	March 24, 2006	7 years	615,350	from 03/25/10 until 03/24/13	765	49.10	Equity
Plan 14	March 22, 2007	7 years	1,331,200	from 03/23/11 until 03/22/14	836	68.65	Equity
Plan 15	May 14, 2007	7 years	82,500	from 05/15/11 until 05/14/14	9	71.72	Equity
Plan 16 (*)	September 13, 2007	8 years	1,060	from 09/13/10 until 09/13/15	29	60.44	Equity
Plan 17	March 28, 2008	7 years	1,256,550	from 03/29/12 until 03/28/15	890	46.46	Equity
Plan 18	September 30, 2008	7 years	69,000	from 10/01/12 until 09/30/15	4	42.70	Equity
Plan 19	March 31, 2009	8 years	848,525	from 04/01/13 until 03/31/17	979	27.45	Equity

(*) Plans 7, 10 and 16 are 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 and 2009 leading to the cancellation of 23,198 options.

Changes in outstanding stock options granted to employees (excluding New Services Holding employees) during 2008 and 2009 are as follows:

	December 31, 2008		December 31, 2009	
	Number of options	Weighted average exercise price *(in euros)*	Number of options	Weighted average exercise price *(in euros)*
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	**7,698,206**	**44.57**	**8,715,385**	**45.05**
Options granted	1,326,610	46.28	848,525	27.45
Options cancelled or expired	(128,103)	39.93	(765,471)	43.35
Options exercised	(181,328)	36.79	(199,013)	36.96
OPTIONS OUTSTANDING AT END OF PERIOD	**8,715,385**	**45.05**	**8,599,426**	**43.65**
OPTIONS EXERCISABLE AT END OF PERIOD	**3,097,410**	**37.41**	**3,489,584**	**35.21**

Outstanding options at December 31, 2009 are as follows:

	Exercise price *(in euros)*	Number of outstanding options	Remaining life of the options
Plan 6	37.77	1,173,486	8 days
Plan 8	31.83	54,750	1 year
Plan 9	35.68	1,048,611	2 years
Plan 10	33.94	52,171	2,5 years
Plan 11	32.42	1,160,566	2 years
Plan 12	46.15	1,080,200	3 years
Plan 13	49.10	592,450	3.3 years
Plan 14	68.65	1,269,630	4.3 years
Plan 15	71.72	59,302	4.5 years
Plan 16	60.44	1,060	5.8 years
Plan 17	46.46	1,221,000	5.3 years
Plan 18	42.70	69,000	5.8 years
Plan 19	27.45	817,200	7.3 years

Fair value of options

IFRS 1 allows the recognition in the accounts of equity-settled stock options only granted after November 7, 2002 that had not yet vested at January 1, 2005.

In the case of the Accor Group, IFRS 2 applies to options granted under twelve plans set up from 2003 to December 2009.

The fair value of these options at the grant date has been determined using the Black & Scholes option-pricing model.

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

	Plan 8	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13
Accor share price at the option grant date	€30.50	€35.18	€33.71	€31.64	€49.80	€48.30
Option exercise price	€31.83	€35.68	€33.94	€32.42	€46.15	€49.10
Expected volatility (*)	39.58%	39.68%	39.18%	37.64%	35.36%	34.60%
Contractual life of the options	8 years	8 years	8 years	7 years	7 years	7 years
Expected share yield (**)	3.54%	3.44%	3.55%	2.94%	3.13%	3.74%
Fair value of options (***)	€8.91	€10.52	€10.07	€8.48	€14.11	€12.57

	Plan 14	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19
Accor share price at the option grant date	€70.95	€70.45	€62.35	€47.10	€37.12	€25.49
Option exercise price	€68.65	€71.72	€60.44	€46.46	€42.70	€27.45
Expected volatility (*)	31.73%	31.60%	27.57%	27.87%	26.72%	31.91%
Contractual life of the options	7 years	7 years	8 years	7 years	7 years	8 years
Expected share yield (**)	3.94%	4.25%	4.15%	3.84%	4.03%	2.63%
Fair value of options (***)	€20.38	€19.36	€16.66	€11.55	€7.00	€5.78

(*) Weighted volatility based on exercise periods.
(**) Expected share yield based on exercise periods.
(***) Fair value of options based on exercise periods.

The dividend rate used to measure the fair value of options is :

- 3.03% for plans 8, 9, 10;
- 3.22% for plans 11, 12, 13;
- 2.29% for plans 14, 15, 16; and
- 2.53% for plans 17, 18 and 19.

These rates correspond to the average payout rate for the previous two or three years.

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 11, 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.

Cost of share-based payments granted to employees (excluding New Services Holding employees) recognized in the accounts

The total cost of share-based payments granted to employees (excluding New Services Holding employees) recognized in employee benefits expense by adjusting equity in respect of share-based payments amounted to €18 million at December 31, 2009 (December 31, 2008: €20 million).

Employee Stock Ownership Plan

In April 2007, an employee rights issue was carried out under the Employee Stock Ownership Plan.

The issue was leveraged, meaning that for each share purchased between June 11 and 18, 2007 the bank that partnered Accor in the issue financed an additional nine shares on behalf of the employee. At the end of the 5-year lock-up period, employees will receive a cash payment equal to the average increase in value of the Accor shares purchased with their own funds and with the financing provided by the bank.

In addition, the employees' initial investment in the shares is guaranteed by the bank.

The plan's characteristics are as follows:

- reference share price: €68.61;
- employee discount: 18.9%;
- discounted subscription price: €55.64 (except in Germany where employees were not entitled to the discount but were awarded stock warrants).

At the close of the subscription period, the Group issued 693,079 new shares purchased by employees (excluding New Services Holding employees) under the plan, including 692,019 shares acquired through corporate mutual funds and 1,060 purchased directly.

The fair value of the employee benefit (excluding the fair value of the New Services Holding employee benefit), totalling €8.7 million, was recognized in full in "Employee benefits expense" by adjusting equity, in first-half 2007. The cost represented by the lock-up clause, determined only for shares purchased by employees (not for any shares financed by a bank loan) was calculated by discounting the discount over 5 years at a 5.5% discount rate and amounted to €0.18 million. For 2007, the cost of the lock-up was measured at 5.5% of the discounted subscription price.

Performance share plans granted to employees (excluding New Services Holding employees)

2007 Plan

On May 14, 2007, Accor granted 48,911 performance shares to senior executives and certain employees (excluding New Services Holding senior executives and employees).

The performance shares are subject to vesting conditions based on growth in Accor's return on capital employed (ROCE) and profit after tax and before non-recurring items for each of the years 2007 and 2008. Half of the shares vested in each year if both performance targets are met. If only one of the performance targets is met, a quarter of the shares vested.

For all of the shares to vest, ROCE and profit after tax and before non-recurring items had to increase by around 10% or more per year. If ROCE and profit after tax and before non-recurring items increased by less than 10% (but more than 0%), the number of vested shares reduced based on the ratio between the actual increase and 10%.

The shares are subject to a two-year lock-up.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €3.5 million 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.

At December 31, 2007

The performance targets were met in 2007.

At December 31, 2008

In 2008, only one of the two performance criteria was met, leading to a reduction in the fair value of the share grants to €3.3 million.

At December 31, 2009

The vesting period for the shares under this plan expired on May 14, 2009. As the related performance targets had been met, 43,712 shares were awarded to the grantees who were still part of the Group at that date.

The final fair value of the plan came to €3.1 million at the end of the vesting period.

2008 Plan

On March 28, 2008, Accor granted 95,469 performance shares to senior executives and certain employees (excluding New Services Holding senior executives and employees).

The performance shares are subject to vesting conditions based on growth in Accor's return on capital employed (ROCE) and profit after tax and before non-recurring items for each of the years 2008 and 2009. Half of the shares will vest in each year if both performance targets are met. If only one of the performance targets is met, a quarter of the shares will vest.

For all of the shares 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 shares will be reduced based on the ratio between the actual increase and 10%.

The shares are subject to a two-year lock-up.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €4.5 million 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.

At December 31, 2008

In 2008, only one of the two performance criteria was met, leading to a reduction in the fair value of the share grants to €1.08 million, reflecting the expectation that performance criteria would not be met in 2009.

At December 31, 2009

In 2009, the performance criteria were not met.

The fair value of the share grants was unchanged at €1.08 million, of which €0.54 million was recognized in the 2009 financial statements.

2009 Plan

On March 31, 2009, Accor granted 212,186 performance shares to senior executives and certain employees (excluding New Services Holding employees), of which:

- 174,918 have a two-year vesting period followed by a two-year lock-up period;
- 37,268 have a four-year vesting period with no subsequent lock-up period.

The performance shares are subject to vesting conditions based on growth in Accor's return on capital employed (ROCE) and profit after tax and before non-recurring items for each of the years 2009 and 2010. Half of the shares will vest in each year if both performance targets are met. If only two of the performance targets are met, around a third of the shares will vest. If only one of the performance targets is met, around a sixth of the shares will vest.

For all of the shares to vest, ROCE, revenue and profit after tax and before non-recurring items will have to increase by around 10% or more per year. If ROCE, revenue and profit after tax and before non-recurring items increase by less than 10% (but more than 0%), the number of vested shares will be reduced based on the ratio between the actual increase and 10%.

The fair value of these share-based payments – representing €5 million on March 31, 2009 – is recognized on a straight-line basis over the vesting period of the performance shares in employee benefits expense, with a corresponding adjustment to equity. This fair value is based on Accor's opening share price on the grant date less the present value of unpaid dividends multiplied by the number of shares issued.

At December 31, 2009

In 2009, the performance criteria were not met. This led to a reduction in the fair value of the share grants to €2.5 million. Plan costs recognized in 2009 amounted to €0.9 million.

NOTE 25. CUMULATIVE UNREALIZED GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

(in million of euros)	**Dec. 2008**	**Dec. 2009**
OCEANE convertible bonds	-	-
Equity notes	-	-
Mutual fund units	-	-
Interest rate and currency swaps	(6)	(12)
Fair value adjustments to non-consolidated investments	-	-
Fair value adjustments to available-for-sale investments	-	-
IMPACT ON EQUITY	**(6)**	**(12)**

Fair value adjustments to financial instruments recognized in equity

(in million of euros)	**Dec. 2008**	**Dec. 2009**
AVAILABLE FOR SALE FINANCIAL ASSETS	**(66)**	**-**
Gains (losses) recognised in Equity during the period [1]	(66)	-
Gains (losses) reclassified to profit or loss	-	-
CASH FLOW HEDGES	**(6)**	**(6)**
Gains (losses) recognised in Equity during the period	(6)	(6)
Gains (losses) reclassified to profit or loss	-	-
CHANGES IN RESERVE	**(72)**	**(6)**

(1) This corresponds to adjustments to the equity component of the OCEANE convertible bonds.
The equity component of the €570 million 2002 OCEANEs initially amounted to €50 million and that of the €616 million 2003 OCEANEs initially amounted to €75 million.
The negative amount of €66 million corresponds to the adjustments to the equity component recorded as the OCEANEs were converted or redeemed. The last OCEANEs were redeemed in full at the beginning of 2008.

NOTE 26. MINORITY INTERESTS

(in million of euros)	
AT DECEMBER 31, 2007	**98**
Minority interests in profit for the period	14
Dividends paid to minority interests	(9)
Issue of share capital	1
Translation adjustment	(48)
Changes in scope of consolidation [(1)]	226
AT DECEMBER 31, 2008	**282**
Minority interests in profit for the period	12
Dividends paid to minority interests	(13)
Issue of share capital	(1)
Translation adjustment	4
Changes in scope of consolidation	2
AT DECEMBER 31, 2009	**286**

(1) The main change for the year concerned the full consolidation of the Orbis subsidiaries following the acquisition of a further 4.53% stake in the sub-group during the second half of 2008. Orbis was previously accounted for by the equity method. Minority interests in Orbis subsidiaries amounted to €179 million at December 31, 2008.

NOTE 27. COMPREHENSIVE INCOME

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

			Dec. 2008			**Dec. 2009**
(in million of euros)	**Before tax**	**Income tax expense**	**Net of tax**	**Before tax**	**Income tax expense**	**Net of tax**
Currency translation adjustment	(212)	-	(212)	101	-	101
Change in fair value resulting from "Available-for-sale financial assets"	-	-	-	-	-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	(6)	-	(6)	(6)	-	(6)
Actuarial gains and losses on defined benefits plans	(3)	1	(2)	(1)	0	(1)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**(221)**	**1**	**(220)**	**94**	**0**	**94**

Comprehensive income can be reconciled with net profit for the period as follows:

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Currency translation adjustment	-	-
Change in fair value resulting from "Available-for-sale financial assets"	(23)	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	-	-
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-
TOTAL RECLASSIFICATION ADJUSTMENTS	**(23)**	**-**

NOTE 28. DEBT BY CURRENCY AND MATURITY

Note 28.A Long and short-term debt

Long and short-term debt at December 31, 2009 breaks down as follows by currency and interest rate after hedging transactions:

	Effective rate Dec. 2008		Effective rate Dec. 2009	
(in million of euros)	**Dec. 2008**	**%**	**Dec. 2009**	**%**
EUR	498	5.40	1,326	6.04
CNY	79	4.75	94	4.77
PLN	100	7.20	82	4.30
AUD	43	5.54	41	4.57
USD	49	1.96	11	1.10
Other currencies [(1)]	112	5.15	125	3.07
LONG AND SHORT-TERM BORROWINGS	**881**	**5.33**	**1,679**	**5.59**
Long and short-term finance lease liabilities	180	-	151	-
Purchase commitments	37	-	11	-
Changes in fair value of financial liabilities	-	-	-	-
Liability derivatives	87	-	21	-
Other short-term financial liabilities and bank overdrafts	50	-	102	-
LONG AND SHORT-TERM DEBT	**1,235**	**-**	**1,964**	**-**

(1) Including about JPY €28 million and CHF €23 million as at December 31, 2009.

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Long-term debt	963	1,642
Short-term debt	272	322
TOTAL LONG AND SHORT-TERM DEBT	**1,235**	**1,964**

Note 28.B Maturities of debt

At December 31, 2009, maturities of debt were as follows:

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Year Y+1	272	322
Year Y+2	58	199
Year Y+3	160	84
Year Y+4	227	647
Year Y+5	344	327
Year Y+6	18	23
Beyond	156	362
TOTAL LONG AND SHORT-TERM DEBT	**1,235**	**1,964**

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. The breakdown of interest rate and currency hedging instruments by maturity is disclosed in Note 28.E on Financial instruments.

At December 31, 2009, Accor had several unused confirmed lines of credit with maturities of more than one year, for a total of €2,530 million, expiring between February 2011 and August 2013.

2009 financial costs amounted to €91 million. Future financial costs are estimated at €290 million for the period from January 2010 to December 2013 and €64 million thereafter.

2008 financial costs amounted to €39 million. Future financial costs were estimated at €143 million for the period from January 2009 to December 2012 and €11 million thereafter.

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

Note 28.C Long and short-term debt before and after hedging

At December 31, 2009, long and short-term debt breaks down as follows before hedging transactions:

	Total debt		
(in million of euros)	**Amount**	**Rate**	**% of total debt**
EUR	1,428	5.14%	85%
CNY	94	4.77%	6%
PLN	78	4.29%	5%
AUD	4	7.52%	0%
USD	-	0.00%	0%
Other currencies	75	4.26%	4%
TOTAL LONG AND SHORT-TERM DEBT	**1,679**	**5.04%**	**100%**

Long and short-term debt after currency and interest rate hedging breaks down as follows at December 31, 2009:

	Total debt		
(in million of euros)	**Amount**	**Rate**	**% of total debt**
EUR	1,326	6.04%	79%
CNY	94	4.77%	6%
PLN	82	4.30%	5%
AUD	41	4.57%	2%
USD	11	1.10%	1%
Other currencies	125	3.07%	7%
TOTAL LONG AND SHORT-TERM DEBT	**1,679**	**5.59%**	**100%**

Note 28.D Long and short-term debt by interest rate after hedging

	Total debt	
(in million of euros)	**Amount**	**Rate**
December 2008	881	5.33%
December 2009	1,679	5.59%

At December 31, 2009, 73% of long and short-term debt was fixed rate, with an average rate of 6.45%, and 27% was variable rate, with an average rate of 3.26%.

At December 31, 2009, fixed rate debt was denominated primarily in EUR (99%), while variable rate debt was denominated mainly in EUR (26%), CNY (20%) and PLN (18%).

None of the Group's loan agreements contain any rating triggers or cross-default clauses. Cross acceleration clauses only concern loans for periods of at least three years and they would be triggered only for similar loans representing a significant amount.

Note 28.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 December 31, 2009:

Forward sales and currency swaps *(in million of euros)*	**Maturity 2010**	**Maturity 2011**	**December 31, 2009 Nominal amount**	**December 31, 2009 Fair value**
USD	11	-	11	-
AUD	38	-	38	1
JPY	28	-	28	-
Other	26	-	26	-
FORWARD SALES	**103**	**-**	**103**	**1**

Forward purchases and currency swaps *(in million of euros)*	**Maturity 2010**	**Maturity 2011**	**December 31, 2009 Nominal amount**	**December 31, 2009 Fair value**
GBP	368	-	368	(1)
SEK	87	-	87	(1)
USD	42	-	42	(2)
MXN	51	-	51	(1)
CHF	22	-	22	-
Other	85	-	85	(1)
FORWARD PURCHASES	**655**	**-**	**655**	**(6)**
TOTAL CURRENCY HEDGING	**758**	**-**	**758**	**(5)**

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 intragroup loans and borrowings that qualify for hedge accounting.

At December 31, 2009, currency instruments had a positive fair value of €5 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 December 31, 2009:

(in million of euros)	**2010**	**2011**	**2012**	**Beyond**	**December 31, 2009 Notional amount**	**December 31, 2009 Fair value**
EUR: Fixed-rate borrower swaps and caps	-	-	-	356	356	20
INTEREST RATE HEDGES	**-**	**-**	**-**	**356**	**356**	**20**

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 December 31, 2009, interest rate instruments had a negative fair value of €20 million.

3. Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2009 are as follows:

(in million of euros)	December 31, 2009 Carrying amount	December 31, 2009 Fair value
FINANCIAL LIABILITIES	**1,964**	**2,094**
Bonds [1]	1,440	1,570
Bank borrowings	4	4
Finance lease liabilities	151	151
Other financial liabilities	348	348
Interest rate derivatives (*Cash Flow Hedge*) [2]	20	20
Currency derivatives (*Fair Value Hedge*) [2]	1	1
FINANCIAL ASSETS	**(643)**	**(643)**
Marketable securities [3]	(466)	(466)
Cash	(111)	(111)
Other	(60)	(60)
Interest rate derivatives (*Cash Flow Hedge*) [2]	-	-
Currency derivatives (*Fair Value Hedge*) [2]	(6)	(6)
NET DEBT	**1,321**	**1,451**

(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.

(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) Marketable securities break down as follows:

(in million of euros)	December 31, 2009 Carrying amount	December 31, 2009 Fair value
Bonds and other negotiable debt securities [a]	3	3
Money market securities [b]	453	453
Mutual fund units convertible into cash in less than three months [*] [c]	10	10
Other	-	-
TOTAL MARKETABLE SECURITIES	**466**	**466**

(*) 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 28.F Financial Risk Management

The Group's risk management objectives, policies and procedures (liquidity risk, credit risk, interest risk and equity risk) are described in the Management Report, which also includes interest rates and currency rates sensibility analyses.

Note 28.G Credit rating

At December 31, 2009, Accor 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	July 9, 2009	*Credit Watch Negative*	September 10, 2009
Fitch Ratings	BBB-	F3	July 2, 2009	*Rating Watch Evolving*	August 28, 2009

NOTE 29. NET DEBT AND NET CASH

(in million of euros)	Dec. 2008	Dec. 2009
Other long-term financial debt [(1)]	802	1,499
Long-term finance lease liabilities	161	143
Short-term borrowings	161	275
Bank overdrafts	24	26
Liabilities derivatives	87	21
TOTAL DEBT	**1,235**	**1,964**
Short-term loans	(32)	(17)
Marketable securities [(2)]	(284)	(466)
Cash	(149)	(111)
Asset derivatives	(5)	(6)
Short-term receivables on disposals of assets	(16)	(43)
FINANCIAL ASSETS	**(486)**	**(643)**
NET DEBT	**749**	**1,321**

(1) See Note 2.D.
(2) See Note 28.E.

(in million of euros)	Dec. 2008	Dec. 2009
NET DEBT AT BEGINNING OF PERIOD	**(226)**	**749**
Change in long-term debt	(261)	679
Change in short-term financial liabilities	55	114
Change in short-term financial assets	1,103	(157)
Cash and cash equivalents change	78	(64)
CHANGES FOR THE PERIOD	**975**	**572**
NET DEBT AT END OF PERIOD	**749**	**1,321**

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

(in million of euros)	Dec. 2008	Dec. 2009
BALANCE SHEET CASH AND CASH EQUIVALENTS	**438**	**583**
Bank overdrafts	(24)	(26)
Derivatives included in liabilities	(87)	(21)
CASH FLOW STATEMENT CASH AND CASH EQUIVALENTS	**327**	**536**

NOTE 30. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES UNDER IFRS 7

The classification of fair values by level of hierarchy is required by the standard IFRS 7 only for assets and liabilities recognized at fair value in the balance sheet. Nevertheless, this information is detailed for all the financial assets and liabilities of the group Accor so that the amounts of fair value presented below are comparable with those of the Note 28.E.

At December 31, 2008, and December 31, 2009, financial assets and liabilities broke down as follows by category:

	Category in the balance-sheet						Fair value			
At December 31,2008 *(in million of euros)*	**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	**23**					**23**		**23**		**23**
Bonds and other negotiable debt securities	23					**23**		23		**23**
LOANS AND RECEIVABLES	**251**	**109**	**16**	**63**	**473**	**912**		**912**		**912**
Short-term loans		31				**31**		31		**31**
Long-term loans		78				**78**		78		**78**
Receivables on disposals of assets			16			**16**		16		**16**
Deposits				63		**63**		63		**63**
Trade receivables					473	**473**		473		**473**
Money Market securities	251					**251**		251		**251**
Other										
AVAILABLE FOR SALE FINANCIAL ASSETS	**9**			**82**		**91**	**9**		**82**	**91**
Investments in non-consolidated companies				82		**82**			82	**82**
Mutual fund units convertible into cash	9					**9**	9			**9**
Other										
FINANCIAL ASSETS AT FAIR VALUE	**5**					**5**		**5**		**5**
Interest rate derivatives	5					**5**		5		**5**
Currency derivatives										
CASH AT BANK	**149**					**149**		**149**		**149**
FINANCIAL ASSETS AT DECEMBER 31, 2008	**437**	**109**	**16**	**145**	**473**	**1,180**	**9**	**1,089**	**82**	**1,180**

At December 31,2009 *(in million of euros)*	Category in the balance-sheet						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	**3**					**3**		**3**		**3**
Bonds and other negotiable debt securities	3					**3**		3		**3**
LOANS AND RECEIVABLES	**453**	**124**	**43**	**67**	**458**	**1,145**		**1,145**		**1,145**
Short-term loans		17				**17**		17		**17**
Long-term loans		107				**107**		107		**107**
Receivables on disposals of assets			43			**43**		43		**43**
Deposits				67		**67**		67		**67**
Trade receivables					458	**458**		458		**458**
Money Market securities	453					**453**		453		**453**
Other										
AVAILABLE FOR SALE FINANCIAL ASSETS	**10**			60		**70**	**10**		60	**70**
Investments in non-consolidated companies				60		**60**			60	**60**
Mutual fund units convertible into cash	10					**10**	10			**10**
FINANCIAL ASSETS AT FAIR VALUE	**6**					**6**		**6**		**6**
Interest rate derivatives										
Currency derivatives	6					**6**		6		**6**
CASH AT BANK	**111**					**111**		**111**		**111**
FINANCIAL ASSETS AT DECEMBER 31, 2009	**583**	**124**	**43**	**127**	**458**	**1,335**	**10**	**1,265**	**60**	**1,335**

At December 31, 2008 (in million of euros)	Category in the balance-sheet						Fair value			
	Bank overdrafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**87**					**87**		**87**		**87**
Currency derivatives	74					**74**		74		**74**
Interest rate derivatives	13					**13**		13		**13**
FINANCIAL LIABILITIES AT AMORTISED COST		**802**	**161**	**161**	**574**	**1,698**		**1,698**		**1,698**
Other bonds										
Bank Borrowings		612	107			**719**		719		**719**
Finance lease liabilities			18	161		**179**		179		**179**
Other debts		190	36			**226**		226		**226**
Trade payables					574	**574**		574		**574**
CASH AT BANK	**24**					**24**		**24**		**24**
FINANCIAL LIABILITIES AT DECEMBER 31, 2008	**111**	**802**	**161**	**161**	**574**	**1,809**	**-**	**1,809**	**-**	**1,809**

At December 31, 2009 (in million of euros)	Category in the balance-sheet						Fair value			
	Bank overdrafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	Carrying amount	Level 1 valuation technique (*)	Level 2 valuation technique (*)	Level 3 valuation technique (*)	Fair value of the class
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**21**					**21**		**21**		**21**
Currency derivatives	1					**1**		1		**1**
Interest rate derivatives	20					**20**		20		**20**
FINANCIAL LIABILITIES AT AMORTISED COST		**1,499**	**274**	**143**	**570**	**2,486**	**1,570**	**1,046**		**2,616**
Other bonds		1,440				**1,440**	1,570			**1,570**
Bank Borrowings		(145)	149			**4**		4		**4**
Finance lease liabilities			8	143		**151**		151		**151**
Other debts		204	117			**321**		321		**321**
Trade payables					570	**570**		570		**570**
CASH AT BANK	**26**					**26**		**26**		**26**
FINANCIAL LIABILITIES AT DECEMBER 31, 2009	**47**	**1,499**	**274**	**143**	**570**	**2,533**	**1,570**	**1,093**	**-**	**2,663**

(*) 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).

For cash and cash equivalents, trade receivables, receivables on disposals of assets, loans, deposits, held to maturity investments, trade payables, other debts and finance lease liabilities, Accor considers their carrying amount to be the best proxy for market value.

The methods used to measure the fair value of derivative instruments, mutual fund unit convertible into cash and bonds are described in Note 28.

The method used to measure the fair value of investments in non-consolidated companies is described in Note 1.M.1.

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

NOTE 31. ASSETS AND LIABILITIES HELD FOR SALE

(in million of euros)	**Dec. 2008**	**Dec. 2009**
Disposal groups classified as "held for sale" [d]	**-**	**14**
Hotels to be sold to investors (France) [a]	3	80
Hotels to be sold in United States [b]	26	26
Hotels to be sold in Italy [c]	-	18
Hotels to be sold in Switzerland [e]	-	3
Hotels to be sold in Germany [f]	2	-
Other [g]	5	3
TOTAL NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	**36**	**130**
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**36**	**144**
TOTAL LIABILITIES CLASSIFIED AS HELD FOR SALE [d]	**-**	**4**

(a) During second-half 2008, in line with the asset management policy, the Group decided to sell five hotel properties in France. In accordance with IFRS 5, the €3 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2008 under "Assets held for sale".

At December 31, 2009, in line with the asset management policy the Group plans to sell five units and one spa in France. In accordance with IFRS 5, the €80 million carrying amount of these assets was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".

(b) During 2008, in line with the asset management policy, the Group decided to sell 17 Motel 6 units and one Studio 6 unit. In accordance with IFRS 5, the €26 million carrying amount of these hotels was reclassified under "Assets held for sale".

At December 31, 2009, in line with the asset management policy, the Group plans to sell 24 Motel 6 units and one Studio 6 unit. In accordance with IFRS 5, the €26 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".

(c) At December 31, 2009, in line with the asset management policy, the Group plans to sell 2 hotel properties in Italy. In accordance with IFRS 5, the €18 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".

(d) At December 31, 2009, in line with the asset management policy, the Group plans to sell 6 hotel properties in China. In accordance with IFRS 5, the €14 million carrying amount of these assets and the €4 million carrying amount of these liabilities were reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale" and "Liabilities of assets classified as held for sale".

(e) At December 31, 2009, in line with the asset management policy, the Group plans to sell 1 hotel property in Switzerland. In accordance with IFRS 5, the €3 million carrying amount of this hotel was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".

(f) At December 31, 2008, in line with the asset management policy, the Group planned to sell a land in Germany. In accordance with IFRS 5, the €2 million carrying amount of this land was reclassified in the consolidated balance sheet under "Assets held for sale". The sale of this asset did not go through and it was therefore reclassified as "Property, plant and equipment" at December 31, 2009.

(g) At December 31, 2008, the Group planned to sell its Lenôtre food preparation facility in Fresnes, France. In accordance with IFRS 5, the €3 million carrying amount of this asset was reclassified in the consolidated balance sheet under "Assets held for sale". The asset was sold in 2009 for €3 million.

NOTE 32. PROVISIONS

Movements in long-term provisions between December 31, 2007 and December 31, 2008 can be analyzed as follows:

(in million of euros)	December 31, 2007	Equity impact (*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope (*)	December 31, 2008
Provisions for pensions	87	2	9	(7)	(1)	(1)	1	90
Provisions for loyalty bonuses	23	-	4	(2)	(2)	(2)	8	29
TOTAL LONG-TERM PROVISIONS	**110**	**2**	**13**	**(9)**	**(3)**	**(3)**	**9**	**119**

(*) See Note 32.C

Movements in short-term provisions between December 31, 2007 and December 31, 2008 can be analyzed as follows:

(in million of euros)	December 31, 2007	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	December 31, 2008
Tax provisions	5	-	8	(1)	(1)	(1)	3	13
Restructuring provisions	44	-	36	(33)	(2)	(1)	(5)	39
Provisions for claims and litigation and others contingencies	150	-	27	(54)	(11)	(2)	7	117
TOTAL SHORT-TERM PROVISIONS	**199**	**-**	**71**	**(88)**	**(14)**	**(4)**	**5**	**169**

Movements in long-term provisions between December 31, 2008 and December 31, 2009 can be analyzed as follows:

(in million of euros)	December 31, 2008	Equity impact (*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope (*)	December 31, 2009
Provisions for pensions	90	3	13	(6)	(8)	-	2	94
Provisions for loyalty bonuses	29	-	5	(3)	(9)	-	-	22
TOTAL LONG-TERM PROVISIONS	**119**	**3**	**18**	**(9)**	**(17)**	**-**	**2**	**116**

(*) See Note 32.C.

Movements in short-term provisions between December 31, 2008 and December 31, 2009 can be analyzed as follows:

(in million of euros)	December 31, 2008	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	December 31, 2009
Tax provisions	13	-	3	(4)	(2)	1	8	19
Restructuring provisions	39	-	27	(25)	(4)	1	(2)	36
Provisions for claims and litigation and others contingencies	117	-	53	(24)	(26)	2	1	123
TOTAL SHORT-TERM PROVISIONS	**169**	**-**	**83**	**(53)**	**(32)**	**4**	**7**	**178**

At December 31, 2009, ordinary provisions for claims and litigation and others include:

- €31 million provisions for various claims;
- various provisions for employee-related claims.

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 million of euros)	Dec. 2008	Dec. 2009
EBIT	4	1
Finance cost, net	(3)	(9)
Provision for losses on hotel properties	(21)	5
Provision on other assets and restructuring provisions	(15)	(6)
Provision for tax	5	(1)
TOTAL	**(30)**	**(10)**

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 funds).

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.

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 in November of each year. 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 (37% of the obligation), in the Netherlands (17% of the obligation) and in Italy (6% of the obligation). The Netherlands plan is closed to new members and is fully funded, with the result that no provision has been recognized in the balance sheet. 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.

		Europe excluding France							
2008	**France**	**Netherlands**	**Germany**	**Belgium**	**Italy**	**Switzerland**	**Poland**	**Worldwide Structures**	**Other countries**
Retirement age	65 years	65 years	65 years	65 years	65 years	64-65 years	60-65 years	65 years	55-65 years
Rate of future salary increases	3.0%	3.0%	3.0%	3.0%	2,5%-3,5%	2.0%	5.0%	3%-4%	2%-10%
Payroll tax rate	46%	23%	22%	36%	29%	17%	40%	46%	9%-45%
Discount rate	5.50%	5.50%	5.50%	5.50%	5.50%	3.25%	6.00%	5.50%	4% - 8,68%
Expected Rates of return on 2008 plan assets	2,20%-4,5%	4%-5%	4.3%	4.5%	N/A	N/A	N/A	4.5%	N/A
Expected Rates of return on 2009 plan assets	2,20%-4,5%	4%-5,5%	4.0%	4.5%	N/A	4.25%	N/A	4.5%	N/A

		Europe excluding France							
2009	**France**	**Netherlands**	**Germany**	**Belgium**	**Italy**	**Switzerland**	**Poland**	**Worldwide Structures**	**Other countries**
Retirement age	65 years	65 years	65 years	65 years	65 years	64-65 years	60-65 years	65 years	55-65 years
Rate of future salary increases	3.0%	3.0%	3.0%	3.0%	2,5%-3,5%	2.0%	3.0%	3%-4%	2%-10%
Payroll tax rate	46%	23%	22%	36%	29%	17%	40%	46%	9%-45%
Discount rate	5.00%	5.00%	5.00%	5.00%	5.00%	3.00%	5.50%	5.00%	4% - 8,68%
Expected Rates of return on 2009 plan assets	2,20%-4,5%	4%-5%	4.0%	4.5%	N/A	N/A	N/A	4.5%	N/A
Expected Rates of return on 2010 plan assets	2,20%-4,5%	4%-5,5%	4.0%	4.5%	N/A	4.3%	N/A	4.5%	N/A

The assumptions concerning the expected return on plan assets and the discount rate applied to calculate the present value of benefit obligations were determined based on the recommendations of independent experts. 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. As a result, the expected long-term return on plan assets is estimated on the basis of the guaranteed yield offered by the insurance companies, ranging from 3.00% to 3.25% depending on the country, plus a spread of 100 to 125 basis points. This method takes into account the techniques used by insurance companies to smooth investment yields and ensures that yield assumptions are reasonable (i.e. below the rates of AA-rated corporate bonds).

The French Social Security Financing Act for 2008 provided for an additional tax levy payable on retirement bonuses in the event of compulsory retirement before the age of 65. This additional tax is 25% in 2008 and 50% as of 2009. The Act also discontinued the favourable tax and social security regime for retirement bonuses negotiated with employees retiring before the statutory age of 65 and paid before 2010.

The Act has led the Group to adjust its assumptions concerning the rate of payroll taxes due on the benefits. In view of the difference in the employer contributions payable on compulsory and voluntary retirement, the corresponding benefit obligation was €11 million higher at December 31, 2007.

This increase in the obligation represents an actuarial loss that had been recognised in full in equity, in accordance with the Group's current policy for recognizing actuarial gains and losses.

The French Social Security Financing Act for 2009 eliminated compulsory retirement bonuses, with all retirements being on a voluntary basis.

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 December 31, 2008 *(in million of euros)*	**Pensions**	**Other post-employment benefits (*)**	**Total**
Present value of funded obligation	106	-	**106**
Fair value of plan assets	(74)	-	**(74)**
EXCESS OF BENEFIT OBLIGATION/(PLAN ASSETS)	**32**	**-**	**32**
Present value of unfunded obligation	-	87	**87**
Unrecognized past service cost	-	-	**-**
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**32**	**87**	**119**

(*) Including length-of-service awards and loyalty bonuses.

At December 31, 2009 *(in million of euros)*	**Pensions**	**Other post-employment benefits (*)**	**Total**
Present value of funded obligation	123	-	**123**
Fair value of plan assets	(83)	-	**(83)**
EXCESS OF BENEFIT OBLIGATION/(PLAN ASSETS)	**40**	**-**	**40**
Present value of unfunded obligation	-	76	**76**
Unrecognized past service cost	-	-	**-**
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**40**	**76**	**116**

(*) Including length-of-service awards and loyalty bonuses.

	Pensions						
	2009						
		Europe excluding France					
(in million of euros)	France	Netherlands	Germany	Belgium	Poland	Switzerland	Italy
PROJECTED BENEFIT OBLIGATION AT THE BEGINNING OF THE PERIOD	**33**	**28**	**8**	**7**	**3**	**7**	**12**
Current service cost	3	0	0	0	0	1	0
Interest Cost	2	2	0	0	0	0	1
Employee contributions for the period	0	0	-	0	-	1	-
(Gains) losses on curtailments/settlements	(5)	(0)	-	-	(1)	-	-
Effect of changes in scope of consolidation	3	-	-	-	-	-	-
Benefits paid during the period	(1)	-	(0)	(0)	(0)	(1)	(2)
Actuarial (gains)/losses recognised during the period	0	(0)	0	2	-	1	0
Exchange differences on foreign plans	(0)	-	-	-	(0)	0	-
Other	(1)	-	**0**	**2**	-	0	**0**
PROJECTED BENEFIT OBLIGATION AT THE END OF THE PERIOD	**34**	**29**	**9**	**11**	**2**	**9**	**11**

		Europe excluding France					
(in million of euros)	France	Netherlands	Germany	Belgium	Poland	Switzerland	Italy
FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THE PERIOD	**3**	**28**	**2**	**5**	**-**	**5**	**-**
Actual return on plan assets	(0)	1	(0)	1	-	2	-
Employers contributions for the period	0	0	0	1	-	1	-
Employee contributions for the period	0	0	-	0	-	1	-
Benefits paid during the period	(0)	-	(0)	(0)	-	(1)	-
Effect of changes in scope of consolidation	2	-	-	-	-	-	-
Exchange differences on foreign plans	-	-	-	-	-	0	-
Other	0	-	**-**	**2**	-	0	**-**
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	**5**	**29**	**2**	**9**	**-**	**7**	**-**

		Europe excluding France					
(in million of euros)	France	Netherlands	Germany	Belgium	Poland	Switzerland	Italy
UNFUNDED OBLIGATION AT THE BEGINNING OF THE PERIOD	**30**	**0**	**6**	**1**	**3**	**2**	**12**
Reclassification on Assets/Liabilities held for sale	**-**	-	-	-	-	-	-
UNFUNDED OBLIGATION AT THE END OF THE PERIOD	**29**	**(0)**	**7**	**2**	**2**	**1**	**11**

		Europe excluding France					
(in million of euros)	France	Netherlands	Germany	Belgium	Poland	Switzerland	Italy
Adjustment to plan assets and plan surplus recognized in assets	**(1)**	-	-	-	-	-	-
PROVISION AT THE END OF THE EXERCICE	**30**	**(0)**	**7**	**2**	**2**	**1**	**11**

		Europe excluding France					
(in million of euros)	France	Netherlands	Germany	Belgium	Poland	Switzerland	Italy
Current service cost	**3**	0	0	0	0	1	0
Interest cost	**2**	2	0	0	0	0	1
Expected return on plan assets	**(0)**	(2)	(0)	(0)	-	(0)	-
Past service cost recognized during the period	**0**	-	-	-	-	-	-
(Gains) losses on curtailments/settlements	**(5)**	(0)	-	-	(1)	-	-
Actuarial (gains)/losses recognised during the period	-	-	-	-	-	-	-
Expense for the period	**(1)**	**(0)**	**1**	**0**	**(1)**	**1**	**1**
CHANGE IN ACTUARIAL (GAINS) LOSSES FOR POST-EMPLOYMENT DEFINED BENEFIT PLANS	**0**	**0**	**1**	**1**	**-**	**(1)**	**0**

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

			Other benefits		
2009					
Worldwide Structures	Other	Total	Other benefits	Total	Total
60	7	164	29	193	180
3	1	8	3	11	9
3	0	8	2	10	9
-	-	1	-	1	0
(2)	(0)	(9)	(4)	(13)	(0)
-	(0)	3	(0)	3	11
(2)	(1)	(8)	(3)	(11)	(13)
3	(1)	5	(4)	1	1
-	(0)	(0)	0	0	(2)
-	(0)	1	0	1	(2)
64	6	176	22	198	193

Worldwide Structures	Other	Total	Other benefits	Total	Total
31	(0)	74	-	74	70
1	0	5	-	5	6
0	0	2	-	2	1
-	-	1	-	1	0
(2)	(0)	(3)	-	(3)	(5)
-	-	2	-	2	(0)
-	0	0	-	0	-
-	0	2	-	2	(0)
30	0	83	-	83	74

Worldwide Structures	Other	Total	Other benefits	Total	Total
29	7	90	29	119	110
-	-	-	-	-	-
34	6	92	22	115	118

Worldwide Structures	Other	Total	Other benefits	Total	Total
-	-	(1)	-	(1)	0
34	6	93	22	116	119

Worldwide Structures	Other	Total	Other benefits	Total	Total
3	1	8	3	11	9
3	0	8	2	10	9
(1)	(0)	(4)	-	(4)	(3)
-	-	-	-	-	-
(2)	(0)	(9)	(4)	(13)	(0)
-	-	-	(4)	(4)	(3)
3	1	4	(4)	0	10
3	(1)	3	-	3	2

Reconciliation of provisions for pensions between January 1, 2008 and December 31, 2009

(in million of euros)	Amount
PROVISION AT JANUARY 1, 2008	**110**
Charge for the year	10
Benefits paid	(9)
Actuarial gains and losses	2
Changes in scope of consolidation (1)	11
Translation adjustement	(3)
Other	(2)
PROVISION AT DECEMBER 31, 2008	**119**
Charge for the year	1
Benefits paid	(9)
Actuarial gains and losses	3
Changes in scope of consolidation (2)	2
Changes in exchange rates	-
Other	-
PROVISION AT DECEMBER 31, 2009	**116**

(1) €13 million from the consolidation of Orbis, €(1) million related to the sale of the Brazilian Food Services Business and €(1) million related to the sale of Abidjan Catering.
(2) €2 million from the consolidation of Groupe Lucien Barrière, following an increase in Accor's interest in the company from 30.19% to 49%.

Actuarial gains and losses related to changes in assumptions and experience adjustment

(in million of euros)	Dec. 2008	Dec. 2009
ACTUARIAL DEBT		
Actuarial gains and losses related to experience adjustment	6	6
Actuarial gains and losses related to changes in assumptions	(2)	0
FAIR VALUE ON ASSETS		
Actuarial gains and losses related to experience adjustment	(2)	(2)

Detail of plan assets

Detail of plan assets	France	Netherlands	Germany	Belgium	Switzerland	Worldwide Structures
Shares	15% - 25%	10%	15% - 25%	15% - 25%	26%	15% - 25%
Bonds	75% - 80%	90%	75% - 80%	75% - 80%	44%	75% - 80%
Other	0% - 5%	0%	0% - 5%	0% - 5%	30%	0% - 5%

Sensitivity analysis

At December 31, 2008, 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 €6.1 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €6.1 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

At December 31, 2009, 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 €4.3 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €4.3 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

NOTE 33. RECONCILIATION OF FUNDS FROM OPERATIONS

(in million of euros)	Dec. 2008	Dec. 2009
Net Profit, Group share	401	(262)
Minority interests	14	12
Depreciation, amortization and provision expense	414	466
Share of profit of associates, net of dividends received	(12)	7
Deferred tax	16	(24)
Change in financial provisions and provisions for losses on asset disposals	(27)	268
FUNDS FROM OPERATIONS	**806**	**467**
(Gains) losses on disposals of assets, net	13	16
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	55	121
FUNDS FROM ORDINARY ACTIVITIES	**874**	**604**

NOTE 34. WORKING CAPITAL

(in million of euros)	Dec. 2008	Dec. 2009	Variation
Inventories	92	47	(45)
Trade receivables	473	458	(15)
Other receivables and accruals	576	852	276
WORKING CAPITAL ITEMS - ASSETS	**1,141**	**1,357**	**216**
Trade payables	574	570	(4)
Other payables	1,318	1,286	(32)
WORKING CAPITAL ITEMS - LIABILITIES	**1,892**	**1,856**	**(36)**
WORKING CAPITAL	**751**	**499**	**(252)**

DECEMBER 31, 2008 WORKING CAPITAL	**751**
Change in working capital [(1)]	(287)
Development Expenditure	18
Disposals	5
Translation adjustment	(1)
Reclassifications	13
NET CHANGE IN WORKING CAPITAL	**(252)**
DECEMBER 31, 2009 WORKING CAPITAL	**499**

(1) See cash flow statements.

NOTE 35. 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 1st) 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 million of euros)	Dec. 2008	Dec. 2009
HOTELS	**429**	**280**
Upscale and Midscale Hotels	220	135
Economy	139	111
Economy US	70	34
OTHER BUSINESSES	**35**	**17**
Casinos	15	8
Restaurants	6	4
Onboard train services	3	2
Holding Companies and other	11	3
RENOVATION AND MAINTENANCE EXPENDITURE	**464**	**297**

NOTE 36. DEVELOPMENT EXPENDITURE

Development expenditure corresponds to the property, plant and equipment, and working capital of newly consolidated companies (in accordance with IAS 7 "Cash flow statements") 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 assets held for sale

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide Structures (*)	Dec. 2009	Dec. 2008
HOTELS	**90**	**151**	**22**	22	**114**	**5**	**404**	**1,014**
Upscale and Midscale Hotels (1)	55	80	7	10	44	5	**201**	**545**
Economy Hotels (2)	35	71	-	12	70	-	**188**	**207**
Economy Hotels US	-	-	15	-	-	-	**15**	**262**
OTHER BUSINESSES	**302**	**19**	**-**	**-**	**-**	**-**	**321**	**49**
Casinos (3)	301	-	-	-	-	-	**301**	**20**
Restaurants	1	-	-	-	-	-	**1**	**2**
Onboard train services	-	3	-	-	-	-	**3**	**4**
Holding Companies and other (4)	-	16	-	-	-	-	**16**	**23**
TOTAL DECEMBER 31, 2009	**392**	**170**	**22**	**22**	**114**	**5**	**725**	
TOTAL DECEMBER 31, 2008	**302**	**360**	**269**	**27**	**102**	**3**		**1,063**

(*) "Worldwide Structures" corresponds to development expenditure that is not specific to a single geographic region.

(1) Including:

a. Development expenditure on a new Pullman hotel and a new Novotel hotel in Delhi (€17 million)

b. Exercice of a call option on the land and buildings of a Novotel hotel in Germany (€15 million)

c. Renovation financing extended to owner of upscale hotel in the Netherlands (€8 million)

d. Exercise of a call option on the land and buildings of a Mercure hotel in France (€7 million).

(2) Including:

a. Development expenditure on 49 new Ibis hotels in China (€51 million)

b. Development expenditure on six new Ibis hotels in Eastern Europe (€16 million)

c. Development expenditure on 12 new Ibis hotels in India (€11 million)

d. Exercise of a call option on one Ibis hotel in Germany (€11 million)

e. Development expenditure on two new Ibis hotels in Spain (€9 million)

f. Development expenditure on six new Ibis hotels in Latin America (€8 million)

(3) Including €271 million for the acquisition of an additional 15% stake in Groupe Lucien Barrière, lifting the Group's interest to 49%.

(4) Including €14 million for the acquisition by Orbis Transport of 35 buses, 833 cars and other technical equipment and vehicles.

Development expenditure related to assets held for sale

No development expenditure was made in respect of assets held for sale at December 31, 2009.

In 2008, development expenditure made in respect of assets held for sale amounted to €5 million.

NOTE 37. SEGMENT INFORMATION

The Group has identified five operating segments:

- hotels, with a portfolio of brands on every segment of the market and its 4,111 establishments in around 100 countries comprises three sub-segments:
  - upscale and Midscale hotels, with the Sofitel, Pullman, Novotel, Mercure, Adagio and Suitehotel brands,
  - economy Hotels, with the Formule 1, Etap Hotel, All Seasons and Ibis brands,
  - US Economy Hotels with the Motel 6 and Studio 6 brands;
- restaurants Accor offers a full range of gourmet dining activities through its Lenôtre subsidiary;
- casinos Organized around Groupe Lucien Barrière, the segment is specialized in casino management;
- onboard train services, providing restaurant and hotel services to the railway sector;

- other activities, notably the Group Financial Managements.

Each segment represents a strategic business offering different products and serving different markets. The internal reporting structure for each segment is organized and administered separately. Group Management monitors results and performance on a segment-by-segment basis. Similarly, decisions about resource allocation are taken separately for each segment.

The Group considers that its five business segments meet the definition of operating segments under IFRS 8. The segment information presented is therefore based on the internal reporting system used by Management to assess the performance of the different segments. The performance indicators used by Management are as follows:

- revenue;
- EBITDAR;
- rental expense;
- EBIT.

An analysis of these indicators by operating segment is provided in the following notes:

- note 3 for revenue;
- note 5 for EBITDAR;
- note 6 for rental expense;
- note 9 for EBIT.

Total assets by segment are presented in the balance sheets below:

At December 31, 2009 *(in million of euros)*	**Hotels**	**Other Businesses**	**Total consolidated**
Goodwill	825	395	1,220
Intangible assets	352	37	389
Property, plant and equipment	3,927	342	4,269
Total non-current financial assets	403	22	425
Deferred tax assets	199	66	265
TOTAL NON-CURRENT ASSETS	**5,706**	**862**	**6,568**
TOTAL CURRENT ASSETS	**1,289**	**711**	**2,000**
Assets held for sale	141	3	144
TOTAL ASSETS	**7,136**	**1,576**	**8,712**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**5,394**	**(952)**	**4,442**
TOTAL NON-CURRENT LIABILITIES	**574**	**1,336**	**1,910**
TOTAL CURRENT LIABILITIES	**1,164**	**1,192**	**2,356**
Liabilities related to assets classified as held for sale	4	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**7,136**	**1,576**	**8,712**

At December 31, 2009 *(in million of euros)*	Up and Midscale Hotels	Economy Hotels	Economy Hotels United States	Total Hotels
Goodwill	641	90	94	825
Intangible assets	144	55	153	352
Property, plant and equipment	2,054	1,135	738	3,927
Total non-current financial assets	339	41	23	403
Deferred tax assets	97	12	90	199
TOTAL NON-CURRENT ASSETS	**3,275**	**1,333**	**1,098**	**5,706**
TOTAL CURRENT ASSETS	**850**	**329**	**110**	**1,289**
Assets held for sale	105	10	26	141
TOTAL ASSETS	**4,230**	**1,672**	**1,234**	**7,136**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**3,634**	**751**	**1,009**	**5,394**
TOTAL NON-CURRENT LIABILITIES	**416**	**148**	**10**	**574**
TOTAL CURRENT LIABILITIES	**180**	**769**	**215**	**1,164**
Liabilities related to assets classified as held for sale	-	4	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,230**	**1,672**	**1,234**	**7,136**

At December 31, 2009 *(in million of euros)*	Casinos	Restaurants	Onboard train services	Holdings & Other	Total Other Businesses
Goodwill	366	23	-	6	395
Intangible assets	17	2	-	18	37
Property, plant and equipment	245	27	14	56	342
Total non-current financial assets	1	3	1	17	22
Deferred tax assets	4	3	-	59	66
TOTAL NON-CURRENT ASSETS	**633**	**58**	**15**	**156**	**862**
TOTAL CURRENT ASSETS	**78**	**20**	**104**	**509**	**711**
Assets held for sale	-	-	1	2	3
TOTAL ASSETS	**711**	**78**	**120**	**667**	**1,576**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**363**	**42**	**97**	**(1,454)**	**(952)**
TOTAL NON-CURRENT LIABILITIES	**133**	**4**	**11**	**1,188**	**1,336**
TOTAL CURRENT LIABILITIES	**215**	**32**	**12**	**933**	**1,192**
Liabilities related to assets classified as held for sale	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**711**	**78**	**120**	**667**	**1,576**

NOTE 38. 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 99.65%-owned by Accor SA. Following the audit, 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. At the end of 2003, the resulting reassessments, for a total of €217 million including late interest, were contested by CIWLT, on the basis of the notice received from the Belgian tax authorities confirming that its seat of management was in Belgium. The French tax authorities issued a notice ordering CIWLT to settle the €217 million in tax deficiencies for the years 1998 to 2003 for which a stay of payment had been requested. In conjunction with the request, CIWLT obtained a tax bond from its bank guaranteeing the payment of this amount.

CIWLT subsequently asked the Cergy Pontoise Administrative Court to rule on the contested reassessments. On December 12, 2008, the court found against CIWLT concerning the reassessments for the years 1998 to 2002 but has not yet issued a ruling on the 2003 reassessment. On February 10, 2009, CIWLT has decided to appeal this ruling before the Versailles Administrative Court of Appeal. The appeal has not yet been heard.

Under French law, collection of the tax deficiencies is not suspended while the appeal is being heard and the tax deficiencies for the years 1998 to 2002 were therefore payable, representing a total of €242 million including late interest.

This amount was paid at the end of February 2009. It was recognized as an asset in the balance sheet at December 31, 2009 (see Note 23.2).

Based on advice from its legal and tax advisors, the company believes that it has strong arguments that should lead to a favourable outcome, notably considering that CIWLT is governed by Belgian tax laws.

Dividend withholding tax *(précompte)*

In 2002, Accor mounted a legal challenge to its obligation to pay withholding tax (précompte) 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 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 has not yet exhausted all avenues of appeal, a liability has been recognized for the amounts received and the financial impact of the rulings by the Versailles Administrative Court and Court of Appeal has not been recognized in the financial statements at December 31, 2009.

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 for a preliminary ruling on this issue. The French Supreme Court of Appeal asked for the application to be fast-tracked. This request was rejected by the President of the Court of Justice of the European Communities on October 19, 2009.

In parallel, Accor was notified of the Court of Justice of the European Communities' preliminary ruling on September 14, 2009, and filed its observations on November 23.

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 withholding tax paid in the period 2002 to 2004.

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 and have not and will not have a material adverse effect on the Group's financial position, business and/or results of operations.

NOTE 39. OFF-BALANCE SHEET COMMITMENTS AT DECEMBER 31, 2009

Note 39.1. Off-balance sheet commitments given

Off-balance sheet commitments given at December 31, 2009 break down as follows:

(in million of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	Dec. 31, 2009	Dec. 31, 2008
SECURITY INTERESTS GIVEN ON ASSETS [1]	**-**	**-**	**32**	**32**	**17**
. Groupe Lucien Barrière SAS [2]	-	-	-	-	140
. Other purchase commitments	6	34	-	40	71
Purchase commitments	**6**	**34**	**-**	**40**	**211**
. Construction performance bonds Novotel and Ibis (China) [3]	19	5	-	24	45
. Renovation commitment Axa Reim (France) [4]	-	12	-	12	20
. Renovation commitment Axa Reim (Switzerland) [4]	4	-	-	4	7
. Renovation commitment Moor Park (Germany and the Netherlands) [5]	5	-	-	5	17
. Property development projects in Spain [6]	9	-	-	9	14
. Renovation commitment Land Securities (United Kingdom) [7]	7	-	-	7	8
. Construction commitments Novotel and Ibis (Algeria) [8]	4	-	-	4	5
. Renovation commitment Novotel Paris Tour Eiffel [9]	0	-	-	0	5
. Renovation commitment Foncière des Murs transaction 1 (France) [10]	4	-	-	4	2
. Renovation commitment Foncière des Murs transaction 2 (France) [10]	3	-	-	3	2
. Other renovation commitments [11]	40	44	72	156	109
CAPEX COMMITMENTS	**95**	**61**	**72**	**228**	**234**
LOAN GUARANTEES GIVEN	**-**	**8**	**1**	**9**	**6**
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS [12]	**29**	**54**	**9**	**92**	**319**
CONTINGENT LIABILITIES	**1**	**1**	**-**	**2**	**2**
TOTAL DECEMBER 31, 2009	**131**	**158**	**114**	**403**	
TOTAL DECEMBER 31, 2008	**541**	**160**	**88**		**789**

(1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets.

(2) Under the agreements between Colony Capital, the Desseigne Barrière family and Accor, Colony Capital has a put option and Accor has a call option on Colony's 15% interest in Groupe Lucien Barrière SAS. Colony exercised its put at the end of March 2009 and in April Accor acquired Colony's shares for €153 million, raising its stake in Groupe Lucien Barrière to 49%.

(3) In connection with development in China, Accor issued performance bonds to the developers of 35 Ibis hotels and 1 Novotel hotels. The related commitments at December 31, 2009 amounted to €24 million.

(4) In connection with the Axa REIM sale-and-variable leaseback transactions, Accor was initially committed to financing €27 million worth of renovation work in France and Switzerland. Addenda to the corresponding agreements were subsequently signed, raising Accor's financing commitment to €28 million. The transactions concern 45 hotels in France and 10 in Switzerland. Commitments for work in progress at December 31, 2009 amounted to €16 million.

(5) In connection with the Moor Park sale-and-variable leaseback transaction, Accor is committed to financing €29 million worth of renovation work in Germany and the Netherlands. As of December 31, 2009, the remaining work amounted to €5 million.

(6) In connection with property development projects in Spain, Accor issued performance bonds to the developers of two Ibis hotels. The related commitments at December 31, 2009 amounted to €9 million.

(7) In connection with the Land Securities sale-and-variable leaseback transaction, Accor is committed to financing €18 million (£16 million) worth of renovation work in the UK. As of December 31, 2009, the remaining work amounted to €7 million (£6 million).

(8) In connection with development in Algeria, Accor is committed to financing four hotel projects (Tlemcen, Oran, Bab Ezzouar and Constantine) representing a total of €15 million. As of December 31, 2009, the remaining work amounted to €4 million.

(9) In connection with the sale of Accor's 40% interest in Novotel Paris Tour Eiffel under a lease-back arrangement, Accor is committed to financing €10 million worth of renovation work before the end of 2012. As of December 31, 2009, the remaining work amounted to €0.4 million.

(10) In connection with the Foncière des Murs sale-and-variable leaseback transactions, Accor was initially committed to financing €98 million worth of renovation work. Addenda to the corresponding agreements were subsequently signed, raising Accor's financing commitment to €106 million. As of December 31, 2009, the remaining work represented €7 million.

(11) Other commitments include €38 million in committed capital expenditure on Australian hotels and €70 million in commitments related to Groupe Lucien Barrière, which has been 49%-owned by Accor since April 2009.

(12) During 2009, CIWLT paid €242 million in settlement of tax reassessments (see Note 38). A ruling has not yet been handed down concerning the reassessment for the year 2003 which continues to be covered by an €18 million tax bond obtained from a bank.

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 39.2. Off-balance sheet commitments received

Off-balance sheet commitments received at December 31, 2009 break down as follows:

(in million of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	Dec. 31, 2009	Dec. 31, 2008
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment	5	-	-	**5**	**5**
Irrevocable commitments received for the purchase of financial assets (1)	-	-	11	11	151
Customer orders spanning several years	-	-	-	**-**	**-**
PURCHASE COMMITMENTS RECEIVED	**5**	**-**	**11**	**16**	**156**
Sellers' warranties received	-	1	-	**1**	**1**
Debt waivers granted with a clawback clause	-	-	-	**-**	**-**
Loan guarantees received	-	-	-	**-**	**4**
Other guarantees received in the normal course of business (2) + (3) + (4) + (5) + (6)	38	23	-	**61**	**114**
OTHER COMMITMENTS AND GUARANTEES RECEIVED	**38**	**24**	**-**	**62**	**119**
TOTAL DECEMBER 31, 2009	**43**	**24**	**11**	**78**	
TOTAL DECEMBER 31, 2008	**81**	**173**	**21**		**275**

(1) Under the agreements between Colony Capital, the Desseigne Barrière family and Accor, Colony Capital has a put option and Accor has a call option on Colony's 15% interest in Groupe Lucien Barrière SAS. Colony exercised its put at the end of March 2009 and in April Accor acquired Colony's shares for €153 million, raising its stake in Groupe Lucien Barrière to 49%.

(2) In connection with the two transactions with Accor, Foncière des Murs agreed to finance a €151 million renovation program. Addenda to the related agreements were subsequently signed reducing the commitment to €148 million. As of December 31, 2009, the remaining work represented €4.5 million.

(3) In connection with transaction in the United Kingdom, Land Securities agreed to finance a €38 million (£34 million) renovation program. As of December 31, 2009, the remaining work amounted to €12 million (£11 million).

(4) In connection with transaction in the Netherlands and in Germany, Moor Park agreed to finance a €59 million renovation program. As of December 31, 2009, the remaining work amounted to €6 million.

(5) In connection with the sale of Accor's 40% interest in Novotel Paris Tour Eiffel under a management-back arrangement, the owner of the hotel agreed to finance €5 million worth of renovation work before the end of 2011. As of December 31, 2009, the remaining work amounted to €1 million.

(6) In connection with transaction with Accor, Axa REIM agreed to finance a €50 million renovation program over three years until the end of 2010. As of December 31, 2009 the remaining work in France and Switzerland amounted to €26 million.

Purchase options under finance leases are not included in this table.

NOTE 40. MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2009

The main subsidiaries and associates represent 91% of consolidated revenue, 94% of EBITDAR and 87% of EBIT. The many other subsidiaries and associates represent individually less than 0.25% of consolidated revenue, EBITDAR and EBIT.

HOTELS			
France			
Académie Accor	France	IG	100,00%
All Seasons Hotels	France	IG	100,00%
Exhotel	France	IG	100,00%
Etap Hotels	France	IG	96,00%
Hotexco	France	IG	100,00%
La Thermale de France	France	IG	100,00%
Mer et Montagne	France	IG	100,00%
Mercure International Hotels	France	IG	100,00%
Paris Suffren	France	IG	75,00%
Société Hôtelière 18 Suffren	France	IG	100,00%
Pradotel	France	IG	100,00%
Profid	France	IG	100,00%
Société Commerciale des Hôtels Economiques	France	IG	99,96%
Société Hôtelière Danton Michelet	France	IG	100,00%
Société de Management International	France	IG	100,00%
SNC NMP France	France	IG	100,00%
Société d'Etude et de Promotion Hôtelière Internationale	France	IG	100,00%
Société Hôtelière de la Porte de Sèvres	France	IG	100,00%
Société Internationale de Services des Hotels Economiques	France	IG	100,00%
Société d'Exploitation d'Hôtels Suites	France	IG	100,00%
Société Hotelière 61 Quai de Grenelle	France	IG	100,00%
Sofitel Luxury Hotels France	France	IG	100,00%
Adagio	France	IP	50,00%
Thalamer	France	IG	99,90%
Europe EXCL.s France			
Accor Hôtellerie Deutschland	Germany	IG	100,00%
Accor Hospitality Germany	Germany	IG	100,00%
Accor Austria AG	Austria	IG	100,00%
Accoordination	Belgium	IG	99,90%
Accor Hotels Belgium	Belgium	IG	100,00%
Accor Hoteles Espagne	Spain	IG	100,00%
Société Hôtelière Athènes Centre	Greece	IG	100,00%
Pannonia Hotels RT	Hungary	IG	99,94%
Sofitel Gestioni Alberghiere Italia	Italy	IG	99,76%
Accor Hospitality Italia	Italy	IG	96,28%
Accor Hospitality Nederland	Netherlands	IG	100,00%
Orbis	Poland	IG	50,01%
Hekon Hotele Ekonomiczne	Poland	IG	40,58%
Portis	Portugal	IG	100,00%
Katerinska Hotels	Czech Republic	IG	100,00%
Accor Hotels Romania	Roumania	IG	100,00%
Accor UK Business & Leisure	United Kingdom	IG	100,00%
Accor UK Economy Hotels	United Kingdom	IG	100,00%
Accor Hôtels Scandinavia	Sweden	IG	100,00%
Accor Gestion Hôtels	Switzerland	IG	99,98%
Accor Suisse	Switzerland	IG	100,00%
North America			
Accor Canada Inc.	Canada	IG	100,00%
Accor Business & Leisure North America Inc.	United States	IG	100,00%
IBL Limited	United States	IG	100,00%
Latin America and Carribean			
Accor Hospitality Argentina	Argentina	IG	99,40%
Hotelaria Accor Brasil	Brazil	IG	99,99 %
Other Countries			
Formula1 Pty	South Africa	IG	52,60%
Premier Lodge South Africa	South Africa	IG	100,00%
Saudi Hotels Management	Saoudi Arabia	IG	99,96%
Accor Asia Pacific Corp.	Australia / Asia	IG	100,00%
Société Propriétaire de l'Hôtel de l'Union	Senegal	IG	100,00%
Société Abidjanaise	Ivory Coast	IG	99,99%
Accor Hotels SAE	Egypt	IG	89,30%
Accoer Gestion Maroc	Morocco	IG	83,70%
Risma	Morocco	MEE	34,92%

ACCOR S.A.

OTHER SERVICES			
Accor centre de contacts clients	France	IG	100,00%
Devimco	France	IG	99,99%
Lenôtre	France	IG	99,98%
Société d'Exploitation des Résidences Hotelières Rail	France	IP	49,85%
Groupe Lucien Barrière	France	IP	49,00%
Compagnie Internationale des Wagons Lits & du Tourisme (*)	Belgium		
Rail Restauration (*)	France	IG	99,70 %
Treno (*)	Italy	IG	99,76 %

(*) All entities are held directly by Accor SA, except for Compagnie des Wagon-Lits

NOTE 41. ADDITIONAL INFORMATION ABOUT JOINTLY-CONTROLLED ENTITIES

At December 31, 2009 *(in million of euros)*	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue for the Group	Costs for the Group
Groupe Lucien Barrière	72	309	221	160	424	416
Australia (Allegiance Marketing and Reef Casinos)	20	28	14	33	58	45

At December 31, 2008 *(in million of euros)*	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue for the Group	Costs for the Group
Groupe Lucien Barrière	50	164	80	134	330	322
Australia (Allegiance Marketing and Reef Casinos)	15	26	25	16	45	38

Above disclosed figures correspond to Group share.

NOTE 42. SUBSEQUENT EVENTS

On February 19, 2010, as part of the ongoing deployment of its “asset right” strategy, Accor has announced an international real estate transaction involving the sale of five hotels (representing more than 1,100 rooms) in four European countries for €154 million. The transaction has been carried out with Invesco Real Estate, a major real estate manager in the United States, Europe and Asia.

The transaction involves:

- the Novotel Muenchen City in Munich;
- the Novotel Roma la Rustica and the Mercure Corso Trieste in Rome;
- the Mercure Zabatova in Bratislava, currently under construction;
- the Pullman Paris La Défense.

All the hotels have been sold under a sale and variable leaseback agreement except for Pullman Paris La Défense that will continue to be operated by Accor under a management contract.

In accordance with IFRS 5, the carrying amount of these assets was reclassified in the consolidated balance sheet at December 31, 2009 under “Assets held for sale”.

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;
- new Services Holding.

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 40. 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 2009.

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.

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.

The related party transactions presented below correspond to the main transactions with companies in which a person holding material voting rights is a member of the Accor Board of Directors. Only material transactions are disclosed.

Related party transactions

		Transaction amounts		Related party receivables		Related party payables		Off-balance sheet commitments	
(in million of euros)	**Type of transaction**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**
Colony Capital	Long-term loan	-	-	-	-	-	-	-	-
	GLB put option granted to Accor	-	140	-	-	-	-	140	- (*)
	Bond issues	-	-	-	-	-	-	-	-
New Services Holding	Inter-entity billings	25	20	39	55	10	2	-	-

(*) See Note 2.B.3.

NOTE 44. CORPORATE OFFICERS' COMPENSATION

	December 31, 2008		December 31, 2009	
(in million of euros)	**Expenses**	**Balance sheet amount**	**Expenses**	**Balance sheet amount**
Short-term benefits received	12	6	11	5
Post-employment benefits	2	6	2	6
Other long-term benefits	-	-	-	-
Compensation for loss of office	5	-	3	-
Share-based payments	5	-	6	-
TOTAL COMPENSATION	**24**	**12**	**22**	**11**

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 nine members compared with twelve until the end of May 2009.

Members of the Board of Directors do not receive any compensation and receive only fees. Directors' fees paid in 2009 by the Group to the members of the Supervisory Board for year 2008 amounted to €679,430.

NOTE 45. FEES PAID TO THE AUDITORS

The table below shows the total fees billed by the Auditors recognized in the income statement in 2009 and prior year.

(in million of euros)	2008	2009
Statutory and contractual audit fees	(9)	(9)
Fees for audit-related services	(1)	(1)
TOTAL FEES BILLED BY THE AUDITORS	**(10)**	**(10)**

5 Capital and Ownership Structure

5.2. Share capital 172

5.2.1. Share capital 172

5.3. Ownership Structure 173

5.3.1. Ownership and voting rights structure 173

5.3.4. Employee stock ownership 174

5.3.7. Changes in capital 174

5.4. The Market for Accor Securities 175

5.2. Share capital

5.2.1. SHARE CAPITAL

At May 11, 2010, the Company's share capital amounted to €683 696 886, divided into 227 898 962 common shares with a par value of €3.00, all fully paid-up and all in the same class.

5.3. Ownership Structure

5.3.1. OWNERSHIP AND VOTING RIGHTS STRUCTURE

From January 1 to May 11, 2010, the following registered intermediaries or fund managers notified the *Autorité des Marchés Financiers* of changes in their interests, in accordance with disclosure threshold rules:

Registered intermediary or fund manager	Disclosure date	AMF reference number	Increase or decrease in interest	Number of shares held	% capital	Number of voting rights	% voting rights
ColDay/ColTime/Legendre Holding 19	April 6, 2010	210c0302	⬀	65,844,245	29.20%	66,744,245	27.90%
Franklin Resources, Inc	April 16, 2010	210c0350	⬀	12,544, 058	5.56 %	12,544,058	5.26%

Changes in the ownership structure, December 31, 2009 to May 11, 2010

	December 31, 2009			April 30, 2010			May 11, 2010		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
ColTime/ColDay/ Legendre Holding 19[1]	65,844,245	29.20%	27.56%	65,844,245	28.89%	27.74%	65,844,245	28.89 %	30.14 %
CDC/FSI[2]	19,549,239	8.67%	8.18%	19,549,239	8.58%	8.13%	19,549,239	8.58 %	7.82 %
Southeastern Asset Management[3]	13,550,762	6.02%	5.13%	15,035,427	6.60%	6.25%	15,035,427	6.60 %	6.01 %
Franklin Resources, Inc.[4]	NA	NA	NA	12,544,058	5.50%	5.21%	12,544,058	5.50 %	5.01 %
Founders[5]	6,074,184	2.70%	4.90%	6,001,083	2.63%	3.98%	6,001,083	2.63 %	3.83 %
Treasury shares	-	0.00%	0.00%	2,020,066	0.89%	0.00%	2,020,066	0.89 %	0.00 %
Other shareholders[6]	120,439,769	53.41%	54.23%	106,904,844	46.91%	48.68%	106,904,844	46.91 %	47.20 %
TOTAL	**225,458,199**	**100.00%**	**100.00%**	**227,898,962**	**100.00%**	**100.00%**	**227,898,962**	**100.00 %**	**100.00 %**

(1) *ColTime (Colony Capital, LLC), ColDay (Colony Capital, LLC) and Legendre Holding 19 (controlled by Eurazeo) acting in concert under the terms of a shareholders' pact. Note that as of May 9, 2010, Legendre Holding 19 holds double voting rights on an a 9,561,291 basis.*

(2) *Acting in concert, based on the joint disclosure of July 21, 2009.*

(3) *Based on the disclosures of June 17 and July 8, 2009, as updated by the company.*

(4) *Based on the disclosures of April 15 and 20, 2010.*

(5) *Paul Dubrule, Gérard Pélisson and their families.*

(6) *The April 30 figure reflects shares issued upon the exercise of stock options up until that date and placed on record by the Board of Directors on May 11, 2010.*

5.3.4. EMPLOYEE STOCK OWNERSHIP

At May 11, 2010, employee shareholders owned less than 1% of Accor's issued capital.

5.3.7. CHANGES IN CAPITAL

Changes in capital, January 1 to May 11, 2010

Year	Capital increases since January 1, 2010	Increase (decrease) in capital *(in euros)*		New capital *(in euros)*	New shares outstanding
		Par value	Premium		
2010	Exercise of stock options at €31.83	1,950	18,739	676,376,547	225,458,849
	Exercise of stock options at €32.42	926,250	9,083,425	677,302,797	225,767,599
	Exercise of stock options at €35.68	311,745	3,395,942	677,614,542	225,871,514
	Exercise of stock options at €37.77	41,850	485,042	677,656,392	225,885,464
	Exercise of stock savings warrants at €33.94	5,712	58,910	677,662,104	225,887,368
	Acquisition of vested performance shares	78,498	0	677,740,602	225,913,534
	Issue of 1,985,428 new shares as consideration for SEIH shares	5,956,284	68,901,754	683,696,886	227,898,962

5.4. The Market for Accor Securities

The market for Accor shares

At April 30, 2010, the Accor share closed at €42.99, and the Company's market capitalization stood at €9.78 billion.

Accor share prices and trading volumes (ISIN: FR0000120404)

		High-Low		
(in euros)	**Average closing price**	**High**	**Low**	**Trading volume**
2010				
January	37.23	38.90	35.70	17,955,237
February	35.98	38.10	34.14	20,154,434
March	40.01	41.49	37.16	19,991,373
April	42.24	44.95	41.37	20,098,812

Sources: NYSE Euronext Paris.

7 Other Information

7.1. Investor Relations and Documents Available to the Public 178

7.2. Person Responsible for the Registration Document and the Audit of the Accounts 179

7.5. Annual Information Document 180

7.6. Cross-Reference Table with EC Regulation 809/2004 181

7.7. Cross-Reference Table with the Annual Financial Report 183

7.1. Investor Relations and Documents Available to the Public

Accor corporate documents available to the public include the company's by-laws, reports, historical financial information for Accor and its subsidiaries included or described in the Registration Document and financial information for each of the years preceding the filing of the Registration Document and its update. Current versions of these documents are available for consultation at the Company's head office (2 rue de la Mare-Neuve - 91000 Évry, France). The documents may also be downloaded from the Accor website (www.accor.com) and, in some cases, from the *Autorité des Marchés Financiers*' website (ww.amf-France.org).

7.2. Person Responsible for the Registration Document and the Audit of the Accounts

Person responsible for the Registration Document

Gilles C. Pélisson

Chairman and Chief Executive Officer

Statement by the person responsible for the Registration Document

I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this update to the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I obtained a statement from the Auditors at the end of their engagement affirming that they have read the whole of this updated Registration Document and verified that the information about the financial position and the accounts is consistent with the historical and Pro forma financial information.

The Statutory Auditors' report on the pro forma consolidated financial statements for the year ended December 31, 2009 contains an observation concerning the method used to allocate part of the Accor Group's net debt to New Services Holding. The report may be found on page 58, while the pro forma consolidated financial statements are presented on pages 59 to 170.

Gilles C. Pélisson

7.5. Annual Information Document

The following information[1] was published or made available to the public by Accor since April 1, 2010 (when the 2009 Registration Document was filed), in accordance with Article L. 451-1-1 of the French Monetary and Financial Code and Article 222-7 of the General Regulations of the *Autorité des Marchés Financiers*.

- disclosure of number of shares and voting rights at March 31, 2010;
- press release concerning the issue by Accor of 1,985,428 new shares as consideration for the contribution of *Société d'Exploitation et d'Investissement Hôtelier* (SEIH) shares on April 20, 2010;
- press release concerning approval of the asset contribution-demerger agreement by the Board of Directors on April 19, 2010;
- press release concerning first-quarter 2010 revenue, on April 20, 2010;
- disclosure of number of shares and voting rights at April 30, 2010;
- press release concerning the Notice of Shareholders' Meeting, June 29, 2010.

(1) Information available on the Company's website at www.accor.com/finance or in the Bulletin des Annonces Légales Obligatoires (BALO).

7.6. Cross-Reference Table with EC Regulation 809/2004

The table below cross-references the pages in the Registration Document and the key information required under European Commission Regulation (EC) no. 809/2004 implementing EC Directive 2003/71/EC of the European Parliament and of the Council.

Only sections that have been updated are shown. For the other sections, please refer to the 2009 Registration Document filed with the *Autorité des Marchés Financiers* on April 1, 2010 under no. D. 10-0201.

Key information required under Annex 1 of European Commission Regulation 809/2004	Page number
1. PERSONS RESPONSIBLE	**179**
2. STATUTORY AUDITORS	
3. SELECTED FINANCIAL INFORMATION	
3.1. Historical financial information	4; 32-33; 81-82
3.2. Selected financial information for interim periods	N/A
4. RISK FACTORS	**23-25**
5. INFORMATION ABOUT THE ISSUER	
5.1. History and development of the issuer	98-102
5.2. Investments	9-11; 32-33; 103-107; 158-159
6. BUSINESS OVERVIEW	
6.1. Principal activities	
6.2. Principal markets	28-29; 108-110
6.3. Exceptional factors	5; 59-62
6.4. Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	N/A
6.5. Competitive position	
7. ORGANIZATIONAL STRUCTURE	
7.1. Brief description of the Group	18; 166-167
7.2. List of significant subsidiaries	166-167
8. PROPERTY, PLANT AND EQUIPMENT	
8.1. Material tangible fixed assets and any major encumbrances thereon	98; 121; 126-128
8.2. Environmental issues that may affect the utilization of tangible fixed assets	
9. OPERATING AND FINANCIAL REVIEW	
9.1. Financial condition	32-33
9.2. Operating results	30; 116-117
10. CASH AND CAPITAL RESOURCES	
10.1. Information concerning capital resources	32-33; 70-71; 72-73; 78-80
10.2. Cash flows	23-25; 70-72; 77; 141-145
10.3. Borrowing requirements and funding structure	141-145
10.4. Restrictions on the use of capital resources	25-26
10.5. Anticipated sources of funds	23-25; 108
11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	**N/A**

Key information required under Annex 1 of European Commission Regulation 809/2004	Page number
12. TREND INFORMATION	
12.1. Significant recent trends	34-55
12.2. Known trends or events that are reasonably likely to have a material effect on the issuer's prospects	5; 34-55; 168
13. PROFIT FORECASTS OR ESTIMATES	**N/A**
14. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	
14.1. Administrative bodies	18
14.2. Conflicts of interest	
15. REMUNERATION AND BENEFITS	
15.1. Remuneration and benefits in kind	169-170
15.2. Total amounts set aside or accrued to provide pension, retirement or similar benefits	150-155
16. BOARD PRACTICES	
16.1. Date of expiration of current terms of office	55
16.2. Service contracts with members of the administrative, management or supervisory bodies	
16.3. Audit and compensation committees	
16.4. Statement of compliance with France's corporate governance regime	20
17. EMPLOYEES	
17.1. Number of employees	13-14
17.2. Shareholdings and stock options	22; 134-138; 174
17.3. Arrangements for involving employees in the capital of the issuer	19; 137-138; 174
18. MAJOR SHAREHOLDERS	
18.1. Shareholders owning over 5% of the capital	173
18.2. Different voting rights	
18.3. Control of the issuer	N/A
18.4. Arrangements which may result in a change in control of the issuer	
19. RELATED PARTY TRANSACTIONS	**168-169**
20. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
20.1. Historical financial information	N/A
20.2. Pro forma financial information	58-170
20.3. Financial statements	59-170
20.4. Auditing of historical annual financial information	58-170
20.5. Age of latest financial information	
20.6. Interim and other financial information	N/A
20.7. Dividend policy	
20.8. Legal and arbitration proceedings	162-163
20.9. Significant change in the issuer's financial or trading position	5; 59-62
21. ADDITIONAL INFORMATION	
21.1. Share capital	172
21.2. Memorandum and articles of association	
22. MATERIAL CONTRACTS	**98-102; 164-165**
23. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTERESTS	**N/A**
24. DOCUMENTS ON DISPLAY	
25. INFORMATION ON HOLDINGS	**166-167**

7.7. Cross-Reference Table with the Annual Financial Report

The 2009 Registration Document contains all of the information in the Annual Financial Report governed by article L. 451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

Only sections that have been updated are shown. For the other sections, please refer to the 2009 Registration Document filed with the *Autorité des Marchés Financiers* on April 1, 2010 under no. D. 10-0201.

	Page number
1. PARENT COMPANY FINANCIAL STATEMENTS	
2. CONSOLIDATED FINANCIAL STATEMENTS	**59-170**
3. MANAGEMENT REPORT (WITHIN THE MEANING OF THE MONETARY AND FINANCIAL CODE)	
3.1 Information provided in compliance with article L.225-100 of the Commercial Code	
Revenue analysis	28-29
Earnings analysis	30-32
Balance sheet analysis	32-33
Key human resources and environmental indicators	16
Main risks and uncertainties	23-25
Summary table of authorizations to issue new shares granted by shareholders to the Board of Directors	
3.2 Information provided in compliance with article L.225-100-3 of the Commercial Code	
Items likely to have an influence in the event of a public takeover offer.	N/A
3.3 Information provided in compliance with article L.225-211 of the Commercial Code	
Share buybacks	
4. STATEMENT BY THE PERSONS RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT	**179**
5. AUDITORS' REPORTS ON THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS	**58**
6. STATUTORY AUDITORS' FEES	**170**
7. REPORT OF THE CHAIRMAN ON INTERNAL CONTROL	
8. AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN ON INTERNAL CONTROL	

A Appendix

Appendix A: Report of the statutory appraisers on the consideration offered for the contribution **186**

Presentation of the transaction and description of the contribution 186

Verification of the appropriateness of the valuation of the contribution and shares of the beneficiary 192

Assessment of the fairness of the consideration 193

Conclusion 194

Appendix B: Report of the statutory appraisers on the value of the contribution **195**

Presentation of the transaction and description of the contribution 195

Work performed and assessment of the value of the contributed assets 200

Conclusion 203

Appendix A:
Contribution by Accor S.A. of the assets of the "Services Business" division to New Services Holding S.A.

Report of the statutory appraisers on the consideration offered for the contribution

Ladies and Gentlemen:

In execution of our engagement by order of the Presiding Judge of the Commercial Court of Nanterre dated March 1, 2010 in connection with the contribution of assets that is to be made by Accor S.A. to New Services Holding S.A., we have prepared this report pursuant to Article L.236-10 of the French Commercial Code. Our assessment of the value of the contribution is presented in a separate report.

The consideration offered for the contribution was established in the contribution agreement executed by the representatives of the concerned companies on April 19, 2010. We have been asked to express an opinion as to the fairness of the consideration offered for the contribution. To this end, we performed our work in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Auditors) applicable to this engagement. These standards require us to apply procedures intended to verify that the relative values attributed to the contributed business division and the shares of the beneficiary are appropriate, as well as analyze the relationship of the proposed consideration compared to the relative values that are judged to be appropriate.

Our report is organized as follows:

PRESENTATION OF THE TRANSACTION AND DESCRIPTION OF THE CONTRIBUTION

Presentation of the companies participating in the transaction

Contributing company

Accor S.A. (also referred to herein as **"the contributing company"**) is a French *société anonyme* with share capital of €683,696,886[1], divided into 227,898,962[1] fully paid-up shares with a par value of €3 each.

Its registered office is located at 2, rue de la Mare-Neuve, 91000 Évry. It is registered with the Registry of Commerce and Companies of Évry under number 602 036 444.

The corporate purpose of Accor, *"either on its own behalf or on behalf of or in collaboration with third parties, is:*

- *the ownership, financing and management, directly, indirectly, or under specified mandates, of hotels, restaurants, bars of any nature or category and, more generally, any establishment related to lodging, food, tourism, leisure, and services;*
- *the economic, financial, and technical review of projects and, generally, all services related to the development, organization and management of the above-mentioned establishments, including all actions related to their construction or the provision of any related consulting services;*
- *the review and provision of services intended to facilitate the supply of meals to employees in companies, institutions and other organizations;*
- *the creation of any new company and the acquisition of interests by any method in any company operating in any business;*
- *all civil, commercial, industrial and financial transactions, involving both securities and property, related to the purposes of the Company and all similar or related purposes in France and other countries."*

(1) *I.e., following the capital increase of €5,956,428 through the issue of 1,985,428 shares approved by the Board of Directors on April 19, 2010 upon the delegation of the Shareholders' General Meeting of May 13, 2009, which is mentioned in paragraph I.2. of the Recitals to the contribution agreement dated April 19, 2010; the recording by the Chief Executive Officer on March 29, 2010 and April 19, 2010 of the capital increase of €338,235 through the issue of 112,745 shares following the exercise of the share subscription options and the distribution of free shares; and the recording by the Board of Directors on May 11, 2010 of the capital increase of €1,027,770 through the issue of 342,59 shares following the exercise of the share subscription options.*

The Accor S.A. shares are listed on Eurolist by NYSE-Euronext Paris under the ISIN code FR0000120404.

Accor S.A. is the parent company of the Accor Group, which operates in the hotel and pre-paid services sectors in nearly 100 countries. As of December 31, 2009, its consolidated revenue and the consolidated shareholders' equity (Group's share) amounted to €7.065 billion and €2.997 billion, respectively.

Beneficiary

New Services Holding S.A., (also referred to herein as **"the beneficiary"**) is a French *société anonyme* with share capital of €37,000 divided into 18,500 fully paid-up shares with a par value of €2 each.

Its registered office is located at 166-180, boulevard Gabriel-Péri, 92240 Malakoff. It is registered with the Registry of Commerce and Companies of Nanterre under number 493 322 978.

The corporate purpose of New Services Holding S.A. "*both in France and abroad, on its own behalf or on behalf of third parties, is:*

- *the development, implementation, promotion, marketing, and management of service vouchers (titres de service) in any format, whether physical or not, and, more generally, any service relating to employee and public benefits, rewards and loyalty, and expense management;*
- *advising, creating, promoting and operating the information systems required for the development and implementation of the service vouchers and transactions referred to above, along with the management of financial transactions relating thereto;*
- *the provision of consulting services, analysis and expertise to evaluate the administrative, technical, and financial means required for the development and implementation of service voucher policies, as well as the transactions referred to above;*
- *the acquisition of any interest, by any means, in French or foreign companies or groups with a similar or related corporate purpose;*
- *public relations and communications management, seminar and conference organization as well as meetings, conventions, performances and events relating to the transactions described above;*
- *the financing and management of the short, medium or long-term cash flow of the companies that it controls or that are under common control with it and, in this regard, entering into any loans in France or abroad, in euros or otherwise, the granting of any loans and advances, in euros or otherwise, and the execution of any cash, placement and hedging transactions; and*
- *any commercial, industrial, financial, property or real estate transaction that may relate, directly or indirectly, to its corporate purpose and to all purposes that are similar or related and may expedite the execution of any such transaction.*

In order to achieve this purpose, New Services Holding may take any actions or conduct any transactions, regardless of their nature or size, including creating new companies, subscribing for or purchasing new securities or equity interests or conducting any acquisitions or mergers, if they contribute to or facilitate the activities described above, or if they directly or indirectly protect the commercial, industrial or financial interests of New Services Holding, its subsidiaries, or the companies with which it conducts business."

18,494 of the 18,500 shares comprising the share capital of New Services Holding S.A. are held by Accor S.A. as of the date of this report.

New Services Holding S.A. did not conduct business prior to December 31, 2009. Since January 1, 2010, New Services Holding S.A. has entered into cash management, hedging, placement and financing transactions as stated in paragraph II.5 of the Recitals of the contribution agreement. As of December 31, 2009, its shareholders' equity amounted to €25,000.

Links between the Companies

As of the date of this report, the share capital of New Services Holding S.A. is, as indicated above, held almost entirely by Accor S.A.

Furthermore, as of the date of this report, Mr Jacques STERN is both Deputy General Manager of Accor S.A. and Chairman of the Board of Directors and Chief Executive Officer of New Services Holding S.A.

Description of the transaction

The contribution of assets described in this report is part of a plan to separate the Accor Group's Hotel and Services Businesses in order to create a new autonomous group dedicated exclusively to the Services Business.

According to the contribution agreement executed on April 19, 2010:

"Each of these two business divisions, which are currently the leaders in their respective markets, have reached a critical size and earned an international reputation allowing them to act independently in changing markets.

With 4,100 hotels in 90 countries and 145,000 employees, the hotel operations division is a European market leader and global hotel manager, with a unique foundation in the midscale to economy segments.

Likewise, due to its presence in 40 countries with 33 million users, more than 6,000 employees and an issue volume of €12.4 billion in 2009, the Services Business is now the global leading provider of employee and public benefits, and a major provider of pre-paid services.

Today, it is clear that:

- *the hotel and services operations leverage specific skills and expertise, and operate in different business environments;*
- *backed by sufficient independent financial resources, the hotel and services operations will be better positioned in today's increasingly competitive global marketplace;*
- *separately, the two businesses, each with its own business model, will attract a larger number of investors.*

The purpose of the separation of the two business divisions is to allow the resulting entities to:

- *pursue two corporate missions, led by dedicated management teams, strengthening employee pride;*
- *become "pure players", listed separately without any capital ties, with targeted investors for each business, which will enhance each entity's visibility; and*
- *benefit from new opportunities for partnerships, strategic alliances and financial transactions in order to finance future growth, in particular through the ability to pay in shares."*

The transaction consists of:

- the contribution by Accor S.A. to New Services Holding of its complete and autonomous business division consisting of the following activities:
  - the provision of services, in particular through the issuance of vouchers for the benefit of employees and the general public, and
  - the provision of pre-paid services that enhance the performance of organizations (referred to collectively herein as the "Services Business"),

  in respect of which we have prepared this report, pursuant to our appointment as statutory appraisers by the Presiding Judge of the Commercial Court of Nanterre on March 1, 2010;
- followed by the distribution by Accor S.A. to its shareholders (other than Accor S.A. itself) of the shares of New Services Holding issued as consideration for the contribution which will also be admitted for trading on Euronext Paris. This distribution will be carried out on the basis of one New Services Holding S.A. share for each share of Accor S.A. granting rights to a distribution.

Description of the contribution

Pursuant to the terms of the contribution agreement executed on March 19, 2010, the contribution will include all of the assets and liabilities relating to the Accor Group's Services Business in their existing state on the date on which the final completion of the contribution of assets is recorded, which is expected to occur on June 29, 2010, provided that the contribution will not include the loans and advances (other than debit or credit commercial current cash accounts, dividends payable and any accrued interest relating thereto) extended by Accor S.A. to the Services Business entities or by the Services Business entities to Accor S.A., nor the ancillary hedging transactions, since these financings and transactions are expected to be unwound in connection with the Preliminary Transactions as defined in paragraph II.5 of the contribution agreement.

The contribution of assets will also include the intellectual property rights mentioned in article 1.1. of the contribution agreement executed on April 19, 2010.

Finally, the contributed net assets will include a claim of the beneficiary against the contributing company (or, as the case may be, a claim of the contributing company against the beneficiary) intended to take into account the difference between, on the one hand, the estimated value of the contributed net assets as of June 29, 2010 established in the contribution agreement executed on April 19, 2010, i.e., €1,099,185,385.63, and the final value of the contributed net assets on the other hand, such that the final value of the contribution will be equal to €1,099,185,385.63.

Valuation of the contribution

To the extent that the contribution of assets described in this report is a reorganization transaction within the Accor Group, and given that the transfer of New Services Holding S.A. shares described in paragraph 1.2. above constitutes a distribution and not a sale to an independent entity, the contribution was appraised at its net book value.

Based on the projected accounting position of the contributed business as of June 29, 2010, the value of the contribution, as estimated by the parties in the contribution agreement executed on April 19, 2010, amounts to €1,099,185,385.63 and can be broken down as follows:

(in euros)	Gross value	Amortization/ Depreciation	Net book value
Concessions, patents, similar rights	*12,824,341.29*	*12,553,581.59*	*270,759.70*
Other intangible assets	*164,303.34*	*0.00*	*164,303.34*
Intangible assets	12,988,644.63	12,553,581.59	435,063.04
Property, plant and equipment	*30,266.20*	*11,993.55*	*18,272.65*
Other tangible assets	*1,014,650.07*	*496,942.30*	*517,707.77*
Current assets	*406,006.34*	*0.00*	*406,006.34*
Tangible assets	1,450,922.61	508,935.85	941,986.76
Participating Interests – French Company 5% to 100%	*1,157,764,794.84*	*131,570,507.20*	*1,026,194,287.64*
Participating Interests – Foreign Company 5% to 100%	*105,180,586.18*	*34,598,604.09*	*70,581,982.09*
Related interest receivable	*1,128,032.71*	*0.00*	*1,128,032.71*
Dividends receivable	*24,050,940.84*	*12,606,924.32*	*11,444,016.52*
Other financial assets	*19,802.00*	*0.00*	*19,802.00*
Financial assets	1,288,144,156.57	178,776,035.61	1,109,368,120.96
TOTAL FIXED ASSETS	**1,302,583,723.81**	**191,838,553.05**	**1,110,745,170.76**
Trade receivables	*467,400.00*	*0.00*	*467,400.00*
Prepaid expenses	*182,781.17*	*0.00*	*182,781.17*
Current accounts	*54,342,790.38*	*49,596,790.38*	*4,746,000.00*
Various debtors	*1,082,539.69*	*1,028,458.00*	*54,081.69*
TOTAL CURRENT ASSETS	**56,075,511.24**	**50,625,248.38**	**5,450,262.86**
TOTAL OF THE CONTRIBUTED ASSETS	**1,358,659,235,05**	**242,463,801.43**	**1,116,195,433.62 (A)**
Provisions for risks			2,612,953.00
Provisions for expenses			8,931,386.00
Provisions for risks and expenses			11,544,339.00
Current accounts			167,000.00
Trade payables and related accounts			2,520,239.54
Tax and social security liabilities			2,778,469.45
Debts			5,465,708.99
TOTAL OF THE ASSUMED LIABILITIES			**17,010,047.99 (B)**
CONTRIBUTED NET ASSETS (A) – (B)			**1,099,185,385.63**

As a result of the mechanism provided for in article 2.4 of the contribution agreement, this amount will remain unchanged despite the fact that New Services Holding S.A. will assume the assets and liabilities relating to the contributed business at their net book value on the completion date of the contribution.

We note that the appreciation of the value of the contribution is presented in a separate report.

Consideration for the contribution

Given that Accor S.A. currently holds and intends to retain almost all of the shares of New Services Holding S.A. until June 29, 2010, the terms of the consideration for the contribution set forth in the contribution agreement executed on April 19, 2010 were established such that one New Services Holding S.A. share will be issued for every Accor S.A. share entitled to the distribution of shares of New Services Holding S.A. All of the shares issued by Accor S.A., with the exception of those held by Accor S.A. itself, will grant rights to this distribution.

According to the contribution agreement executed on April 19, 2010, the result is a contractual allocation of the amount of the capital increase and the contribution premium. The amount of the capital increase of New Services Holding that will be conducted in consideration for the contribution, the number of shares to be issued as consideration for the contribution and the amount of the contribution premium, will be determined as provided below.

Capital increase

As consideration for the contribution of assets contemplated in the contribution agreement, New Services Holding S.A. will issue a number of new shares to Accor S.A. corresponding to the number of Accor S.A. shares giving rights to the distribution of New Services Holding S.A. shares, as stated in paragraph 1.2 of this report.

Based on the information available on the execution date of the contribution agreement, the contributing company and the beneficiary estimated that 225,536,306, Accor S.A. shares would give rights to the distribution of New Services Holding S.A. shares, but they agreed that the final number would be determined after the suspension of the rights giving access to the share capital of Accor S.A.[(1)]

Given the issue of 342,590 shares recorded by the Board of Directors of Accor S.A. on May 11, 2010 following the exercises of the share subscription options, the Board of Directors of Accor S.A. and New Services Holding S.A. acknowledged, as provided in the contribution agreement, that 225,878,896 Accor S.A. shares will give rights to the distribution of New Services Holding S.A. shares[(2)].

Accordingly:

- New Services Holding S.A. will increase its capital by the nominal amount of €451,757,792, through the issuance of 225,878,896 new shares with a par value of €2 each;
- the share capital of New Services Holding S.A., which currently amounts to €37,000, will thus be increased by the nominal amount of €451,757,792 to €451,794,792, divided into 225,897,396 fully paid-up shares, all of the same class.

The new shares will be entirely fungible with the existing shares and will be subject to all of the provisions of the bylaws of New Services Holding S.A. They will grant rights to all of distributions after June 29, 2010 and will be admitted for trading on Euronext Paris as of the Ex-Date (as defined in article 6.3 of the contribution agreement).

Contribution premium

The difference between the amount of the net assets and the nominal amount of the share capital increase of the Beneficiary will be accounted for as the "contribution premium".

On the basis of a net asset value of €1,009,185,385.63, and assuming a share capital increase of €451,757,792, the contribution premium would amount to €647,427,593.63.

The contribution premium to which the existing and new shareholders of the Beneficiary will be entitled will be recorded as a liability on Beneficiary's balance sheet. It may be allocated as decided by the Beneficiary's Shareholders' Meeting, in accordance with applicable principles.

(1) I.e., the total number of shares issued by Accor S.A. (227,556,372) recorded on the execution date of the contribution agreement, minus the number of shares that are expected to be held by Accor S.A. itself as of June 29, 2010 (2,020,066).

(2) Assuming that the winding-up of Société d'Exploitation et d'Investissement Hôtelier – SEIH is completed by June 29, 2010.

Legal and tax aspects

Pursuant to the terms of the contribution agreement executed on April 19, 2010:

- from a legal standpoint:
  - the contributing company and the beneficiary have agreed that the contribution will be subject to the legal regime for spinoffs, in application of Article L. 236-22 of the French Commercial Code, and to waive any joint liability between them, particularly with regard to the liabilities of the contributing company, in accordance with the provisions of Article L. 236-21 of the French Commercial Code,
  - New Services Holding S.A. will be, as a result of the completion of the contribution of assets described in this report, substituted for Accor S.A. in all of its rights and obligations in respect of the contributed business;
- from a tax standpoint:
  - the contribution will be registered subject to the sole payment of a €500 fixed duty,
  - the contribution will be implemented under the standard tax regime *(régime de droit commun)* for corporate income tax purposes;
- the contribution of assets will be effective for both accounting and tax purposes as of June 29, 2010, following its approval by the General Meetings of Shareholders of the companies participating in the transaction;
- the contribution of assets is subject to the satisfaction of the conditions precedent presented in article 8 of the contribution agreement executed on April 19, 2010, which are summarized below:
  - the final completion of the Preliminary Transactions, as defined in the contribution agreement,
  - obtaining a ruling from the early decisions division of the Belgian tax administration confirming the tax treatment of the contribution of the interest held by Accor Hotels Belgium in the share capital of Accor Participacoes described in the request for a ruling submitted by Accor Hotels Belgium,
  - the approval of the Combined General Meeting of Shareholders of Accor S.A. (ruling on an extraordinary basis) of the contribution agreement, including the distribution by the company to its shareholders (other than Accor S.A. itself) of the New Services Holding shares issued as consideration for the contribution,
  - the approval of the Combined General Meeting of Shareholders of Accor S.A. (ruling on an extraordinary basis) of the contribution agreement, including the capital increase to finance the contribution,
  - the execution of a term loan agreement in a principal amount of €900,000,000 between the New Services Holding S.A. as borrower and a group of lending banks and the delivery to the New Services Holding S.A. of the amount it draws down in application of such agreement no later than the day before the date of the Combined General Meeting of Shareholders of Accor S.A. called to approve the contribution agreement in order to reimburse the current account granted by Accor S.A. that is excluded from the contribution of assets,
  - the execution of a term loan agreement in a principal amount of €600,000,000 between the New Services Holding S.A. as borrower and a group of lending banks, and the delivery to the New Services Holding S.A. of the amount it draws down in application of such agreement no later than the day before the date of the Combined General Meeting of Shareholders of Accor S.A. called to approve the contribution agreement in order to reimburse the current cash account granted by Accor S.A. that is excluded from the contribution of assets,
  - the receipt of a visa of the *Autorité des marchés financiers* on the prospectus prepared in application of the General Regulations of the *Autorité des marchés financiers* in connection with the admission of the New Services Holding shares for trading on Euronext Paris, and
  - the decision authorizing the admission of the New Services Holding shares for trading on Euronext Paris.

If any of these conditions is not met by June 29, 2010 at the latest, the contribution agreement will be null and void, without any indemnity obligation binding upon either party, unless Accor S.A. and New Services Holding S.A. have waived their right to raise the benefit of any unfulfilled condition(s) precedent.

VERIFICATION OF THE APPROPRIATENESS OF THE VALUATION OF THE CONTRIBUTION AND SHARES OF THE BENEFICIARY

Presentation of valuation

As indicated in paragraph 1.5. of this report, given that Accor S.A. currently holds and intends to retain almost all of the shares of New Services Holding S.A. until June 29, 2010, the terms of the consideration were established such that one New Services Holding S.A. share will be issued for every Accor S.A. share entitled to the distribution of shares of New Services Holding S.A.

Based on the information available on the execution date of the contribution agreement, the consideration was estimated to amount to 225,536,306 shares of New Services Holding S.A., taking into account the estimate set forth in the contribution agreement of the number of shares issued by Accor S.A. granting rights to the distribution of shares of the beneficiary.

Given the issue of 342,590 shares recorded by the Board of Directors of Accor S.A. on May 11, 2010 following the exercise of the share subscription options, 225,878,896 Accor S.A. shares will grant rights to the distribution of New Services Holding S.A. shares, as acknowledged by the Board of Directors of Accor S.A. and New Services Holding S.A. on May 11, 2010.

Examination performed

We performed the work that we considered to be necessary pursuant to the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Auditors) applicable to this engagement, requiring us to:

- verify that the relative values attributed to the contributed business division and the shares of the beneficiary are appropriate; and
- analyze the relationship of the proposed payment compared to the relative values that are judged appropriate.

In particular, we performed the following tasks:

1. we held discussions with the managers of the companies involved in this transaction in order to both understand the proposed transaction and the context in which it will take place, and analyze the applicable accounting, legal and tax terms;
2. we have reviewed the contribution agreement executed on April 19, 2010;
3. we have reviewed the draft of the prospectus describing the transaction prepared in view of the admission of the New Services Holding S.A. shares for trading on Euronext Paris, as well as the draft of the update to the 2009 annual report *(Document de Référence)* of Accor S.A.;
4. we have reviewed the general report of the Statutory Auditors of Accor S.A. relating to the annual financial statements established as at December 31, 2009 and have verified that these financial statements have been certified without reservation;
5. we have, as part of the separation performed by Accor S.A., examined the terms of the allocation to the contributed business of the contributed assets and assumed liabilities;
6. we have analyzed the methods used to determined the projected financial position of the contributed business as of June 29, 2010;
7. we have reviewed the results of the contributed business considered as a whole as of March 31, 2010, as well as its 2010 budget and business plan;
8. we have analyzed the approaches of the economic value of the contributed business applied by Accor S.A. and its advisors; based on these elements, we have performed alternative evaluations by varying the main parameters adopted;
9. we have asked the managers of the contributing company and the beneficiary to confirm the exhaustiveness of the information that we have received relating to this contribution, as well as the absence of significant events that are likely to affect the fairness of consideration offered for the contribution;
10. we also relied on the work that we have performed within the framework of our engagement as statutory appraisers responsible for assessing the proposed value of the contribution.

The purpose of our engagement is to inform the shareholders of Accor S.A. and New Services Holding S.A. concerning the relative values adopted in order to determine the consideration to be offered for the contribution and to assess the fairness thereof. It should not be viewed as a "due diligence" engagement carried out by a lender or a purchaser, and does not include all of the work that must be performed for this type of exercise. Our report may not be used for this purpose.

Moreover, the transaction that is submitted for your approval is part of reorganization in respect of which you have been asked to make a decision, and we are not offering any financial, tax, legal, or accounting advice of any nature whatsoever with respect thereto.

Verification of the valuation

As indicated in paragraph 2.1. of this report, the consideration established in the contribution agreement is a contractual payment agreed upon by the parties, in respect of which no relative value of the contributed business division and New Services Holding S.A. has been determined.

ASSESSMENT OF THE FAIRNESS OF THE CONSIDERATION

The determination of the amount of the consideration offered for the contribution results in theory from an appraisal using different criteria to represent the respective weight of the contibuted business, on the one hand, and New Services Holding S.A. on the other.

In this case, to the extent that Accor S.A. holds and intends to retain almost all of the shares of New Services Holding S.A. until the completion date of the contribution, and given that forecasted variation in New Services Holding S.A.'s shareholders' equity as of June 29, 2010, as presented to us, is not significant in light of the the contribution transaction, the consideration for the contribution was established on contractual basis.

Within the context of the transaction considered as a whole, i.e., a contribution followed by the distribution of shares of the beneficiary, these consideration terms are intended to allow each holder of one Accor S.A. share (other than Accor S.A. itself) to become, after the transaction, the holder of one Accor S.A. share and one New Services Holding S.A. share.

It should be emphasized that, in this particular case, Accor S.A. holds almost all of the shares of New Services Holding S.A.: any modification of the consideration offered for the contribution will have no impact on Accor S.A.'s ownership interest in New Holding Services S.A. following the transaction described in this report.

Given the terms of the transaction, we believe that the principle of determining the consideration for the contribution contractually does not compromise the interests of the shareholders, and is therefore fair.

This contractual consideration is intended to ensure, in connection with the subsequent distribution, that the holders (other than Accor S.A. itself) of Accor S.A. shares that are outstanding on the Ex-Date, will receive all of the shares issued by New Services Holding S.A. as consideration for the contribution at the rate of one New Services Holding S.A. share distributed for one Accor S.A. share entitled to a distribution.

Based on the information available on the execution date of the contribution agreement, i.e., the number of shares issued by Accor S.A. (227,556,372), minus the number of shares that it is expected to hold as of the completion date of the transaction (2,020,066), the contributing company and the beneficiary have estimated that New Services Holding S.A. will issue 225,536,306 shares as consideration for the contribution. The parties have agreed that the final number will be recorded later, after the suspension of the rights giving access to the share capital of Accor S.A.

Given the issuance of 342,590 shares recorded by the Board of Directors of Accor S.A. on May 11, 2010 following the exercise of the share subscription options, New Services Holding S.A. will issues 225,878,896 shares as consideration for the contribution of assets[1], as recorded by the Board of Directors of Accor S.A. and New Services Holding S.A. on May 11, 2010 in accordance with the principles set forth in the contribution agreement.

(1) Assuming that the winding-up without liquidation of Société d'Exploitation et d'Investissement Hôtelier *– SEIH will be completed prior to June 29, 2010.*

CONCLUSION

In conclusion of our work, we are of the opinion that the consideration offered for the contribution, involving the issue of one New Services Holding S.A. share for one Accor S.A. share entitled to the subsequent distibution of New Services Holding S.A. shares, is fair. Based on the information available on the date of this report, the contributing company and the beneficiary have acknowledged that New Services Holding S.A. will issue 225,878,896 as consideration for the contribution.

Done in Paris, May 11, 2010

The statutory appraisers

Jean-Jacques DEDOUIT **Alain ABERGEL**

Appendix B:
Contribution by Accor S.A. of the assets of the "Services Business" division to New Services Holding S.A.

Report of the statutory appraisers on the value of the contribution

Ladies and Gentlemen:

In execution of our engagement by order of the Presiding Judge of the Commercial Court of Nanterre dated March 1, 2010 in connection with the contribution of assets that is to be made by Accor S.A. to New Services Holding S.A., we have prepared this report pursuant to Article L.225-147 of the French Commercial Code. Our assessment of the fairness of the consideration offered for the contribution of assets is presented in a separate report.

The contributed net assets were established in the contribution agreement executed by the representatives of the concerned companies on April 19, 2010. We have been asked to express an opinion as to whether the value of the contribution is excessive. To this end, we performed our work in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Auditors) applicable to this engagement. These standards require us to apply procedures designed to assess the value of the contribution, to ensure that they have not been overvalued, and to verify that their value is at least equal to the par value of the shares to be issued by the company to which the assets will increased, plus the contribution premium.

Our report is organized as follows:

PRESENTATION OF THE TRANSACTION AND DESCRIPTION OF THE CONTRIBUTION

Presentation of the companies participating in the transaction

Contributing company

Accor S.A. (also referred to herein as **"the contributing company"**) is a French *société anonyme* with share capital of €683,696,886[1], divided into 227,898,962[1] fully paid-up shares with a par value of €3 each.

Its registered office is located at 2, rue de la Mare-Neuve, 91000 Évry. It is registered with the Registry of Commerce and Companies of Évry under number 602 036 444.

The corporate purpose of Accor, *"either on its own behalf or on behalf of or in collaboration with third parties, is:*

- *the ownership, financing and management, directly, indirectly, or under specified mandates, of hotels, restaurants, bars of any nature or category and, more generally, any establishment related to lodging, food, tourism, leisure, and services;*
- *the economic, financial, and technical review of projects and, generally, all services related to the development, organization and management of the above-mentioned establishments, including all actions related to their construction or the provision of any related consulting services;*
- *the review and provision of services intended to facilitate the supply of meals to employees in companies, institutions and other organizations;*
- *the creation of any new company and the acquisition of interests by any method in any company operating in any business;*
- *all civil, commercial, industrial and financial transactions, involving both securities and property, related to the purposes of the Company and all similar or related purposes in France and other countries."*

(1) *I.e., following the capital increase of €5,956,428 through the issue of 1,985,428 shares approved by the Board of Directors on April 19, 2010 upon the delegation of the Shareholders' General Meeting of May 13, 2009, which is mentioned in paragraph I.2. of the Recitals to the contribution agreement dated April 19, 2010; the recording by the Chief Executive Officer on March 29, 2010 and April 19, 2010 of the capital increase of €338,235 through the issue of 112,745 shares following the exercise of the share subscription options and the distribution of free shares; and the recording by the Board of Directors on May 11, 2010 of the capital increase of €1,027,770 through the issue of 342,590 shares following the exercise of the share subscription options.*

The Accor S.A. shares are listed on Eurolist by NYSE-Euronext Paris under the ISIN code FR0000120404.

Accor S.A. is the parent company of the Accor Group, which operates in the hotel and pre-paid services sectors in nearly 100 countries. As of December 31, 2009, its consolidated revenue and the consolidated shareholders' equity (Group's share) amounted to €7.065 billion and €2.997 billion, respectively.

Beneficiary

New Services Holding S.A., (also referred to herein as **"the beneficiary"**) is a French *société anonyme* with share capital of €37,000 divided into 18,500 fully paid-up shares with a par value of €2 each.

Its registered office is located at 166-180, boulevard Gabriel-Péri, 92240 Malakoff. It is registered with the Registry of Commerce and Companies of Nanterre under number 493 322 978.

The corporate purpose of New Services Holding S.A. "*both in France and abroad, on its own behalf or on behalf of third parties, is:*

- *the development, implementation, promotion, marketing, and management of service vouchers (titres de service) in any format, whether physical or not, and, more generally, any service relating to employee and public benefits, rewards and loyalty, and expense management;*
- *advising, creating, promoting and operating the information systems required for the development and implementation of the service vouchers and transactions referred to above, along with the management of financial transactions relating thereto;*
- *the provision of consulting services, analysis and expertise to evaluate the administrative, technical, and financial means required for the development and implementation of service voucher policies, as well as the transactions referred to above;*
- *the acquisition of any interest, by any means, in French or foreign companies or groups with a similar or related corporate purpose;*
- *public relations and communications management, seminar and conference organization as well as meetings, conventions, performances and events relating to the transactions described above;*
- *the financing and management of the short, medium or long-term cash flow of the companies that it controls or that are under common control with it and, in this regard, entering into any loans in France or abroad, in euros or otherwise, the granting of any loans and advances, in euros or otherwise, and the execution of any cash, placement and hedging transactions; and*
- *any commercial, industrial, financial, property or real estate transaction that may relate, directly or indirectly, to its corporate purpose and to all purposes that are similar or related and may expedite the execution of any such transaction*.

In order to achieve this purpose, New Services Holding may take any actions or conduct any transactions, regardless of their nature or size, including creating new companies, subscribing for or purchasing new securities or equity interests or conducting any acquisitions or mergers, if they contribute to or facilitate the activities described above, or if they directly or indirectly protect the commercial, industrial or financial interests of New Services Holding, its subsidiaries, or the companies with which it conducts business."

18,494 of the 18,500 shares comprising the share capital of New Services Holding S.A. are held by Accor S.A. as of the date of this report.

New Services Holding S.A. did not conduct business prior to December 31, 2009. Since January 1, 2010, New Services Holding S.A. has entered into cash management, hedging, placement and financing transactions as stated in paragraph II.5 of the Recitals of the contribution agreement. As of December 31, 2009, its shareholders' equity amounted to €25,000.

Links between the Companies

As of the date of this report, the share capital of New Services Holding S.A. is, as indicated above, held almost entirely by Accor S.A.

Furthermore, as of the date of this report, Mr Jacques STERN is both Deputy General Manager of Accor S.A. and Chairman of the Board of Directors and Chief Executive Officer of New Services Holding S.A.

Description of the transaction

The contribution of assets described in this report is part of a plan to separate the Accor Group's Hotel and Services Businesses in order to create a new autonomous group dedicated exclusively to the Services Business.

According to the contribution agreement executed on April 19, 2010:

"Each of these two business divisions, which are currently the leaders in their respective markets, have reached a critical size and earned an international reputation allowing them to act independently in changing markets.

With 4,100 hotels in 90 countries and 145,000 employees, the hotel operations division is a European market leader and global hotel manager, with a unique foundation in the midscale to economy segments.

Likewise, due to its presence in 40 countries with 33 million users, more than 6,000 employees and an issue volume of €12.4 billion in 2009, the Services Business is now the global leading provider of employee and public benefits, and a major provider of pre-paid services.

Today, it is clear that:

- *the hotel and services operations leverage specific skills and expertise, and operate in different business environments;*
- *backed by sufficient independent financial resources, the hotel and services operations will be better positioned in today's increasingly competitive global marketplace;*
- *separately, the two businesses, each with its own business model, will attract a larger number of investors.*

The purpose of the separation of the two business divisions is to allow the resulting entities to:

- *pursue two corporate missions, led by dedicated management teams, strengthening employee pride;*
- *become "pure players", listed separately without any capital ties, with targeted investors for each business, which will enhance each entity's visibility; and*
- *benefit from new opportunities for partnerships, strategic alliances and financial transactions in order to finance future growth, in particular through the ability to pay in shares."*

The transaction consists of:

- the contribution by Accor S.A. to New Services Holding of its complete and autonomous business division consisting of the following activities:

— the provision of services, in particular through the issuance of vouchers for the benefit of employees and the general public, and

— the provision of pre-paid services that enhance the performance of organizations (referred to collectively herein as the "Services Business"),

in respect of which we have prepared this report, pursuant to our appointment as statutory appraisers by the Presiding Judge of the Commercial Court of Nanterre on March 1, 2010;

- followed by the distribution by Accor S.A. to its shareholders (other than Accor S.A. itself) of the shares of New Services Holding issued as consideration for the contribution which will also be admitted for trading on Euronext Paris. This distribution will be carried out on the basis of one New Services Holding S.A. share for each share of Accor S.A. granting rights to a distribution.

Description of the contribution

Pursuant to the terms of the contribution agreement executed on March 19, 2010, the contribution will include all of the assets and liabilities relating to the Accor Group's Services Business in their existing state on the date on which the final completion of the contribution of assets is recorded, which is expected to occur on June 29, 2010, provided that the contribution will not include the loans and advances (other than debit or credit commercial current cash accounts, dividends payable and any accrued interest relating thereto) extended by Accor S.A. to the Services Business entities or by the Services Business entities to Accor S.A., nor the ancillary hedging transactions, since these financings and transactions are expected to be unwound in connection with the Preliminary Transactions as defined in paragraph II.5 of the contribution agreement.

The contribution of assets will also include the intellectual property rights mentioned in article 1.1. of the contribution agreement executed on April 19, 2010.

Finally, the contributed net assets will include a claim of the beneficiary against the contributing company (or, as the case may be, a claim of the contributing company against the beneficiary) intended to take into account the difference between, on the one hand, the estimated value of the contributed net assets as of June 29, 2010 established in the contribution agreement executed on April 19, 2010, i.e., €1,099,185,385.63, and the final value of the contributed net assets on the other hand, such that the final value of the contribution will be equal to €1,099,185,385.63.

Valuation of the contribution

To the extent that the contribution of assets described in this report is a reorganization transaction within the Accor Group, and given that the transfer of New Services Holding S.A. shares described in paragraph 1.2. above constitutes a distribution and not a sale to an independent entity, the contribution was appraised at its net book value.

Based on the projected accounting position of the contributed business as of June 29, 2010, the value of the contribution, as estimated by the parties in the contribution agreement executed on April 19, 2010, amounts to €1,099,185,385.63 and can be broken down as follows:

(in euros)	Gross value	Amortization/ Depreciation	Net book value
Concessions, patents, similar rights	*12,824,341.29*	*12,553,581.59*	*270,759.70*
Other intangible assets	*164,303.34*	*0.00*	*164,303.34*
Intangible assets	12,988,644.63	12,553,581.59	435,063.04
Property, plant and equipment	*30,266.20*	*11,993.55*	*18,272.65*
Other tangible assets	*1,014,650.07*	*496,942.30*	*517,707.77*
Current assets	*406,006.34*	*0.00*	*406,006.34*
Tangible assets	1,450,922.61	508,935.85	941,986.76
Participating Interests – French Company 5% to 100%	*1,157,764,794.84*	*131,570,507.20*	*1,026,194,287.64*
Participating Interests – Foreign Company 5% to 100%	*105,180,586.18*	*34,598,604.09*	*70,581,982.09*
Related interest receivable	*1,128,032.71*	*0.00*	*1,128,032.71*
Dividends receivable	*24,050,940.84*	*12,606,924.32*	*11,444,016.52*
Other financial assets	*19,802.00*	*0.00*	*19,802.00*
Financial assets	1,288,144,156.57	178,776,035.61	1,109,368,120.96
TOTAL FIXED ASSETS	**1,302,583,723.81**	**191,838,553.05**	**1,110,745,170.76**
Trade receivables	*467,400.00*	*0.00*	*467,400.00*
Prepaid expenses	*182,781.17*	*0.00*	*182,781.17*
Current accounts	*54,342,790.38*	*49,596,790.38*	*4,746,000.00*
Various debtors	*1,082,539.69*	*1,028,458.00*	*54,081.69*
TOTAL CURRENT ASSETS	**56,075,511.24**	**50,625,248.38**	**5,450,262.86**
TOTAL OF THE CONTRIBUTED ASSETS	**1,358,659,235,05**	**242,463,801.43**	**1,116,195,433.62 (A)**
Provisions for risks			*2,612,953.00*
Provisions for expenses			*8,931,386.00*
Provisions for risks and expenses			11,544,339.00
Current accounts			*167,000.00*
Trade payables and related accounts			*2,520,239.54*
Tax and social security liabilities			*2,778,469.45*
Debts			5,465,708.99
TOTAL OF THE ASSUMED LIABILITIES			**17,010,047.99 (B)**
CONTRIBUTED NET ASSETS (A) – (B)			**1,099,185,385.63**

As a result of the mechanism provided for in article 2.4 of the contribution agreement, this amount will remain unchanged despite the fact that New Services Holding S.A. will assume the assets and liabilities relating to the contributed business at their net book value on the completion date of the contribution.

Consideration for the contribution

As consideration for the contribution of assets contemplated in the contribution agreement, New Services Holding S.A. will issue a number of new shares to Accor S.A. corresponding to the number of Accor S.A. shares giving rights to the distribution of New Services Holding S.A. shares, as stated in paragraph 1.2 of this report.

Based on the information available on the execution date of the contribution agreement, the contributing company and the beneficiary estimated that 225,536,306, Accor S.A. shares would give rights to the distribution of New Services Holding S.A. shares, but they agreed that the final number would be determined after the suspension of the rights giving access to the share capital of Accor S.A.

Given the issue of 342,590 shares recorded by the Board of Directors of Accor S.A. on May 11, 2010 following the exercises of the share subscription options, the Board of Directors of Accor S.A. and New Services Holding S.A. acknowledged that 225,878,896 Accor S.A. shares will give rights to the distribution of New Services Holding S.A. shares(1).

We note that our assessment of the fairness of the consideration offered for the contribution is presented in a separate report.

Legal and tax aspects

Pursuant to the terms of the contribution agreement executed on April 19, 2010:

- from a legal standpoint:

— the contributing company and the beneficiary have agreed that the contribution will be subject to the legal regime for spinoffs, in application of Article L.236-22 of the French Commercial Code, and to waive any joint liability between them, particularly with regard to the liabilities of the contributing company, in accordance with the provisions of Article L.236-21 of the French Commercial Code,

— New Services Holding S.A. will be, as a result of the completion of the contribution of assets described in this report, substituted for Accor S.A. in all of its rights and obligations in respect of the contributed business;

- from a tax standpoint:

— the contribution will be registered subject to the sole payment of a €500 fixed duty,

— the contribution will be implemented under the standard tax regime *(régime de droit commun)* for corporate income tax purposes;

- the contribution of assets will be effective for both accounting and tax purposes as of June 29, 2010, following its approval by the General Meetings of Shareholders of the companies participating in the transaction;
- the contribution of assets is subject to the satisfaction of the conditions precedent presented in article 8 of the contribution agreement executed on April 19, 2010, which are summarized below:

— the final completion of the Preliminary Transactions, as defined in the contribution agreement,

— obtaining a ruling from the early decisions division of the Belgian tax administration confirming the tax treatment of the contribution of the interest held by Accor Hotels Belgium in the share capital of Accor Participacoes described in the request for a ruling submitted by Accor Hotels Belgium,

— the approval of the Combined General Meeting of Shareholders of Accor S.A. (ruling on an extraordinary basis) of the contribution agreement, including the distribution by the company to its shareholders (other than Accor S.A. itself) of the New Services Holding shares issued as consideration for the contribution,

— the approval of the Combined General Meeting of Shareholders of Accor S.A. (ruling on an extraordinary basis) of the contribution agreement, including the capital increase to finance the contribution,

— the execution of a term loan agreement in a principal amount of €900,000,000 between the New Services Holding S.A. as borrower and a group of lending banks and the delivery to the New Services Holding S.A. of the amount it draws down in application of such agreement no later than the day before the date of the Combined General Meeting of Shareholders of Accor S.A. called to approve the contribution agreement in order to reimburse the current account granted by Accor S.A. that is excluded from the contribution of assets,

— the execution of a term loan agreement in a principal amount of €600,000,000 between the New Services Holding S.A. as borrower and a group of lending banks, and the delivery to the New Services Holding S.A. of the amount it draws down in application of such agreement no later than the day before the date of the Combined General Meeting of Shareholders of Accor S.A. called to approve the contribution agreement in order to reimburse the current cash account granted by Accor S.A. that is excluded from the contribution of assets,

— the receipt of a visa of the *Autorité des marchés financiers* on the prospectus prepared in application of the General Regulations of the *Autorité des marchés financiers* in connection with the admission of the New Services Holding shares for trading on Euronext Paris; and

— the decision authorizing the admission of the New Services Holding shares for trading on Euronext Paris.

(1) Assuming that the winding-up of Société d'Exploitation et d'Investissement Hôtelier – SEIH is completed by June 29, 2010.

If any of these conditions is not met by June 29, 2010 at the latest, the contribution agreement will be null and void, without any indemnity obligation binding upon either party, unless Accor S.A. and New Services Holding S.A. have waived their right to raise the benefit of any unfulfilled condition(s) precedent.

WORK PERFORMED AND ASSESSMENT OF THE VALUE OF THE CONTRIBUTED ASSETS

Examination performed

We performed the work that we considered to be necessary pursuant to the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Auditors) applicable to this engagement, requiring us to:

- confirm the existence of the contributed assets and evaluate the impact of elements that could call their value into question;
- evaluate the methods used to determine the value of the contribution;
- verify that the economic value of the contribution, considered as a whole, is at least equal to the value proposed in the contribution agreement.

In particular, we performed the following tasks:

1. we held discussions with the managers of the companies involved in this transaction in order to both understand the proposed transaction and the context in which it will take place, and analyze the applicable accounting, legal and tax terms;
2. we have reviewed the contribution agreement executed on April 19, 2010;
3. we have reviewed the draft of the prospectus describing the transaction prepared in view of the admission of the New Services Holding S.A. shares for trading on Euronext Paris, as well as the draft of the update to the 2009 annual report (Document de Référence) of Accor S.A.;
4. we have verified that the principles used to value the contribution conform to the book value in light of the provisions of Regulation 2004-01 of the Comité de la Réglementation Comptable;
5. we have reviewed the general report of the Statutory Auditors of Accor S.A. relating to the annual financial statements established as at December 31, 2009 and have verified that these financial statements have been certified without reservation;
6. we have, as part of the separation performed by Accor S.A., examined the terms of the allocation to the contributed business of the contributed assets and assumed liabilities;
7. we have analyzed (provided, however, that our works do not constitute an audit or a limited examination), the methods used to determined the projected financial position of the contributed business as of June 29, 2010:
   a. we have reviewed the financial position of the contributed assets and assumed liabilities set forth in the financial statements of Accor S.A. as at December 31, 2009,
   b. we have analyzed the accounting principles of Accor S.A., relating to the contributed assets and assumed liabilities in respect of the first quarter of 2010,
   c. we have reviewed the forecasted variations in the net book value of the contributed assets and assumed liabilities between April 1, 2010 and June 29, 2010,
   d. we have examined, in particular, the effets of the Preliminary Transactions, as defined in the contribution agreement executed on April 19, 2010, on the projected accounting position of the contributed business as of June 29, 2010;

8. in particular, we have analyzed the methods used to determine the net book values of the contributed equity interests *(titres de participation):*

- **a.** we have confirmed the ownership by the contributing company of the contributed equity interests,
- **b.** we have held discussions with the internal audit departments of Accor S.A. in order to understand the method by which the Accor Group predicts the financial and operational risks relating to its subsidiaries,
- **c.** we have reviewed the financial statements for 2008 and 2009 of the companies in respect of whose equity interests will be contributed, as well as those of their direct or indirect subsidiaries, the opinions of the legal auditors relating thereto, as well as their budgets for the 2010 fiscal year and results for the first quarter of 2010,
- **d.** we have analyzed the methods used by the Accor Group to evaluate asset impairment for purposes of preparing the consolidated and unconsolidated financial statements,
- **e.** we have reviewed the depreciation tests used by the Accor Group and the reflection in Accor S.A.'s financial statements of the impact of these tests on the net book value of the contributed equity interests; we have carried out sensitivity analyses on these tests by varying the main parameters adopted,
- **f.** we have performed alternative valuations of the contributed equity interests;

9. we have reviewed the results of the contributed business considered as a whole as of March 31, 2010, as well as its 2010 budget and business plan;

10. we have analyzed the approaches of the economic value of the contributed business applied by Accor S.A. and its advisors; based on these elements, we have performed alternative evaluations by varying the main parameters adopted;

11. we have reviewed the appraisals, prepared by outside accounting firms, of the intellectual property rights associated with the contributed business;

12. we have asked the managers of the contributing company and the beneficiary to confirm the exhaustiveness of the information that we have received relating to this contribution, as well as the absence of significant events that are likely to affect the value of the contribution;

13. we also relied on the work that we have performed within the framework of our engagement as statutory appraisers responsible for assessing the fairness of the consideration offered for the contribution.

The purpose of our engagement is to inform the shareholders of New Services Holding S.A. with respect to the adopted value of the contribution, in order to verify that the global value of the contribution is not excessive and that it corresponds to at least the par value of the shares to be issued by the beneficiary of the contribution, plus the contribution premium. It should not be viewed as a "due diligence" engagement carried out by a lender or a purchaser, and does not include all of the work that must be performed for this type of exercise.

Moreover, the transaction that is submitted for your approval is part of reorganization in respect of which you have been asked to make a decision, and we are not offering any financial, tax, legal, or accounting advice of any nature whatsoever with respect thereto.

Appreciation of the value of the contributions

Individual values of the contributions

Principle of the valuation method

Pursuant to the terms of the contribution agreement executed on April 19, 2010, and provided that:

- the contribution of assets described in this report is a transaction that will be conducted within the Accor Group;
- the transfer of the shares of New Holding Services S.A. to the shareholders of Accor S.A. will be made through a distribution and not through a sale,

the contributing company and the beneficiary have assessed the contributed assets and assumed liabilities at their net book value, in light of the provisions of Regulation 2004-01 of the *Comité de la Réglementation Comptable*.

Given that, immediately following the distribution, New Services Holding S.A. will have substantially the same ownership structure as that of Accor S.A. (excluding treasury shares), the valuation method of the contribution of assets based on the net book value of the contributed assets and assumed liabilities does not call for any comment on our part.

Separation

The Accor Group has historically conducted a specific audit of the results and the assets and liabilities attached to the contributed business, for purposes of its financial statements.

We have reviewed these principles and verified their application. Accordingly, the separation of the contributed assets and assumed liabilities attributable to the contributed company appears to us to be satisfactory and does not call for any further comment on our part.

Individual values

Generally speaking, we note that, given that the contribution of assets will be carried out on the basis of the assets and liabilities of the contributed business, in their existing state on the date of the completion of the transaction, i.e., June 29, 2010, the net book value of the assets and liabilities as of this date was estimated by the contributing company and the beneficiary. This estimated value, which amounts to €1,099,185,385.63, is set forth in the contribution agreement dated April 19, 2010. In principle, the final net book value of these items as at June 29, 2010 is likely to differ from the estimated value set forth in the contribution agreement. In order to take this potential difference into account, the contribution includes a claim of the beneficiary against the contributing company (or, as the case may be, a claim of the contributing company against the beneficiary) intended to ensure that the contributed net assets on the completion date, taking into account this claim as an asset or liability and the amount of which will be determined in accordance with the procedure set forth in article 2.4 of the contribution agreement, will be, in any event, equal to the amount of the net assets adopted in the contribution agreement, i.e., €1,099,185,385.63.

With respect to the equity interests, based on the work that we have done, which is described in paragraph 2.1. of this report, their contribution value elicits the following comments:

- as a general matter, according to the consolidated financial statements of Accor S.A., we have noted that the contributed business achieved gross operating margin in excess of 40% in 2008 and 2009[(1)];
- to the extent that the contribution of assets is carried out at net book value, the value of the contributed equity interests is, on the whole, a function of their economic value based on the estimated future profits of the companies whose securities are contributed and, as the case may be, of their direct or indirect subsidiaries;
- this comment is all the more pertinent for those companies that were formed, rather than purchased, by Accor S.A., whoses profits are not, in application of prudent accounting principles, reflected in the net book value;
- in contrast, the value of the contributed equity interests of the companies purchased by the Accor Group depends on such companies' ability to implement the business plan on the basis of which the aquisition price was determined or, if applicable, the business plan underlying the the depreciation recorded in the books of Accor S.A.; in particular, the value of the contributed equity interest in ACCENTIV'KADEOS, acquired by the Accor Group in 2007, depends on whether this company will implement the business plan justifying the depreciation of its securities by €104.6 million (i.e., almost half of the purchase price), recorded in the financial statements of Accor S.A. as at December 31, 2009.

With regard to the other contributed assets and liabilities, based on the work that we have done, as described in paragraph 2.1. of this report, their net book value does not call for any comment on our part.

Value of the contributions considered as a whole

We verified that the overall value of the contribution was not called into question by the economic value of the contributed business.

Our analysis of the approach to the economic value of the contributed company applied by Accor S.A. and its advisors and the sensitivity analyses that we performed do not call into question the value of the contribution. We note, in particular, that the value of the contribution, i.e., €1,099,185 thousand, represents approximately three times the EBITDA generated by the contributed business in the 2009 fiscal year. This number, which is relatively conservative for company valuations, suggests that the value of the contributions has not been overstated.

(1) Gross operating margin corresponds to the ratio of gross operating profit (which corresponds in turn to operating income before amortization, depreciation and provisions) and revenue.

We also note that:

- pursuant to article 2.4. of the contribution agreement, the value of the contribution is subject to an adjustment mechanism intended, once the net book value of the contributions is finalized on June 29, 2010, to supplement the contributed net assets with a claim intended to bring the value of these net assets to the level set forth in the contribution agreement dated April 19, 2010;
- the contributed assets include the intellectual property rights mentioned in article 1.1. of the contribution agreement executed on April 19, 2010; the contribution value of these items, equal to their net book value, amounting to €52 thousand; the reports relating to the estimates of the actual value of these intellectual property rights, which we have reviewed, are consistent with this net book value.

These items confirm the value of the contributions presented in the contribution agreement executed on April 19, 2010.

Nevertheless, the following items should be noted:

- the value of the contributions, which relies on the net book value of the contributed assets and the assumed liabilities, and hence, in particular, on the depreciation rate of the recorded equity interests; and
- the method used to determine the economic value of the contributed business applied by Accor S.A.;
- depend in particular on the assumptions formulated by management in the business forecasts underlying these depreciations and methods used to determine the economic value of the contributed business. With respect to the forecasts, which are by nature uncertain, actual results may differ, sometimes significantly, from the forecasted information which has been adopted. This comment is particularly significant in light of the current economic crisis. If this crisis persists for a long period of time and changes the parameters of the market, this context could be significantly affected; such a hypothetical situation cannot be assessed.

Based on our work, the value of the contributions considered as a whole do not call for any comment on our part.

CONCLUSION

In conclusion of our work, we are of the opinion that the value of the contributions, i.e., €1,099,185,385.63 is not excessive and that therefore, the contributed net assets are at least equal to the amount of the capital increase of the company receiving the contribution of assets, increased by the contribution premium.

Done in Paris, May 11, 2010

The statutory appraisers

Jean-Jacques DEDOUIT **Alain ABERGEL**

Printed in France by a printer certified to Imprim'Vert standards on recyclable, elementary chlorine-free, PEFC-certified paper made from pulp originating in forests that are sustainably managed in ways that are environmental, socially beneficial and economically viable.

Designed & published by Labrador +33 (0)1 53 06 30 80

accor.com
accorhotels.com
accorservices.com